

COUNCIL AGENDA

Supplementary Item

24 June 2020

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

city@busselton.wa.gov.au

CITY OF BUSSELTON

SUPPLEMENTARY ITEMS FOR THE COUNCIL MEETING TO BE HELD ON 24 JUNE 2020

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15. COMMUNITY AND COMMERCIAL SERVICES REPORT

15.1 PROGRESSION OF THE BUSSELTON ENTERTAINMENT ARTS AND CREATIVE HUB

STRATEGIC GOAL 1. COMMUNITY: Welcoming, friendly, healthy

STRATEGIC OBJECTIVE 1.3 A community with access to a range of cultural and art, social and

recreational facilities and experiences.

SUBJECT INDEX BEACH

BUSINESS UNIT Community and Commercial Services

REPORTING OFFICER Director, Community and Commercial Services - Naomi Searle

AUTHORISING OFFICER Chief Executive Officer - Mike Archer

NATURE OF DECISION Executive: substantial direction setting, including adopting strategies,

plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships,

reviewing committee recommendations

VOTING REQUIREMENT ATTACHMENTS

Simple Majority

Attachment A BEACH Business Case June 2020 L

Attachment B Business Case Supporting Document A - BEACH Plans

Adeb

Attachment C Business Case Supporting Document B - Business

Operations Draft Plan June 2020 🖫

Attachment D Business Case Supporting Document C - BEACH Design

Review Presentation 4

Attachment E Business Case Supporting Document D - Draft

Masterplan Busselton Creative Centre

Attachment F Business Case Supporting Document E - BEACH Cost

Benefit Assessment Final .

Attachment G Business Case Supporting Document F - BEACH Cost

Status Update Summary U

Attachment H Business Case Supporting Document G - BEACH

Lifecycle Management Plan U

Attachment I Estimated Rates Impact of Loan !

Attachment J Comparison of Loan Borrowings Draft LTFP !!

OFFICER RECOMMENDATION

That the Council:

- 1. Confirms its commitment to the Busselton Entertainment Arts and Creative Hub (BEACH) project (the Project), as per the optimised designs developed by Kerry Hill Architects (June 2020) and at a budget of between \$28.5M and \$30.3M, dependent on a final decision with regards to the inclusion of a Creative Industries Hub;
- 2. Will consider the inclusion of a Creative Industries Hub within the Project based on additional external funding being secured and on the outcomes of the tendering process and final pricing;
- 3. Continues to seek additional external funding for the project, to reduce the quantum of loan borrowings required for the Project; and
- 4. Endorses as a funding strategy entering into a loan borrowings / debt financing of up to \$17M over a 20 year term (to be reduced by any additional external funding that is secured and / or the inclusion of the Creative Industries Hub component).

EXECUTIVE SUMMARY

The establishment of a dedicated convention, entertainment and performing arts venue in Busselton is the third pillar of a regional growth strategy alongside the Busselton Foreshore Development and Busselton Margaret River Airport upgrade. The Busselton Entertainment Arts and Creative Hub (BEACH) concept has been progressively developed over the last eight years, with an architectural design developed that has been refined over the last five months.

The intent of the officer recommendation is to provide direction and certainty in relation to the BEACH project (the Project), in the event that item 18.1 – Motion to Reduce Projected Cost of the BEACH on the current agenda is not supported by Council. The officer recommendation aligns with the general discussions to date with Council and the work that the BEACH working group have done to progress the Project. Support of the officer recommendation will provide a clear project scope which meets the requirements contained with the Federal Government Grant agreement, and delivers a quality facility that meets the needs of the community, now and into the future.

BACKGROUND

The development of a Performing Arts and Convention Centre (PACC) has been a long aspired community project and has been consistently identified as a key local priority project over several iterations of the City's Strategic Community Plan. It was also contained in the South West Blueprint (February 2015) as a regional priority project in support of the South West region creative industries sector and is identified in the City of Busselton Economic Development Strategy (2016-26) as a key project that will support tourism growth and the concept of 'quality of place'.

In April 2019, the City secured \$10.35M from the Federal Government for the Project. As per Council direction and the Chief Executive Officer's KPIs, a revised business case to support the seeking of additional funding has now been prepared and submitted to the State Government. The business case is provided at Attachment A (with referenced supporting documents provided at Attachments B through to H), and provides a more detailed background of the Project.

OFFICER COMMENT

The attached business case provides a full justification for the Project and encompasses the following:

- Background;
- Project need;
- Project alignment with regional and State policies and frameworks;
- Project deliverables;
- Stakeholder engagement;
- Critical assumptions;
- Economic and financial analyses;
- Funding strategy and budget;
- Sustainability and ongoing viability;
- Risk analysis;
- Concept plans;
- Operational business plan including financial projections;
- Cost benefit analysis;
- Cost status report; and
- Lifecycle management plan.

The Officer Recommendation is presented in support of the Project and business case, and is in four parts, as set out below.

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

In 2019 an Expression of Interest (EoI) for architectural design services was developed based on a \$21.35m budget. Kerry Hill Architects were engaged through a subsequent RFT process, and since then have worked with the Council's BEACH working group (consisting of elected members and staff) to refine the concept and develop an optimised design. The optimised designs achieve the following:

- maximised benefits by investing into the Centre now rather than facing known shortfalls in the future;
- addresses the 'lesson learned' from other benchmarked PACCs to maximise functionality, ensure operational flexibility, and maximise patronage;
- improves capacity and quality of conferencing facilities within the region, meeting a current gap in the market and also complementing private and public investment on the Foreshore and within the CBD;
- incorporates the inclusion of the ArtGeo Gallery to a class AA standard, broadening the standard of exhibitions that can be hosted in the region. This was originally identified as potential future project in the City's 2017 Long Term Financial Plan with a \$2m budget;
- incorporates a 'Creative Industries Hub' that will provide infrastructure for the creative industries sector, capitalising on Busselton's identification as a creative industries hotspot and taking advantage of an opportunity to diversify the local economy;
- provides increased opportunities to support the City to be the 'Events Capital of WA,';
- enhances the BEACH as a community asset and broadens the user experience by including a number of different offerings, providing a range of reasons for people to visit multiple times.

Officers are firmly of the opinion that the Project should only proceed on the basis of the optimised design, and with a budget of \$28.5m-\$30.35m; otherwise Council risks building a substandard facility with known shortfalls from the outset.

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

The inclusion of a Creative Industries Hub will provide opportunities for the City's creative industries sector and a home for local artistic, cultural and educational groups. The inclusion of the Hub capitalizes on Busselton being identified as one of 20 creative industries 'hot spots' across Australia, and one of five within the State. It will provide a creative maker space, co-working area, recording studio and meeting room that will be used for short or long-term rental by organisations in the creative industries sector. The inclusion of the Hub is supported by the South West Development Commission and Department of Culture and the Arts, as it designed to develop the emerging creative industries sector and diversify the City's economic base. The State Government has shown a desire to fund innovation and new emerging industries, and are likely to find this aspect of the Project attractive.

Valued at approximately \$1.1m, the optimized concept designs allow for this scope item to be removed. The City will structure its Request for Tender such that the Creative Industries Hub can be optionally included or not dependent on the tendered prices.

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

The City is actively pursuing State Government funding for the Project. The Project is still approximately four months away from a tender being issued for construction, and the City will continue to pursue additional funding through both available State and Federal Government avenues right up until that time, and through construction (over the next 24 months), in order to reduce the loan borrowings required.

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

As part of long term financial planning and modelling officers have modelled a worst case scenario, with the City taking loan borrowings to fulfil the optimised design project budget, in the event that external funding is not secured.

With interest rates falling considerably over the last 24 months, from 4% to an historic low of approximately 2%, officers have modelled a standard loan facility of up to \$17M over a 20 year term, fixed at 2.2% per annum based on Western Australian Treasury Corporation (WATC) advice. The benefits of a longer term loan allow for an intergenerational equity funding mechanism, noting that the BEACH will be in operation for over 50 years. For that reason it is felt that a loan of \$17M over 20 years is as appropriate as the original forecast loan of \$7.5M over 10 years.

Attachment I illustrates the estimated impact on rates as a percentage to meet the loan principal, interest and fees, ranging between 0.83% - 2.23%. It should be noted however that the City also has a number of loans that will expire over the same period which would reduce this impact on rates. This is further demonstrated in Attachment J which provides a comparison of all borrowings for all projects being taken out against all loan borrowings expiring during the term of the Draft LTFP.

This modelling demonstrates that the City is able to afford the revised BEACH designs and budget while still delivering a significant capital works program that will see a number of sport and recreation projects undertaken over the next 10 years. It should be noted that the City's approach to LTFP modelling is conservative, with limited external funding such that should external funding be secured to deliver projects, a net positive impact will occur.

The City is also now able to access the liquidity lending facility through the WATC to assist with the construction and cash flow management required of such a significant infrastructure project. This new form of lending facility will allow the City greater flexibility than a standard loan facility due to:

- 1. Lower interest rate on draw-downs during the construction phase, currently around 0.55% which is obviously extremely attractive;
- 2. Only drawing down funds when it is required;
- 3. Ability to adjust the total draw down if additional funding is secured ultimately reducing the total loan; and
- 4. All draw-downs would be bundled into a standard loan facility at the completion of the construction phase.

At the completion of the project, the borrowings will be bundled in to a standard loan facility/ies at the interest rate on the day. There is a risk that interest rates could rise between the start of the construction phase and the completion, however it is also likely that they may even reduce.

While, as per recommendation 3, the City will continue to seek additional external funding, in order to progress the Project with a level of certainty it is recommended that Council endorse the drawing of a liquidity lending facility of up to \$17M as a funding strategy.

The estimated costs of drawing down the \$17M in a liquidity lending facility over the life of the construction phase is in the range of \$300,000 to \$350,000 based on the indicative draw down schedule. If the City was to take out the \$17M under a standard loan facility at the start of the construction phase, it would cost the City approximately \$2.1M in principal, interest and fees during the same timeframe. While the liquidity lending facility offers a significant saving at the 'front end' Council will need to be mindful that the 20 year loan only commences at the completion of the construction period. This essentially provides a 22 year payback period when taking into account the liquidity lending arrangements during construction.

The Draft LTFP presented to Council in May 2020 incorporates operational financial forecasts based on a \$21.35M project budget as, at the time of publishing, the financial forecasts for the \$30.35M facility were incomplete. However as part of the development of the business case for the optimised designs, operational financial forecasts were remodelled. This has resulted in additional revenue generation through commercial lease, licence and hire arrangements, additional events and gallery exhibitions which more than offsets the additional operating expenses of a larger facility. The financial forecasts are included in the attached business case. These financial forecasts will be used in future versions of the LTFP.

While the BEACH will run at a deficit, as is customary with PACCs, this deficit is offset by the social benefits, revenue generating opportunities and the economic output PACCs have on the local community. It is also shown to be affordable within the rate increases shown in the Draft LTFP (noting that this is based on the \$21.35M facility with increased net operational costs), and with some streamlining in service efficiencies across the City.

Statutory Environment

The officer recommendation supports the general function of a local government under the *Local Government Act 1995* to provide for the good government of persons in its district.

Relevant Plans and Policies

There are no relevant plans or policies to consider in relation to this matter.

Financial Implications

The financial implications of the officer recommendation are detailed in the Officer Comment section of this report. The full financial implication of the project are detailed in the attached business case.

Stakeholder Consultation

The current optimised designs are the result of extensive consultation with stakeholders and user groups through the BEACH Stakeholder Reference Group, and reflect consultation with other PACCs across Australia. The level of consultation is further outlined in the business case.

More broadly the development of a PACC has been a long communicated community desire, being identified as a priority initiative as part of the development of the City's first Strategic Community Plan (2013) and noted as an ongoing priority in the minor desktop review of the plan (2015), and in the review and development of the 2017 Strategic Community Plan.

Risk Assessment

The attached business case identifies the risks associated with the project.

Additional risks associated with implementing the officer recommendation have been assessed using the City's risk management framework, with risks assessed taking into account any controls already in place.

The following risk has been identified:

Increase in interest rates when the liquidity lending facility is drawn down							
Risk Category Risk Consequence Likelihood of Consequence Risk Lev							
Financial	Moderate	Unlikely	Medium				

With historically low interest rates and the liquidity lending facility projected to be drawn down in various amounts over a 17 month period, it is highly unlikely that rates will increase significantly; they could in fact decrease further. In addition the liquidity lending facility allows for each drawn-down amount to be rolled into a standard loan facility at any time, therefore locking in a known fixed interest rate.

Options

As an alternative to the proposed recommendation the Council could:

- 1. Reduce the project scope. Officers do not support this option as it will severely compromise the success of the project and Council risks building a PACC with known shortfalls from the outset.
- 2. Not proceed with the project at all. Officers do not support this option as the development of a PACC is a long aspired community project and significant work has been undertaken to develop business cases to secure Federal and State Government funding. The \$10.35m Federal Government Regional Growth Funding will need to be returned, significantly influencing the City's ability to obtain that level of funding in the future. The arts, cultural and events industry sectors have been one of the hardest hit sectors as a result of the COVID-19 pandemic. Investment into the BEACH is seen as an economic stimulus initiative that will not only assist in getting the industry back on its feet, it will also provide a much needed injection into the local construction industry, creating ongoing employment opportunities, and increasing spend within the Busselton CBD. Further, this option will not achieve the vision of connecting the Busselton foreshore and CBD as a key town centre revitalization initiative.
- 2. Defer the project design until such time that additional external funding is secured. Officers do not support this option as the tender for architectural design services was awarded to Kerry Hill Architects in January 2020. Since this time significant progress has been made on the project which has included a considerable amount of community consultation raising expectations that the project will finally be realized. This option is also highly likely to result in withdrawal of the Federal Government Funding which has strict milestones and timeframes. In addition, the \$20m Hilton Garden Inn hotel development was secured with the intention that a significant conference facility would be developed in the town centre. Suspending the project at this point will create economic uncertainty with CBD traders and the arts and creative industries which have been one of the hardest hit industries through the COVID-19 pandemic.

CONCLUSION

The City has not invested significantly into the arts and cultural sector for decades, despite the provision of cultural and art facilities and experiences being a key strategic community objective. With an opportunity to enhance funding secured by the Federal Government and low interest rates, now is an opportune time to build a facility for the future instead of building a facility that will have known shortfalls and not meet the needs and expectations of the community.

For the purposes of certainty, and transparency, the officer recommendation seeks confirmation from Council that it does wish to proceed as per the optimised design and at a budget of \$28.5M - \$30.3M, and that, in the event that the City is unable to secure additional funding, a loan as detailed in this report is taken.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Officers will immediately progress the next design phase based on the optimum designs and at a project budget of \$28.5M - \$30.3M following Council's endorsement of the officer recommendation.







Business Case

BUSSELTON ENTERTAINMENT, ARTS & CREATIVE HUB (BEACH)

CITY OF BUSSELTON



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1.1 Attachment A





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1. EXECUTIVE SUMMARY

Attachment A

The Busselton Entertainment, Arts and Creative Hub (BEACH) is planned as a destination for performing arts, conference, trade shows, conventions and the creative industries. It will provide the Busselton area with an iconic venue of quality, contemporary design and the latest technologies that will:

- Create new markets for business in convention, conferences, trade shows and the performing arts:
- 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;
- Enliven the Cultural Precinct, connecting the CBD and foreshore, providing an economic catalyst for extended trading and business viability;
- Provide a wide range of employment opportunities, from entry level to professional in hospitality, catering, events, marketing, administration and the arts.
- Enrich the lives of the community and its visitors by increasing the spectrum of quality arts and culture events; and
- Provide opportunities for the region's bourgeoning creative industries sector and a home for local artistic, cultural and educational groups.

The project will deliver a fully functioning conference, exhibition and performance venue in the Busselton Cultural Precinct that can accommodate over 1000 people and will also provide a creative industries hub to support the growth and development of the specialised creative industries in the South West. The new facility will integrate with the existing Weld Theatre and Heritage-Listed ArtGeo Gallery, maximising the appeal and use of those community facilities. The BEACH will be a high quality, technically advanced, flexible and adaptable facility capable of serving the local and regional communities, adding to the wider regional business events and performance offerings.

Busselton is well known as a tourist destination, events centre and as one of the 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 BEACH, with adaptability for a variety of uses, is set to become a community hub, providing a venue to hold recitals, eisteddfods, concerts and functions, which will foster access, inclusion and civic pride. Home to key cultural organisations and facilities including the ArtGeo Cultural Complex, Courthouse Gallery, Lock Up Coffee Shop, Busselton Art Society, Artists in Residence program, Weld Theatre and the Acting Up performance group, the Busselton Cultural Precinct is becoming increasingly recognised as a significant cultural venue within the South West. The addition of the BEACH will create further long term synergies with the existing offerings and consolidate Busselton as one of the premier cultural destinations within regional Western Australia.

The need for the BEACH was first identified in 2007 and since this time feasibility reports, project planning and stakeholder engagement has occurred to ensure the viability, support and long term sustainability of the centre. The current BEACH design is expected to deliver around \$59.1 million worth of benefits under a 7% discount rate, with a Benefit Cost Ratio of 2.01. This demonstrates the

Attachment A

1.1

project is a sound economic investment, as well as providing significant social benefits in terms of increasing participation in culture and the arts and connecting the community. The Cost Benefit Analysis completed on the project (see Attachment E) states,

"Interestingly, the largest share of benefits at the 7% discount rates is Economic, demonstrating that while the project is of a cultural and social nature, BEACH fundamentally represents an economic development asset which will support local construction, tourism and creative industries into the future."

The total cost of the project is estimated to be \$30,355,231, with \$10.35 million already secured from the Federal Government, \$10.5 million allocated from the City of Busselton (including \$500,000 of in-kind support) and \$9.5 million being requested from the Western Australian (WA) State Government through this business case.

The City of Busselton has completed considerable planning over a number of years to develop the BEACH project, including a market demand analysis, cost benefit analysis, lifecycle management plan and draft operational plan for the facility. The City has also undertaken 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 Regional Blueprint and the City's own Strategic Community Plan and Economic Development Strategy.

The project is currently undergoing the detailed design phase and will be ready to move to the construction phase by October 2020, by which time it is anticipated all funding will be secured to enable the Request for Tender to be advertised without delay.





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 km² and had a population of 36,686 as at the 2016 Census1. 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%.2

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. As detailed in Section 2.4 Project Description, in 2011 the City finalised a significant upgrade to the Cultural Precinct, enhancing the visual streetscape and creating a vibrant space for events and performances.

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:

- The 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) leased by Tracie Anderson Ceramics and Nalda Hoskins Jewellery
- Workshop Spaces Fodder Room, Bond Store
- Performing Arts Academy (Police Cottage)
- Busselton Art Society (Police Cottage)
- Weld Theatre leased to Busselton Repertory Club
- Busselton Woodturners (leased)
- 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.

² 2016 Census QuickStats, Busselton Local Government Area

¹ 2016 Census QuickStats, Busselton Local Government Area



Figure 1 Busselton Cultural Precinct

The addition of the Busselton Entertainment, Arts and Creative Hub (BEACH) 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 BEACH 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 Plan⁴ and 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".

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

³ Draft Masterplan for the Busselton Cultural Precinct, 2019, City of Busselton

⁴ City of Busselton Strategic Community Plan, (2017)

1.1

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- 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; and
- Provide events and unique tourism experiences that attract visitors and investment.

The project is also part of the City's Economic Development Strategy November 2016, 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; and the Busselton Foreshore redevelopment, with the latter providing high quality overnight accommodation in the Central Business District (CBD) situated only metres away from the new facility in the form of greenfield sites for development of 4 and 5 star hotels. These three pillar projects will work together to benefit each other and the wider region. Development approval has recently been issued for a 4.5 star hotel 'Hilton Garden Inn' on the Busselton Foreshore. Key to the success of securing this investment was the proposed BEACH with the performing arts and business conventions appealing to the commercial success of the hotel development. Located in close proximity the BEACH is viewed to value add to the hotel development proposition. The basis for this interest is that enhanced concentration of entertainment and convention offerings attract more people and customers requiring accommodation and other hospitality services.

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 2.7 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 the Western Australian Chamber of Culture and the Arts and other performing arts centres including Albany, Kalgoorlie, Geraldton, Bunbury and Margaret River 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).

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 2.10 Assessment of Options. The BEACH will reside between and integrate 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 138 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 BEACH 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 South West 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 BEACH, 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 conference rooms or a hub for creative industries. This design was used to source and secure \$10.35 million for the project from the Federal 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 to add circa 140 seats to the development capacity."

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 Federal 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.

⁵ BEACH Business Case, April 2019, City of Busselton

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Based on the increasing demand for business events and further progress with the Busselton Margaret River Airport expansion project, the successful architects, Kerry Hill Architects were tasked to investigate the possibility of using the first floor for extra business 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 ArtGeo Gallery and the area behind the gallery to be incorporated into the BEACH 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 BEACH 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) in January 2020 and the Bunbury Regional Entertainment Centre (BREC), the State Theatre, and Mandurah Performing Arts Centre (MPAC) in January 2020. The City also discussed the development of a Business Events Strategy for the South West with other regional facilities, the BREC, MPAC and Margaret River HEART and the SWDC, Australia South West, MRBTA and Bunbury Geographe Tourism Association.

At the same time as planning the BEACH project, the City had been investigating options for a creative industries hub; an incubator for this important South West industry. This was in response of Busselton being identified as a creative industry hot spot, and as an industry diversification intiative, the City has been working with the South West Development Commission on ways to embrace the creative industry as part of the BEACH development and overall Busselton Cultural Precinct. The July 2013 report by SGS Economics and Planning titled "Economic opportunities for Creative Industries in Western Australia's South West Region," was commissioned by the South West Development Commission. The report details the extent of the creatives industries in the South West and the opportunity to build on the Cultural Precinct development to establish a purpose-built space that meets the functional requirements of the user groups.



Film attraction and post-production has also been a key focus of the South West Development Commission Tradestart Office for a number of years and has resulted in a number of films and documentaries being shot and/or produced in the region. These include recent successes for the industry, such as the filming of feature films Drift, Go!, Jasper Jones, H is for Happiness, Kill Me Three Times and Breath, the short film Karroyul as well as documentaries such as Dying to Live, Frackman and The Whale Super Highway. Film and creative festivals, CinfestOZ Film Festival and the Emergence Creative Festival, reaffirm the strength of the film and television industry in the South West Region, with the support of the Creative Corner representing over 450 creatives living and working in the South West Region.

While this has been an enormous accomplishment in securing these films and events there is currently no space for these organisations to base their operations in the South West, nor is there a creative space for community, industry organisations or creative individuals within the City of Busselton. There is currently a void in low cost studio, office, meeting and collaboration spaces and supporting facilities featuring digital technology, recording and online delivery capability and broadband connectivity. The local TAFE's growing music and arts programs also operate from transportables and do not have local access to these facilities either. A creative space for community, industry organisations and the creative individuals within the community does not exist in the City of Busselton.

In a bid to fill this void, the City has been investigating a number of possible solutions to this issue and have recognised that the proposed BEACH is ideally located to support the creative industries. The synergies and efficiencies that would be created by housing the creative industries hub within the BEACH complex are clear. In addition to the amenities offered by the BEACH facility, the site is surrounded by other creative cluster spaces and adjacent to the Busselton CBD, and multi-million foreshore including the Hilton Garden Inn Hotel, micro-brewery and extensive car park developments.



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As such, the City, along with the South West Development Commission have been assessing how a studio, office and collaboration space can act as an operational base to support the film industry and other creative sectors while leveraging the BEACH facilities such as workshop, offices, rehearsal space, stores, change rooms, audience engagement spaces and Weld theatrette to service the ancillary needs for film/sound/media production and create further opportunity to generate revenue and economic outcomes for the region.

The City had considered housing the Creative Industries Hub on a separate, nearby site however through consultation with the SWDC and Kerry Hill Architects, identified the possibility to include the Hub within the BEACH facility; thereby resulting in cost efficiencies and maximizing the use of the BEACH site.

Based on lessons learned from this consultation and the site tours, the City made some minor functional changes to the design and added to the scope, including the addition of a Creative Industries Hub on the mezzanine level, with the final concept design approved by Council on 20 May 2020. The current design is more sympathetic to existing surrounds, and provides an interesting and important contemporary contrast to the Weld Theatre and ArtGeo without conflicting or dominating these historic buildings. It also incorporates more design elements that will help activate Queen Street and create unique community spaces for visitors to the Cultural Precinct, such as the inclusion of a commercially leased bar in the ArtGeo building.

The additional scope of the revised design includes:

- The addition of a creative maker space, co-working area, recording studio and meeting
 room that forms a Creative Industries Hub to be provided for short or long-term rental to
 organisations in the creative industries. This hub will be used to enable collaborations
 between creative groups and the production of music and arts works.
- The inclusion of a new art gallery into the BEACH facility and the repurposing of the ArtGeo building into a commercial bar. This scope change was made to enable the need to upgrade the existing ArtGeo art gallery to be upgraded 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 it's climate control, dust/mite controls and security, in particular in the storage and art transit facilities, which are a basic shed. It's 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 galleries 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 BEACH facility and repurposing the ArtGeo building into a bar that increases the vibrancy of the area and caters to the BEACH 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 BEACH.
- The gallery space now sits where the rehearsal room was first designed to be, increasing the size of the gallery space to over 200m² 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. This will enable
 the hosting of conferences outside the main auditorium. It was considered necessary to
 provide purpose built conference rooms in order to attract conferences of a higher standard.

Attachment A



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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 below, 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 546m². This has enabled the BEACH 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.
- 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.



• The generous 192m² 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 BEACH, 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.

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• One objective of the BEACH 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 BEACH forecasts the highest use 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;

- 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. 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 the main driver behind the increased scope.
- 3. The need for a Creative Industries Hub and the synergies and efficiencies that could be gained by including the Hub in the BEACH facility.
- 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 courtyard that provides another entry point to the facility (behind the ArtGeo building) and an onsite bar. These changes will attract more visitors to the facility, with the bar also resulting in increased annual revenue to cover the expected maintenance and asset replacement costs of the facility.

Kerry Hill Architects has now produced the final design drawings for the revised scope and Altus Group has provided a Quantity Surveyor cost estimate for the project of \$30.35 million. The project is now ready to undergoing detailed design, which will be followed by a Request for Tender to secure a qualified construction contractor, as soon as the remaining \$9.5 million in funding is secured.



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 new markets for business in convention, conferences, trade shows and the performing arts:
- · 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:
- Enliven the Busselton Cultural Precinct, connecting the CBD and foreshore, providing an
 economic catalyst for extended trading and business viability;
- Provide a wide range of employment opportunities, from entry level to professional in hospitality, catering, events, marketing, administration and the arts.
- Enrich the lives of the community and its visitors by increasing the spectrum of quality arts and culture events:
- Provide opportunities for Busselton's significant creative industries sector and a home for local artistic, cultural and educational groups.

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

- an indoor events space of over 1000 capacity, comprising a 625-seat auditorium with 343 retractable or removable seats, 116 seats on level one balcony and 166 seats and 36 perched positions on level two balcony. Once the 343 seats are retracted or removed there will space to accommodate 515 standing in flat floor mode. The total capacity of the auditorium in flat floor mode is 833 or 669 in an all seating configuration.
- A Creative Industries Hub, with a creative maker space, co-working area, recording studio and meeting room
- · 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 large 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'.

In 2017, 163 events were held over a total of 299 event days. Major events held annually within the City of Busselton include:

- Jazz by the Bay
- Cinefest Oz Film Festival
- Festival of Busselton
- Busselton Jetty Swim
- · Busselton Fringe Festival
- Ironman WA
- Gourmet Escape
- 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 138 seats and the City's Administration Function Room at 150 capacity. A few of 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 BEACH 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, with a maximum capacity of 220 and 250 respectively, 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 both the BREC and the HEART to develop a regional alliance, so that each of the three facilities have their own point of difference, are complementary and work together to attract audiences and visitors, rather than competing against each other. The BEACH is working with these existing facilities to grow markets and audiences through increased accessibility, economic viability and variety.

The BEACH 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 HEART's capacity is limited to 250, and BREC is unable to host more
 than circa 220. The BEACH, through its flexible design is forecast to host over 80 Business
 Events a year ranging from conferences, to seminars, 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.
- Fill the void in low cost studio, office, meeting and collaboration spaces and supporting
 facilities featuring digital technology, online delivery capability and broadband connectivity,
 a facility to accommodate key industry organisations and the creative nomads within the
 community. The Shire of Augusta Margaret River has limited workspace for Creative
 Corner key staff from the TAFE campus and Bunbury has the successful Maker and Co in
 Victoria Street, which caters for their local community's needs. The City of Busselton
 currently has a gap in providing for its community's need.

A facility such as the BEACH is needed to capitalise on Busselton's position as a tourism town and to deliver economic growth for the whole region. Between 2010 and 2015, the City of Busselton recorded 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 year⁶. 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

⁶ City of Busselton Economic Development Strategy 2016-2026, page 16

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region has a range of established tourism infrastructure, such as accommodation, attractions and amenities.

Tourism WA's Visitor Factsheet for the City of Busselton⁷ indicates that Busselton has close to 1 million visitors annually, bringing in around \$212 million in tourism revenue⁸. 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 BEACH location) in the form of greenfield sites for development of 4 and 5 star hotels, the three pillars of the airport, foreshore and BEACH projects will work together to benefit each other, the wider region and the State.



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

 $^{^7}$ CITY OF BUSSELTON VISITOR FACTSHEET THREE YEAR AVERAGE – 2016/2017/2018 Produced by Tourism WA - Strategy and Research, May 2019

⁸ Based on \$212 per visitor average expenditure, TRA (2020) National Visitor Survey, Tourism Research Australia, Canberra



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 or Uniting Church Hall, which are constricted in terms of size and facilities. It also 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.

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" 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 industries 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

⁹ Capes Regional Arts and Cultural Facilities Needs Assessment, Peter Alexander, June 2012, Page 29

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; and
- 3. provision of a dedicated creative incubator facility in Margaret River¹⁰.

Opportunity 1 and 3 have now been completed, with only the major cultural and conference facility in Busselton remaining in order to strengthen the South West region's creative industries.

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.

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 400seat 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

¹⁰ Economic Opportunities for Creative Industries in Western Australia's South West Region Final Report South West Development Commission July 2013, SGS Economics & Planning, page 64



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.

Attendance Rate and Frequency at Cultural Performance Events, Western Australia (%)							
Performance type	Attendance rate	Annual fro	equency of atte	ency 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

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.

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
Total persons attending performing arts event	18,840	20,690	22,842	24,920	26,840	28,667	30,407
Total population	37,673	41,373	45,675	49,830	53,671	57,324	60,802

¹¹ Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, November 2018, Lawrence Consulting, Page 2

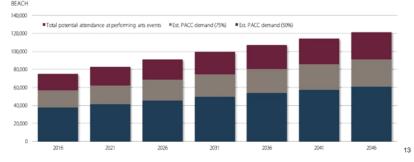
¹² Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, November 2018, Lawrence Consulting, Page 2

BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)

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 BEACH 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 BEACH, 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 BEACH, the current forecast demand is approximately 37,640 performing arts seats annually, increasing to over 60,700 attendees in 2046.

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
Total attendance	63,985	70,268	77,576	84,632	91,155	97,360	103,268
Total potential BEACH							
attendance based on %							
local audience share:							
	70.001	87,835	96,970	105,790	113,944	121,700	129,085
80%	79,981	07,033					
80% 85%	75,276	82,669	91,266	99,567	107,241	114,541	121,492
85% 90%	75,276	82,669	91,266	99,567	107,241	114,541	121,492
85% 90% Expected BEACH	75,276	82,669	91,266	99,567	107,241	114,541	121,492
85% 90% Expected BEACH attendance based on	75,276	82,669	91,266	99,567	107,241	114,541	121,492
85%	75,276	82,669	91,266	99,567	107,241	114,541	121,492





¹³ Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, November 2018, Lawrence Consulting, Page 3

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BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)

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 138 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.

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

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

¹⁴ Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, Lawrence Consulting and Studio Evans Lane, November 2016, Page iii

 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." ¹⁵

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 there have been no additions to this list in Busselton since the review was completed four years ago. The 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 BEACH, particularly given the conservative number of current events hosted relative to the potential future demand. In contrast, the BEACH 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 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 Regional 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.

¹⁵ Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, Lawrence Consulting and Studio Evans Lane, November 2016, Page iv



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

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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 years¹⁷. 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.

It is therefore 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 BEACH 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 \$59.1 million worth of benefits, with increased tourism expenditure being the most significant individual contributor to those benefits. It noted that the BEACH represents an economic development asset that will support local construction, tourism and creative industries into the future.

The need for a creative industries hub has been explored by the City and the South West Development Commission (SWDC) over the past decade. A report produced by SGS Economic Planning for the SWDC in July 2013 titled 'Economic Opportunities for Creative Industries in Western Australia's South West Region, 'identified the potential of the industry in the South West,

¹⁶ Busselton Entertainment Arts + Culture Hub (BEACH): Economic Assessment, November 2018, Lawrence Consulting, Page 5

¹⁷ CITY OF BUSSELTON VISITOR FACTSHEET THREE YEAR AVERAGE – 2015/2016/2017 Produced by Tourism WA - Strategy and Research, April 2018



BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)

noting there were four industry segments over represented in the region: film, TV & radio; architecture, design and visual arts; music and performing arts; and publishing. This led to further investigation on how to capitalise on this industry and grow its economic and social benefits. SWDC figures from 2019 identified that the Creative Industries produce almost half a billion dollars (\$486 million) in annual output and contributes \$206 million to GRP to the South West economy. It directly employs over 1,200 creatives and pays \$96.33 million in annual wages and salaries.

Total annual output (\$M):	\$486.16
% of total regional output:	1.60%
Number of people employed by this sector in the region:	1,218
% of total regional employment:	1.70%
Annual wages and salaries earnt by people employed by this sector in the region (\$M):	\$96.33
% of total wages and salaries earnt in the region:	1.50%
Value of annual regional exports by the industry sector (\$M):	\$61.43
% of total regional exports:	0.50%
Value of annual regional imports by the industry sector (\$M):	\$133.88
% of total regional imports:	1.50%
Value of sector's contribution to Gross Regional Product (\$M):	\$205.79
% of total Gross Regional Product:	1.50%
Total value of local expenditure on intermediate goods and services (\$M):	\$146.49
% of total local expenditure:	1.60%
Total value of sales to industry sectors in the region (\$M):	\$266.18
% of total sales to industry sectors:	2.90%

In 2019, Busselton was identified through research funded by the Australian Research Council as one of 20 creative industry 'hotspots' across Australia, and one of five in WA with the others being Geraldton, Fremantle, Albany and Denmark. Selection was for an in-depth study to understand the underlying reasons for the higher levels of cultural and creative activity, the potential for future growth and the dynamics of the creative systems at work. The study, 'Australian Cultural and Creative activity: A population and 'hotspot' analysis', is being conducted by the Queensland University of Technology (QUT) and the University of Newcastle in partnership with Arts Queensland and the cultural funding agencies from NSW, SA, Victoria and WA. It is funded principally by the Australian Research Council, with support from the agencies. Busselton's selection in this study confirms the higher than average presence of creative industries in the city and its importance to the South West's economy.

¹⁸ Table provided by Jack Carlsen, South West Development Commission

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A factsheet on "The Creative Economy in Australia: Cultural production, creative services and income," produced by the Australian Research Council in 2019 presents an economic overview of cultural and creative activity in Australia and highlighted that:

- Nearly 50 per cent of all creative employment is in creative services industries, with 20 per cent in cultural production industries and 30 per cent in other industries
- Employment in creative services industries is growing by nearly three times the rate of the Australian workforce, with software and digital content employment growing at more than three times that of the rate of the rest of the Australian workforce
- Incomes in the creative industries have experienced stronger growth than incomes in other sectors¹⁹

The South West region's natural assets and strong creative industry has resulted in national and international interest in feature films being shot in the locations in Australia's South West, including The Host as well as potential film and television collaborations with the Chinese film industry through Legend Media. Chinese investors and film-makers have chosen to make two films in Western Australia. The first is Outback Dragon which was filmed in 2019 and the other is a surfing comedy, Flow, with an \$8 million production budget that was scheduled to be shot in the South West in 2020. The direct economic benefits to regional areas when films are staged here is considerable. They also generate indirect flow-on benefits to the region in terms of media exposure and film tourism visitation as international audiences discover the natural and cultural attractions of the region through film. As such, the SWDC has been exploring how to grow the South West's creative industries and has encouraged the City to use the BEACH facility to do so.

Through these investigations and consultation with representatives of the creative industries that has occurred throughout the development of the BEACH project, it became apparent that there is a lack of low cost studio, office, meeting and collaboration spaces and supporting facilities featuring digital technology, recording and online delivery capability and broadband connectivity. This is an impediment to the growth of the industry and the work they do.



¹⁹ https://research.qut.edu.au/dmrc/wp-content/uploads/sites/5/2018/10/Factsheet-2-Employment-by-sector-V6.pdf



It is noted however that the community of the City of Busselton's reasons behind the desire for a performing arts centre was 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 Culture and the Arts. The community connection and opportunities for social participation have been the drivers behind the community demand for the project. With the assistance of industry organisations such as County Arts Network Western Australia, Western Australian Chamber Culture and the Arts, Circuit West, Perth Convention Bureau and Tourism Western Australia, this project will drive growth in the Culture and the Arts, enriching the cultural connection of the community, increasing social connectivity and providing an alternate revenue stream for a tourism dependent region, as well as providing employment and training opportunities for the population.

The new BEACH, with adaptability for a variety of uses, is set to become a community hub, providing a venue to hold recitals, eisteddfods, concerts and functions, which will foster access, inclusion and civic pride. Home to key cultural organisations and facilities including the ArtGeo Cultural Complex, Courthouse Gallery, Old Post Office Tearooms, Artists in Residence program, Weld Theatre and the Acting Up performance group, the Busselton Cultural Precinct is becoming increasingly recognised as a significant cultural venue within the South West. The addition of the BEACH will create further long term synergies with the existing offerings and consolidate Busselton as one of the premier cultural destinations of regional Western Australia.

The need for this project is currently more pressing than ever with the recent economic impact of the COVID-19 virus. The creative industries are being 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 are 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 is -55.7 percent, which is 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%

Figure 3 COVID19 Impact on revenue and staffing by industry

²⁰ REMPLAN data and analysis provided by Regional Development Australia South West

Attachment A

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As such, it is of vital importance to the economy and the arts and recreation industry that a project such as the BEACH is commenced as soon as possible. This project will stimulate interest in attending performing arts shows and events at a time when the industry needs additional revenue to survive. Additionally, the project will, during construction phase provide a total of 120 jobs. It is then expected to provide 20.3 jobs on an ongoing basis through staffing, operations and tourism expenditure.

2.3. State Government Funding Amount

\$9.5 million is being sought from the State Government across the 2020/21 and 2021/22 financial years.

2.4. Project Description

The project will deliver a fully functioning conference, exhibition and performance venue in the Busselton Cultural Precinct. The new facility will integrate with the existing Weld Theatre and Heritage-Listed ArtGeo Gallery, maximising the appeal and use of those community facilities. The BEACH will be a high quality, technically advanced, flexible and adaptable facility capable of serving the local and regional communities, adding to the wider regional business events and performance offer. 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 Councilendorsed location for the BEACH 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 BEACH will activate the only remaining vacant site within the recently redeveloped 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 BEACH 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 BEACH
- H Weld Theatre
- I DBCA Building

Figure 4 Site Map of BEACH 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 BEACH facility.

The project will deliver:

- an indoor events space of 1241 capacity, comprising a 625-seat auditorium with 343 retractable or removable seats, 116 seats on level one balcony and 166 seats and 36 perched positions on level two balcony. Once the 343 seats are retracted or removed there will space to accommodate 515 standing in flat floor mode. The total capacity of the auditorium in flat floor mode is 833 or 669 in an all seating configuration.
- 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

As can be seen on the below Ground Floor Plan, Mezzanine and First Floor Plans (See Attachment A Beach Plans for further detail), the new BEACH 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 Art Geo Art Gallery into a commercial bar for patrons and to activate the area
- Courtyard areas and a first-floor deck for gathering/events
- Storage for props, equipment, catering
- Commercial kitchen for catering events



- 625 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
- Two conference rooms
- A Creative Industries Hub, consisting of a creative maker space, co-working area, recording studio and meeting room
- Office for management of the facility
- Ablutions areas

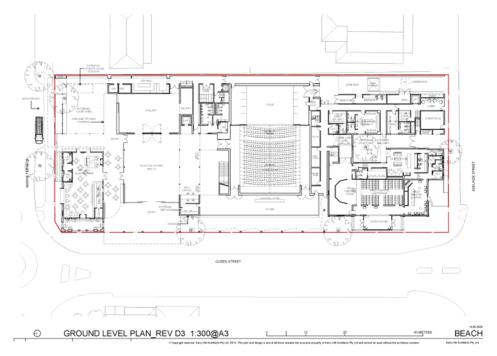


Figure 6 BEACH Ground Floor Plan

Attachment A



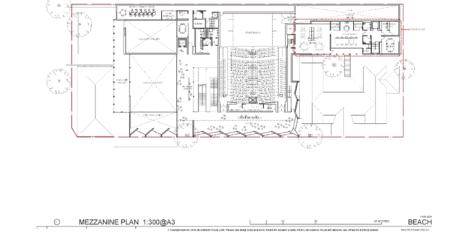


Figure 7 BEACH Mezzanine Floor Plan



Figure 8 BEACH First Floor Plan

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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 BEACH. 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 rooms, breakout rooms and a rehearsal room) are able to be opened up into one large space of 546m² 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 business events and performances that it attracts.

The high-quality, retractable seating in the auditorium enables this space to be used to host large events, with over 1000 people standing room. 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 BEACH 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 192m² 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 bar will operate independently to the BEACH, 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.

Attachment C Design Review Presentation shows the various ways the proposed facility can be

The facility will also incorporate the latest technology, delivering multiple acoustic modes for the auditorium, which will be unique to the BEACH 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.

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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 conventions 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 Creative Industries Hub will include a purpose-built, sound proof recording studio, office, meeting room and creative maker space that can also be used for other purposes such as a breakout space, photography studio, rehearsal room and small live music venue. It will act as an operational base to support the film industry and other creative sectors and leverage the other BEACH facilities to service the ancillary needs for film/sound/media production. The Hub will also create further opportunity to generate income for the facility from hire and lease arrangements.

Whilst different operating models are being explored, it is expected the hub will have eight anchor tenants who "rent" office space. The collaborative maker space will be a hotdesk environment where "homeworkers" can meet to develop joint business initiatives. The studio will be hired for singing and music lessons, voice over recordings, advertising and some post production film and TV work. The offices will serve as a base for these industries working out on location and for event organisers to

The project will be managed and overseen by the City of Busselton. Kerry Hill Architects Pty Ltd has been contracted 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 October 2020.

For further detailed drawings, see also Attachment A BEACH Plans



In relation to the ongoing management of the BEACH, 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 BEACH. Once operations have been developed sufficiently and the complexities and full costs of sustaining the BEACH 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 BEACH and will update and finalise this plan in alignment with the detailed design work (see Attachment B).

2.4.1. 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 - BEACH 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 BEACH without amalgamating the Lots or making any changes to the town planning scheme but has discussed the BEACH 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 8th 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 October 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.

It is noted that the Busselton Woodturners Association (BWA) is currently located to the rear of the ArtGeo Gallery lot. The BWA have outgrown their current facility, encroach into the ArtGeo store and have recently built an additional, temporary storage shed. The BWA are currently being relocated to an agreed 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', pending funding allocation.

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.

2.5.1. 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 120 jobs during the construction phase and 20.3 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 industries²¹.

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

https://www.wa.gov.au/organisation/department-of-the-premier-and-cabinet/diversify-wa-economic-developmentframework

Attachment A



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.

2.5.2. 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 industries 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.

2.5.3. 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 that the State Government is being asked to fund 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.

2.5.4. 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.



2.5.5. South West Regional Blueprint

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

One of the Blueprint's objectives is to develop Busselton as a "major lifestyle city based on tourism, wine and food, creative and professional industries and events"22. It also states that Busselton is "fast developing a brand for events and is an emerging conference destination"23.

This project and the benefits it will deliver to Busselton, the region and the creative industries are clearly a priority of the South West Regional Blueprint.

2.5.6. 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.

2.5.7. 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.

2.5.8. 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 and

²² South West Regional Blueprint, 2014

²³ South West Regional Blueprint, 2014

BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)



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"24. 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;
- Performing Arts and Convention Centre; and,
- Busselton Foreshore redevelopment

This project will deliver the 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 grown indoor events. The BEACH will further the work already undertaken by the City to establish Busselton as a city known for its creative industries and

The project also aligns to the City's Draft Masterplan for the Busselton Cultural Precinct, which details how the precinct can be activated with the addition of the BEACH and is provided at Attachment D.



²⁴ City of Busselton Economic Development Strategy 2016-2026

2.6. Project Deliverables

	Outputs	Performance Measure	Performance Measure method
1	A fully functioning performing arts and convention centre (BEACH) consisting of two floors, with: Foyer and box office Art gallery Courtyard areas and a first-floor deck Storage Commercial kitchen 625 seat auditorium with retractable seats, stage and balcony areas Green room, dressing rooms and rehearsal room Multi-purpose, meeting and breakout rooms Two conference rooms Two conference rooms Office Creative Industries Hub, consisting of a creative maker space, co-working area, recording studio and meeting room Ablutions areas	The BEACH is constructed to the design specification as detailed in Section 2.3 Project Description and in compliance with Australian standards, by 31 December 2022.	Certificate of Practical Completion Photographs
2	Conversion of the existing ArtGeo Art Gallery into a commercial bar	The ArtGeo building is converted into a commercial bar facility and leased to a tenant who operates the building as a bar by 1 January 2023.	Certificate of Practical Completion Lease agreement

Attachment A

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	Outputs	Performance Measure	Performance Measure method
			Photographs
3	Refurbishment of the existing Weld Theatre to upgrade fittings and integrate it into the new BEACH building	The Weld Theatre is upgraded to the design specification as detailed in Section 2.4 Project Description and in compliance with Australian standards, by 31 December 2022.	Certificate of Practical Completion Photographs

	Outcomes	Performance Measure	Performance Measure method
1	Jobs creation	Number of jobs created during and post construction	Project and construction contractor records Shire staffing levels Number of jobs in the Creative Industries in the South West Number of jobs in the tourism industry in the South West
2	Economic growth	 Value of induced net additional tourism expenditure from visitors Turnover increase of businesses operating within Creative Incubator hub Construction-based gross value add to the Busselton construction supply chain 	Value of tourism and business events' contribution to the South West's GRP Value of Busselton/South West's Creative Industries contribution to the South West's GRP
3	Increased participation in Performing Arts	 The rate of uptake of new participants in performing arts as a cultural activity as a result of improved access. The number of new businesses or organisations in the 	 BEACH programming and visitor numbers Community satisfaction and use survey Calendar of events in Busselton Number of jobs in the Creative Industries in the South West



	Outcomes	Performance Measure	Performance Measure method
		performing arts industry in the City	
4	Improved community amenity and connectedness	Community satisfaction with the BEACH, its offerings and its impact on the Cultural Precinct activation Number of community-based events held at the BEACH Number of visitors using the BEACH facility	Community satisfaction survey BEACH programming and visitor records

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:
 - o Down South Writers Group
 - **Busselton Pottery Club** 0
 - LAMP 0
 - 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 0
 - Busselton Arts Society Inc 0
 - Busselton School of Dance
 - Margaret River Artisans 0
 - Southern Rip
 - o ArtGeo Gallery and Court House Arts Centre
 - o 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

BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)

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"25.

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:
 - o Capel Shire Hall
 - CinefestOZ 0
 - ArtGeo, Artists at ArtGeo 0
 - Acting Up 0
 - South West Development Commission 0
 - Old Dunsborough Hall
 - Naturaliste Community Centre 0
 - Department of Culture and the Arts 0
 - 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 0
 - The Old Butter Factory 0
 - Community Centre at Margaret River
 - Arts Margaret River
 - The Old Settlement
 - **JAMPACT** 0
 - Individual Artists (7) 0
 - **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

²⁵ Pegasus Performing Arts and Creative Industries Feasibility Report was completed in 2008, Page 56

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business case.

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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.

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

2019/20 Heritage Impact Assessment submitted to Heritage Council in June 2019.

Successful application to the Federal 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 BEACH 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 have already 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 have been appointed to undertake the Strategy development.

Discussion with South West Development Commission about the need for and integration of a Creative Industries Hub into the BEACH facility.

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 a study in 2012 by SGS Economics which verified the need for the facility.



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- 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 centred around what the users need from the facility, as well as the impact construction and relocation will have. All groups are supportive of the BEACH.
- 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 BEACH. The Development Committee provided its recommendations and commended the City of Busselton for proposing to locate the BEACH 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 BEACH 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 BEACH 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 Cultural Centre (MRCC) 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.



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Aboriginal Cultural Heritage Consultation

Attachment A

The traditional owners of the City's land are the Wardandi 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 BEACH, 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 BEACH Aboriginal Advisory Group (BAAG) to assist in the progression of the design and development of the BEACH. The BAAG are Community advocates and champions of the project, serving as a conduit between the local Aboriginal community and the BEACH 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:
 - o a. Cultural artwork and stories to be embedded into the fabric of the building
 - o b. 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, with the most recent meeting being 5 June 2020. BAAG is supportive of the project and the design. The City is also developing a Cultural Interpretation Strategy for the Cultural Precinct, which includes the BEACH and the BAAG will assist the chosen consultant in this work.

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 will also be worked through with the Local Heritage Advisor to ensure the BEACH does not over dominate these buildings, or have a detrimental impact on these places. Presentations will be made to the State Heritage Office as part of the detailed design process.

Creative Industries Hub

As part of the investigations in developing a creative industries hub, consultation occurred throughout 2019/20 with the SWDC and:

- The Film South West Working Group comprises national, state and local government and Industry representatives of the creative industries, economic development and tourism industries. Film South West is a collaboration between the South West Development Commission, ScreenWest, Regional Tourism, Local Government, CinefestOZ and the Creative Corner Inc.
- Legend Media, the SWDC, Margaret River Busselton Tourism Association, Australia's South
 West and Regional Development Australia hosted a delegation of high-profile film and media
 investors and producers from China between the 27th February 2019 and the 1st March 2019
 and a Creative Industries forum in conjunction with representatives of the Chinese Film and
 Television Industry. Future collaboration and co-production opportunities were identified.
- Southern Regional TAFE are seeking studios which they do not have at the regional campus
 in Busselton, similar to the Creative Corner regional hub that is working at excellent capacity
 in Margaret River TAFE, with visual effects and music production on campus. The concept of
 a creative precinct connected with industry fits in alignment with Southern Regional TAFE's
 long-term training and capacity building within the region.
- Screenwest has a film liaison officer that sits within the SWDC to assist film attraction, capacity building and leveraging the South West Screen Production Hub.

In addition the City has consulted with CinefestOz and individuals in film pre and postproduction in Perth and at a local level with recording artists and performers, High Schools, music, dance and drama groups, Central Queensland University, Capes Entrepreneurial Network, SW Boodjara Working Group, Undalup Association, Creative Corner and Maker and Co.



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2.8. Critical Assumptions

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

- HCWA approvals for the project are granted;
- · Funding for the project is secured from all parties;
- 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 creative industries hub will result in increased collaboration and the growth of South West's creative industries;
- The City's asset management planning and operating budget forecasting is comprehensive enough to ensure the ongoing management of the BEACH;
- The availability of a state-of-the-art performing arts facility will increase the viability and development of creative industries in the South West.

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

In May 2020, a Cost Benefit Analysis (CBA) of the BEACH project was completed which identified significant economic and financial benefits to the project, as detailed in the table below.

Benefit	Description and Approach	Calculation Approach
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.



Benefit	Description and Approach	Calculation Approach
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 ²⁶ . RPS has also added an additional \$380,000 per year of expenditure associated with the Creative Incubator Hub.
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.	Estimated using the Busselton economy Economic impact Assessment model transaction table, developed by RPS from ABS input-output tables ²⁷ . Supply chain shares of estimated at 30.7% for first round and industry support indirect benefits.
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 ²⁸ . This WTP figure was multiplied by the number of households that fit into the 'user category' ²⁹ .
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 ³⁰ . This rate of participation increase was forecast relative to projected population figures and applied to a leisure time valuation (\$ per hour) and a frequency of involvement (hours per year).

TRA (2020) National Visitor Survey, Tourism Research Australia, Canberra
 ABS (2019) Australian National Accounts – Input-Output Tables 2017/18.
 ESA (2015), Cultural Investments - where do the benefits come from?, Economic Society of Australia
 ABS (2019), Attendance at Selected Cultural Venues and Events, Cat. No. 4114.0, Australian Bureau of Statistics
 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.	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 (closes next comparable facility) as outlined in Assumptions table.
Creative Hub Business Turnover	Turnover increase of businesses operating within Creative Incubator hub.	Calculated based on a total of 5 businesses per year with average revenue acceleration of 10%. Business size breakdown in line with Count of Business data for Busselton from ABS ³¹

The CBA estimated a total expected benefit from the project, at a discount rate of 7%, of \$59.1 million, with \$4.1 million being in financial benefits, \$45.4 million in economic benefits and \$9.6 million in social benefits. The Benefit Cost Ratio for the project is 2.01. In addition, the project is expected to deliver 20.5 direct and 39.4 indirect jobs annually during construction phase, totalling 120 jobs over the total construction. It is then expected to provide 18 direct and 2.3 indirect 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 full CBA report can be found at Attachment E.



³¹ ABS (2020) Count of Australian Businesses, Cat No 8165.0, Australian Bureau of Statistics, Canberra



2.10. Assessment of Options

As discussed in Section 2.1 Background and Section 2.7 Stakeholder Engagement, the City of Busselton has considered a number of different locations and designs in the development of this project. A summary of these options is provided below.

Option 1 – Do Nothing

Given the Federal Government have committed \$10.35 million and the City has allocated \$10.97 million toward the project, the Do Nothing scenario for this business case is to deliver the \$21.32 million project that has already secured funding. This option would provide a state-of-the-art performing arts facility that can, when not being used for performing arts, be used for some business events. The facility would be located on Lots 43 and 44 in the Cultural Precinct, the same as for the preferred option, however, it would not include the amalgamation of Lot 310 (ArtGeo Gallery) or the inclusion of a Creative Industries Hub. This option is not the preferred option as it would not be able to capture the available business visitor market and has a number of identified deficiencies, including that it would not:

- capitalise on the MICE market for business events and visitors that has been identified,
- provide any high-quality conference room facilities,
- be able to be used for business events while performances are underway or being set-
- provide sufficient flexibility of use through the configuration of the design, as well as the number of breakout rooms, meeting rooms, conference rooms and congregation areas for business events,
- provide a creative industries hub to support the growth of this industry in the region,
- include a new, first-class art gallery to enable the highest quality art shows/pieces to be displayed in Busselton.
- provide a new commercial pub premises in a heritage building that can be used to activate the facility and service the patrons, and will assist in funding the ongoing maintenance of the heritage listed ArtGeo building,
- address the need for the ArtGeo Gallery to be upgraded to AA class,
- activate the Cultural Precinct to the best of the site's ability by incorporating the ArtGeo Gallery and creating a courtyard behind that building to provide additional community spaces and access points to the BEACH
- increase the ability for the City to recoup maintenance costs of the facility by providing for a pop-up shop for drinks, merchandise or other in the box office area of the foyer
- provide a separate rehearsal space and green room for performers to enable multiple shows and rehearsals to be occurring in the auditorium and Weld Theatre at the same
- provide the most functional performing arts and conference facility as possible, incorporating the advice and lessons learned from other facilities across the State and country. It can be expected that this option would result in some inefficiencies that would have been avoided with the revised scope currently proposed.

This option, although it provides an impressive performing arts facility, will not deliver a facility with as much functionality or attractiveness as the preferred option. A number of the changes to scope include items that will improve the experience for the visitor, including:

- Improved seating layout and comfort
- Improved sound through revised and improved technology

- Access to areas to congregate before or after shows, including upstairs decking and courtyards, as well as an on-site pub housed in a heritage building
- Access to the facility from both Marine Terrace courtyard (behind the ArtGeo building) and the main foyer off Queen Street
- · Ability for multiple users to use the facility at the one time
- Ability for more diverse types of events to be held at the facility, including larger art shows, expos, trade shows and larger conferences
- Ability for creative industry individuals and organisations to produce more and better artistic content (in the Hub) that can be displayed or screened at the facility

This option would cost \$21.32 million and would not require any funding from the WA State Government. It would deliver net benefits to the state of up to \$43 million and a Benefit Cost Ratio of 1.22. It is expected to provide approximately 11.1 – 51.7 direct FTE ongoing, and additional 5.8 - 27.2 FTE supported through other flow on effects to provide an estimated 17 - 78.9 FTE jobs on an ongoing basis. It is noted that the multipliers used to obtain these figures were as conservative as those used for the preferred option and, as such, the lower end of the range would be considered more accurate.

However, the preferred option will result in an increased number of benefits to the state, as well as addressing the deficiencies mentioned in this option. As such, this is not the preferred option.



Attachment A

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Option 2 - Construct the BEACH as per current designs

This option is the preferred option and the subject of this business case. Option 2 will deliver a fully functioning conference, exhibition and performance venue in the Busselton Cultural Precinct. The new facility will integrate with the existing Weld Theatre and Heritage-Listed ArtGeo Gallery, maximising the appeal and use of those community facilities. The BEACH will be a high quality, technically advanced, flexible and adaptable facility capable of serving the local and regional communities, adding to the wider regional business events and performance offerings.

This option provides a revised design from Option 1, due to the identified business events market, the opportunity to incorporate the ArtGeo Gallery building and creative industries hub and consultation and tours of other similar facilities. The additional scope of the revised design includes:

- The inclusion of a new class AA art gallery into the BEACH facility and the repurposing of the ArtGeo building into a commercial bar. This scope change was made due to the need to upgrade the existing ArtGeo art gallery to increase the quality of touring products that can be received there. An assessment determined that including a new gallery into the BEACH facility and repurposing the ArtGeo building into a bar that increases the vibrancy of the area and caters to the BEACH 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 BEACH.
- The addition of two conference rooms and breakout rooms on the first floor. This will enable the hosting of conferences 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.
- 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.
- The addition of a creative maker space, co-working area, recording studio and meeting
 room that form a Creative Industries Hub to be provided for short or long-term rental to
 organisations in the creative industries. This hub will be used to enable collaborations
 between creative groups and the production of music and arts works.

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.
- 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. The completion of the Busselton Margaret River Airport project and the 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 the main driver behind the increased scope.
- 3. The need for a Creative Industries Hub and the synergies and efficiencies that could be gained by including the Hub in the BEACH facility.

1.1

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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 inclusion of a courtyard that provides another entry point to the facility (behind the ArtGeo building) and an onsite bar. These changes will attract more visitors to the facility, with the bar also resulting in increased annual revenue to cover the expected maintenance and asset replacement costs of the facility.

The revised layout enables the flexible use of the new gallery space, the courtyard and the main foyer to be able to host large art shows, expos or trade events without disrupting the auditorium and allowing it to still be used for its intended purpose. For example, this would enable a large scale trade show with stalls in the gallery and main foyer, while demonstrations or presentations are delivered in the auditorium. The gallery and main foyer and/or courtyard could also be combined in order to present a large gallery exhibition, which is currently not possible given the size of the ArtGeo Gallery.

The addition of two conference rooms, breakout rooms and a rehearsal room on the first floor is the key to the improved benefits of this option. These separate function spaces ensure that the areas can operate independently, enabling many events and activities to be undertaken in the facility at the one time. This results in a far more future-proofed facility to cater to the growing population and enables Busselton to maximise the number of business events and performances that it attracts. 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 440 people in banquet table seating arrangements.

Attachment C Design Review Presentation shows the various ways the proposed facility can be used, making this design the option with the most capacity to service Busselton's needs and enable it to capitalise on the opportunity for attracting visitors and the community to business events, art shows and performances. It also shows the design options considered when revising the scope from Option 1 to this preferred option, Option 2.

This option will cost \$30.35 million and will require \$9.5 million of funding from the WA State Government. As can be seen in Attachment E, the Cost Benefit Analysis for this preferred option, the expected benefits for this project are worth \$59.1 million, with a Benefit Cost Ratio of 2.01. This exceeds the BCR for the previously considered option, which was only 1.22, with \$16.1 million less in expected benefits.



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Option 3 - Alternate Location

Council considered a number of other locations for the facility over the past 18 years of project development, before deciding on the proposed location of Lots 43 and 44 Queen Street in the Cultural Precinct.

When the facility was first proposed in 2008, the preferred location was Signal Park, across the road from the Busselton Cultural Precinct. However, uncertainty over the site grew as community consultation for the Busselton Foreshore Redevelopment progressed. It was considered that a more suitable and appropriate location would be within the Cultural Precinct at the end of Queen Street and at the entry to the foreshore.



Figure 10 Site Options

In 2011 the City saw an opportunity for a land swap with the then Department of Parks and Wildlife (DPaW) on Lot 450 in the Cultural Precinct. Council resolved to progress the site as the preferred location, however, discussions with DPaW indicated that the City acquiring the site was not a shortterm option. In the meantime, land opposite on lots 43 and 44 had been gifted by the State to the City. This land had been a 1960s police station and was now vacant and derelict. When the City

³² Google maps



took possession in 2011, it cleared the site, replaced it with a lawned open space and advertised it for private development, without interest. The land has been used for cultural and community events such as markets and the Fringe. With DPaW indicating that Lot 450 was not an option, Council endorsed Lots 43 and 44 as the preferred site in 2016.

Given the selected site is within the Busselton Cultural Precinct, provides a connection between the foreshore and the CBD and is available at no cost to the City, it is not recommended that an alternate site be considered for this project.

Option 4 - Multi-Functional Civic Centre

In March 2013, the Council committed to constructing a new Civic and Administration Building on the corner of Bussell Hwy and Southern Drive to support a growing workforce and community. During development of that project, Council considered combining the Civic and Administration Centre with a multi-functional civic centre that had the capacity for hosting performing arts events.

Council undertook consultation with the community and an analysis of this option. Common themes through the consultation included:

- Preference for a Performing Arts Centre and / or an alternative location
- Concerns about the total cost of the project and / or the rate increases proposed
- Concerns about traffic and parking at the Southern Drive site and / or congestion and site coverage with a lack of expansion space

As a result of the consultation and analysis, the City recommended that the multi-functional civic centre (MCC) component was not included in the Administration Centre project due to concerns with parking, site coverage and congestion, the fact the MCC option did not entirely meet the community's expectations as a performing arts centre, potential duplication of facilities, and the proposed location (i.e. not being in the Cultural Precinct).

The below document was produced by the City and presented to Council to assist in deliberations on this option:

	Performing Arts Centre location comparison						
Cultural Precinct positives	Cultural Precinct negatives	Administration Building positives	Administration Building negatives				
		Potential to make it a significant gateway / entry	A compromised building trying trying to be all thing:				
Destination point for those interested in Arts &	several years to establish)	statement	to everyone may result in a "White Elephant"				
Culture			(Pegasus report p90)				
Adaptable spaces with courtyard, precinct,	More difficult to access for large trucks to	Location is more sympathetic to the scale of building					
courthouse and gallery for larger multi faceted	unload/load	required and a fly tower	complimentary amenities				
events or break out zones.							
	Higher capital costs of \$20 - \$22 million (Capes Arts &	Appealing rear frontage	Fewer car parking spaces than the foreshore, parkin				
	Cultural facilities need assessment p59)		would be difficult during City work hours				
gap in current facilities)							
Proximity to Jetty and new 'cruise ship' audience			Unlikely to attract the conference market due to				
	Large imposing building harder to blend into street	Service and box office	limited proximity to suitable short stay				
	scape, particularly a fly tower		accomodation.				
Proximity to restaurants, bars & cafes part of the		Would help to activate the entrance to town in the	Security concerns with multi facted uses and				
usual "performance experience" and the economic		evening.	accessibility to Council and City premises and				
leverage this brings			information.				
With foreshore redevelopment more short stay		Land already owned by the City	The sunk cost of \$6m expenditure on an interim				
accommodation is in walking distance to attract the			solution and still having to provide a Performing Art				
conference market			Centre at a future date.				
		Lower capital costs and savings from constrcuting at					
Amount of existing car parking space on the		the same time as the Admin building upgrade					
foreshore.							
Will provide added infrastructure to grow the Fringe		Shorter lead times to build					
Festival Arts Busselton							
Artists in Residence Studios and other leased		Use of Admin building car park					
buildings provide opportunity to establish the							
precinct as a Creative Industry Hub							
Shared gallery, storage & workshop space							
opportunities							
Would form part of an established stakeholder							
network							
Possibility of one management model for whole							
Cultural Precinct							
Creates potential for partnerships with commercial							
sector and not for profits e.g., Leased space and							
volunteerism							
Potential for higher level of income reducing							
Council's subsidy							
Increase of precinct and vitality of town and							
foreshore into the evenings		I					

Figure 11 Performing Arts Centre Location Comparison Document

Attachment A

On 23 July 2014, Council agreed to not include the MCC in the construction of the Civic and Administration Building and endorsed the concept of the proposed performing arts centre being located in the Cultural Precinct and it being elevated as a City of Busselton local priority project. The construction of the Civic and Administration Centre was completed in 2017 and, as such, this option is no longer possible.

The expected benefits and implications of the options considered in the development of this project are summarised in the below table.

Option	Benefits	Implications	Cost
1. Do Nothing	 Nil funding required from State Government Net benefits to the state of up to \$43 million Benefit Cost Ratio of 1.22. Provide an estimated 17 jobs on an ongoing basis. Meet the need for a performing arts centre to cater for large indoor events 	Will not: capitalise on the MICE market for business events and visitors provide sufficient flexibility of use enable the highest quality art shows/pieces to be displayed in Busselton provide a new commercial bar premises in a heritage building address the need for the ArtGeo Gallery to be upgraded, activate the Cultural Precinct to the best of the site's ability increase the ability for the City to recoup maintenance costs enable multiple events, shows and rehearsals to be occurring at the same time provide the most functional performing arts and conference facility as possible provide a creative industries hub	\$21.3 million capital costs \$0 cost to State Government
2. Construct the BEACH as per current designs	 Net benefits to the state of up to \$59.1 million Benefit Cost Ratio of 2.01. 	 Higher upfront costs Requires additional funding that is not yet secured 	 \$30.35 million capital costs \$9.5 million cost to



Option	Benefits	Implications	Cost
	 Provide an estimated 18 direct and 2.3 indirect jobs on an ongoing basis. Meets the need for a performing arts centre to cater for large indoor events Meets the needs of the business events market and can capitalise on that opportunity Most future-proof option to meet the needs of the community as the population grows Best functionality and flexibility of use – caters to more users, event types and sizes Best option to activates the Cultural Precinct and create a vibrant space Provides a hub to grow and support the creative industries 		State Government
3. Alternate Location	May not require lot amalgamation	 Likely to be an additional cost to purchase land Unknown approval requirements, which may take longer than lot amalgamation or may not be allowable Unknown site issues related to utilities and geotechnical matters May not be located in Cultural Precinct, connect the foreshore and the CBD and other benefits provided by chosen site 	\$30.35 million capital costs plus possible cost for land acquisition



Option	Benefits	Implications	Cost
4. Multi- Functional Civic Centre	Nil. No longer an option.	No longer an option.	N/A

2.11. Funding Strategy

The total cost of the project is estimated to be \$30,355,231 as detailed in Attachment F Cost Status Summary. Given the tender for construction has not yet been released, these costs are based on a QS estimate and include a contingency of 10%.

In August 2019, the City secured \$10.35 million for the project from the Federal Government's Regional Growth Fund, with a Grant Funding Agreement executed for these funds. A further \$10.5 million (including \$500,000 in-kind) has been allocated to the project from the City of Busselton.

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 construction funding across the financial years 2020/21 to 2021/2233.

The remaining \$9.5 million is being sought from the WA State Government and is the subject of this business case. \$8.5 million of these funds is being requested in the 2020/21 financial year, with the remaining \$1 million in the 2021/22 financial year.

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.

2.11.1. Total Budget

The total cost of the project is estimated to be \$30,355,231, with \$10.35 million being funded by the Federal Government, \$10.5 million by the City of Busselton and \$9.5 million being requested from the WA State Government.

The City of Busselton funding is evidenced in its Long Term Financial Plan 2017/2018 - 2026/2027. The Federal Government funding is provided from the Regional Growth Fund, with a grant funding agreement executed between the City and the Commonwealth Department of Infrastructure, Regional Development and Cities. A copy of this agreement can be provided if required.

The budget cost estimate has been determined by engaging a Quantity Surveyor to provide a cost estimate on the basis of the current design drawings and details, as described in this business case. The QS cost report is provided at Attachment F, with the cost plan summary provided below.

³³ City of Busselton Long Term Financial Plan 2017/2018 - 2026/2027

Council



Cost Plan Summary



Project: City of Busselton Details: 200520_CONCEPT COST PLAN - R2 (VE)

Building: Busselton Entertainment Arts Creative Hub (BEACH)

Auto code	Description	Quantity	Unit	Rate	Subtotal	Factor	Total
1	Zone 1 - Main Auditorium Building	3,170	m2	4,080.98	12,936,713		12,936,713
2	Zone 2 - Back of House and Admin Building	1,126	m2	2,936.58	3,306,591		3,306,591
3	Zone 3 - Function, Gallery, Conference & Foyer	1,352	m2	3,399.32	4,595,875		4,595,875
4	Zone 4 - The Weld Theatre	415	m2	1,192.55	494,910		494,910
5	Zone 5 - ArtGeo Gallery	192	m2	1,165.29	223,735		223,735
	Total Estimated Building Cost	6,255	m2	3,446.49	21,557,824		21,557,824
6	Zone 6a - Site Preparation and Demolition	6,255	m2	9.59	60,000		60,000
7	Zone 6b - External Works	6,255	m2	28.92	180,890		180,890
8	Zone 6c - External Services	6,255	m2	19.18	120,000		120,000
	Total Site Preparation, External Works & Services	6,255	m2	57.70	360,890		360,890
	Total Building Cost	6,255	m2	3,504.19	21,918,714		21,918,714
9	Preliminaries and Margin	6,255	m2	332.53	2,080,000		2,080,000
	Total Estimated Construction Cost	<u>6,255</u>	<u>m2</u>	3,836.72	23,998,714		23,998,714
10	Contingency	10	%		2,350,000		2,350,000
11	Public Arts	1	%		228,900		228,900
12	Headworks & Statutory Charges	1.5	%		378,600		378,600
13	Kitchen Equipment	N/A			EXCL		0
14	Professional Fees	1	Sum		2,590,440		2,590,440
	Sub-Total Estimated Project Cost	6,255	m2	4,723.69	29,546,654		29,546,654
15	Escalation	N/A			INCL		0
	Total Escalated Project Cost	6,255	<u>m2</u>	4.723.69	29,546,654		29,546,654
	BELOW THE LINE ITEM				SEE BELOW		0
16	Loose Furniture				127,000		127,000
17	Woodturners Relocation				180,000		180,000
18	Theatre Lighting & AV Equipment - 1st Day Equipment (Excl. Defer items)				795,000		795,000
19	Landscaping				120,000		120,000
20	ESD Initiative - PV Cell	1	Sum		56,000		56,000
	Total Below Line Item				1,278,000		1,278,000
21	Approved Value Engineering	6,255	m2	-176.50	-1,104,000		-1,104,000
22	Increased Zone 3 Gallery Building Height and Addition of Mezz Office	3,170	m2	200.18	634,577		634,577
	TOTAL ESTIMATED PROJECT COMMITMENT				30,355,231		30,355,231

20/05/20 Altus Group Consulting Pty Ltd PAGE 1 OF 1

Figure 12 BEACH Cost Plan Summary



BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)

Funding required across financial years is detailed in the below table.

Source of Funds	2019/2020	2020/2021	2021/2022	Total 2019 to 2022 \$
City of Busselton	505,231	4,000,000	6,000,000	\$10,505,231
Regional Growth Fund (Federal)		5,175,000	5,175,000	\$10,350,000
WA State Government		6,500,000	3,000,000	\$9,500,000
Total	\$505,231	\$15,675,000	\$14,175,000	\$30,355,231

The City of Busselton has the funding available and commits to funding in cost overruns that may occur with the construction of the facility.

2.11.2. State Government Funding Amount

Item of Expenditure	2019/2020	2020/2021	2021/2022	Total 2019 to 2022 \$
Design Documentation		1,000,000		\$1,000,000
Site preparation, Headworks & Statutory charges		1,000,000		\$1,000,000
BEACH construction (main auditorium/back of house/gallery/conference rooms/foyer)		4,500,000	2,000,000	\$6,500,000
WELD Theatre & ArtGeo construction			1,000,000	\$1,000,000
Total	\$0	\$6,500,000	\$3,000,000	\$9,500,000

2.11.3. Sustainability and Ongoing Viability

The City of Busselton has factored ongoing operational costs of this public facility into the City's Long Term Financial Plan, aware that such venues are predominantly developed to provide social benefit to the community. This includes the ongoing asset maintenance of the 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 BEACH 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 BEACH can be grouped under the following categories;

- 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 BEACH, for example for 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 BEACH as a commercial venue.
- 4. Venue hire Most areas within the BEACH will be available and marketed for hire by community and commercial users. The Creative Industries Hub will be available for hire by organisations or individuals within the creative industries proposing to use the Hub for its designated purpose; to enable the development of creative works and grow the industry.

BEACH 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 BEACH 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 will form the basis from which the Programming Policy will be developed:

24 June 2020



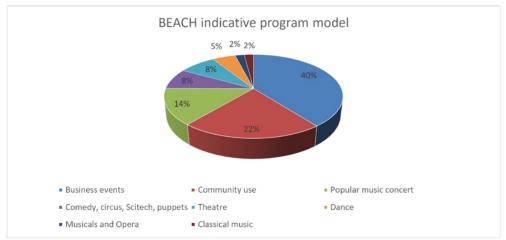


Figure 13 BEACH expected usage graph

The anticipated revenue from the BEACH 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 times in the first full year, increasing to 140 times by year 5.

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

- 27 casual hires to commercial organisations at a nominal rate of \$2,575 per hire (note that no fees and charges have been formally adopted by Council, but these are indicative rates).
- 20 incentivised commercial hires at a nominal rate of \$2,060 per hire
- 50 hires to not-for-profit community groups at a rate of \$1,545 per hire
- Additional cost recovery charges for utilities etc. will be charged and have been estimated at

The total expected revenue from theatre rentals for the first full year of operating is \$206,773, increasing to \$318,800 by Year 5.

Other Facility Rentals

In addition to the auditorium, the majority of the BEACH facility will be available for hire for business and performing arts events.

\$58,898 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 500 hires: 200 for music/dance type activities, 200 meetings and 100 community bookings, with hire fees ranging from \$31 a booking for community to \$100 for music and dance who are likely to be commercial users, plus recoverable charges.



BEACH Business Case June 2020

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 BEACH will be hired a total of 85 times in the first full year of operation for commercial events, increasing to 110 times by year 5, with larger conferences hiring over 4 days. The revenue model completed for MICE and Functions at the BEACH estimates that, of these 85 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 \$138,625 for the first full year, increasing to \$189,659 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 BEACH facility, there will be an increase of around three additional exhibitions a year, equating to around \$11,196 in the first full year.

Creative Industries Hub

The Hub is forecast to add an additional \$48,300 in revenue per annum, including \$33,100 from a range of hire arrangements, consisting of 200 bookings for the studio space at \$100 per hire, 200 bookings of the meeting rooms at \$50 per hire and 100 bookings of working spaces at \$31 each.

An additional \$13,154 is forecast to be generated from flow on events into the broader BEACH facility, as shown in the table below:

Туре	No of Sessions/Events	Avg No of Attendees per session/ event	Total Attendees/P articipants	Total Revenue	Net Profit/Subsidy \$
Programmed					
Innovation sessions	12	20	240	2,268	\$ 2,268
panel	6	20	120	1,134	\$ 1,134
Creative awards	1	200	200	2,500	\$ 2,500
Design showcase	1	500	500	2,500	\$ 2,500
Startup weekend	4	50	200	2,252	\$ 2,252
Film festival	1	2,000	2,000	2,500	\$ 2,500
Total Creative	<u>25</u>	2,790	3,260	<u>\$13,154</u>	<u>\$13,154</u>

City Programming

In addition to hiring out the venue, the City will also secure events and shows and stage them at the BEACH. For these activities, the revenue the City obtains will be from ticket sales. The City has estimated it will deliver 20 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 \$358,020 in the first full year operating, increasing to \$447,525 by year 5 (with an assumed slight increase in occupancy each year up to 65% in year 5).

Bar Lease and Sales. The City will lease the new bar in the ArtGeo building on a commercial basis. Based on a market valuation, the lease is expected to be \$30,000 for the shortened first year and

\$45,000 per year thereafter. This bar will be unable to cater for the full demand of pre, post and interval drinks. The BEACH will have bar areas on all levels to cater for these drink sales. Bar sales revenue forecasts starting at \$150,000 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. The City will enable patrons to 'purchase' a seat for the year for \$250. This is a common form of fundraising for new theatres. It is expected to sell 100 seats initially with this reducing over time by half each year. Memberships will also be available at \$1,000 per annum. 15 of these are estimated to be sold initially and are forecast to double over time by year 5.

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 BEACH 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 lease at the Weld Theatre expires 30 June 2020. To date the Club have paid a peppercorn rate and been responsible under the lease for all building maintenance, except structural and heritage. The Club have struggled with the capacity to maintain the building, with their own operational needs taking priority. Under the new arrangement the City will 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 BEACH. 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
- The BEACH 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 2020, with a further five year option. To date they have paid a peppercorn rate and been responsible under the lease for all building maintenance, except structural and heritage. The group have struggled with the capacity to maintain the building, with their own operational needs taking priority. Acting Up will move into the new BEACH



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 will provide a suitably sized storage area and share used of an office space with other stakeholders with access under hire arrangements to the other aspects of 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
- 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 BEACH 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 BEACH. 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 table below and further explained in the attached Draft Operational Business Plan.

Estimated Operating forecast for BEACH (\$)					
	2021/22 (transition 3 months operating)	2022/23 Year 2	2023/24 Year 3	2024/25 Year 4	2025/26 Year 5
Revenue					
Theatre Rentals	51,693	206,773	250,903	282,470	318,800
Other Facility Rentals (Conferences,	14,725	58,898	64,862	69,834	75,345
meetings, rehearsal room)					
Business Events	34,656	138,625	163,083	186,772	189,659
Gallery exhibitions	8,400	11,196	11,532	11,878	12,234
Commission on art sales	10,000	12,000	12,360	12,731	13,113
Creative Hub hires	11,564	46,254	47,642	49,071	50,543
Creative Hub Leases		90,000	92,700	95,481	98,345
Programming Revenue	89,505	358,020	447,525	447,525	447,525
Commercial rent - ArtGeo bar		30,000	45,000	45,000	45,000
Beverage sales	37,500	150,000	178,126	194,004	205,000
Sponsorship	10,000	20,000	20,000	20,000	20,000
Memberships, seat endowments	0	27,500	26,250	28,125	31,563
Ticketing	31,472	125,887	158,849	183,601	215,085
Merchandise sales		8,775	8,994	9,214	9,490
On anothing Passage					
Operating Revenue	342,934	1,283,927	1,527,825	1,635,705	1,731,702



In addition to the operating revenue, the BEACH will also attract revenue in the form of grants and funding. This consists of \$47,500 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.

Remaining funding reflects annual transfers from the City's Building Reserve to fund the asset management and building maintenance outlined in the Asset Management Plan.

The City of Busselton has completed a Lifecycle Management Plan (LMP) for the BEACH, which is to be used as a guiding document to form the basis for more detailed asset management planning as the construction of the BEACH progresses. The LMP details the costs of maintenance, operations and asset renewal over the period 2020/21 to 2042/43.

As detailed in the LMP, the City has included the BEACH 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 BEACH 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 Draft Operations Plan detailed the expected staffing levels as per the below organisational structure. All staff will be hired by the City and report to the Manager, Community Services.

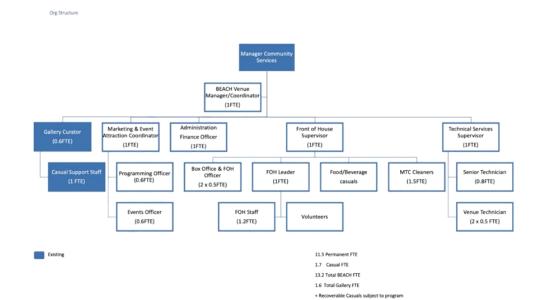


Figure 14 BEACH Proposed Organisational Structure

BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)

A copy of the Lifecycle Management Plan is provided at Attachment G. A copy of the Draft Business Operations Plan is also provided at Attachment B, with the caveat that this document will be updated to reflect the additional scope of the facility. The below extract summarises the lifecycle costs for the BEACH.



BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)

nd Total	173,500	831,009	2,863,929	3,203,460	3,268,160	3,372,347	3,552,778	3,586,169	3,783,865	3,812,140	4,197,649	3,807,921	4,308,048	3,925,033	4,451,532	4,092,444	4,403,300	4,923,416	4,938,555	4,854,081	7,800,223	4,640,394	12,122,169	96,912,
cation Total		161,844	647,377	64194	627.00	633,280	637,567	660,712	10154I	686,406	£70,566	674.831	979,201	BE3,681	683,274	ED 500	(9),805	702,750	707,813	713,014	718,340	70.37	732,813	14,49
Overheads	0	36,844	147,377	149,956	152,580	155,250	157,967	160,732	163,544	166,406	170,566	174,831	179,201	183,681	188,274	192,980	197,805	202,750	207,819	213,014	218,340	220,378	232,813	3,87
Depreciation	0	125,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	10,6
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ENE 103													337,032								1,000,507		1/80/202	15,58
Component Renewal													337,032								1104507		7,445,508	10,80
Component Renewal													337,032								3.084.507		7.445.508	10,8
ineting Costs Total	173,500	565,165	1,216,553	2,273,188	2,329,767	2,87,373	2,446,341	2,506,865	1,562,589	2,632,757	2,698,576	2,7(6,940	2,895,191	2,906,071	2,876,725	1,053,191	3,125,520	3,207,758	3,287,952	3,370,151	1,454,425	3,540,765	3,629,284	61,0
Utilities	0	41,500	166,000	168,905	171,861	174,868	177,929	181,042	184,211	187,434	192,120	196,923	201,846	206,892	212,065	217,366	222,800	228,370	234,080	239,932	245,930	252,078	258,380	4,3
Materials and Contracts	0	1,964	47,855	48,692	49,545	50,412	51,294	52,191	53,105	54,034	55,385	56,770	58,189	59,644	61,135	62,663	64,230	65,835	67,481	69,168	70,897	72,670	74,487	1,2
Marketing and Promotion	50,000	204,636	402,545	409,590	416,757	424,051	431,471	439,022	446,705	454,522	465,886	477,533	489,471	501,708	514,250	527,107	540,284	553,791	567,636	581,827	596,373	611,282	626,564	10,7
Insurance	0	10,000	40,000	40,700	41,412	42,137	42,874	43,625	44,388	45,165	46,294	47,451	48,638	49,854	51,100	52,377	53,687	55,029	56,405	57,815	59,260	60,742	62,260	1,0
Employment Expenses	123,500	309,690	1,238,759	1,277,388	1,315,622	1,354,588	1,394,565	1,435,741	1,478,153	1,521,837	1,559,883	1,598,880	1,638,852	1,679,824	1,721,819	1,764,865	1,808,985	1,854,211	1,900,566	1,948,080	1,996,782	2,045,702	2,097,870	35,0
Contractors and Consultants	0	7,875	31,500	32,101	32,712	33,284	33,867	34,459	35,062	35,676	36,568	37,482	38,419	39,379	40,364	41,373	42,407	43,468	44,554	45,668	46,810	47,980	49,180	
Administration	0	93,500	289.894	295,813	301,859	308,034	314,341	320,784	327,365	334,088	342,440	351,001	359,776	368,770	377,990	387,439	397,125	407,053	417,230	427,661	438,352	449,311	460,544	7,77
eterate las	1000	40	- 114	280,315	285,813	329,724	48,01	413,572	51,311	512,577	\$21,507	367,051	456,624	115,280	78,01	\$46,271	575,974	1,013,516	MCM.	770,515	541,517	179,252	1459	10.4
Preventative						38,414	151,664	116,270	243,533	199,682	509,716	42,763	125,840		443,759		224,205	655,642	580,021	402,657	295,718		147,980	4.1
Annual				280,316	285.813	291,309	296.806	302,302	307,798	313,295	318.791	324,288	329,784	335,280	340,777	346,273	351,770	357,266	362,762	368,259	247,253	379,252	166,583	6.3
Labels Listerance	-T 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	Grand

Figure 15 BEACH Lifecycle Management Costs

1.1

As demonstrated in the above information regarding the expected revenue from the BEACH and the expected maintenance, renewal and operational costs, the City is expecting the facility to be a local government asset that is managed at a cost to the City. The anticipated annual loss for the first 5 years is summarized in the below table.

Year	2021/22	2022/23	2023/24	2024/25	2025/26
Operating Revenue	342,934	1,283,927	1,527,825	1,635,705	1,731,702
Grants and funding revenue	111,875	197,500	346,250	352,250	359,926
Total Operating and Maintenance Costs	669,165	2,216,553	2,273,188	2,329,767	2,387,373
Asset Allocations			280,316	285,813	291,309
Net Profit/Loss	-214,356	-735,125	-679,429	-627,625	-587,054

The City of Busselton has included an allocation toward the operating expenditure of the BEACH from the year 2022/23 in their Long-Term Financial Plan. It can therefore commit to covering the expected deficit. If the BEACH 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 BEACH 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.

Main Activities (Milestones)	Milestone Date	Responsibility
Tender for Design Development awarded	29 January 2020	Completed
Heritage Council Approval Awarded	30 September 2020	Project Manager
Relocation of Woodturners	28 August 2020	Project Manager
Site demolition and preparation	11 September 2020	Project Manager
Expression of Interest – Construction Contract	14 August 2020	Project Manager
Construction Contractors Shortlisted	22 September 2020	CEO
Design Development complete	5 October 2020	KHA Architects



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Main Activities (Milestones)	Milestone Date	Responsibility
Construction contract documentation drafted	7 October 2020	Project Manager
Construction tender issued	9 October 2020	Project Manager
Construction contract awarded	24 November 2020	CEO/Council
Practical Completion	1 November 2022	Builder/CEO
Opening Event	30 November 2022	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 BEACH. 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	 Complete project business case to enable other funding applications to be made and investment sought. Maintain open communication with funding bodies. 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.

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Risk	Likelihood	Consequence	Risk Score	Mitigation
Cost overruns	Possible	Moderate	Medium	 Specialist consultants formed part of Project Team in planning and detailed design stages Separate design and construct contracts to be awarded to afford the highest level of control and certainty regarding scope Contingency allowance in place Larger pool of tenderers increases competitive pricing Ensure Tender Contract is comprehensive Investigate construction cost savings Seek in-kind contributions Seek additional funding from Council, community donations or other sponsorship Investigate options to reduce scope
Construction contractor discovers adverse site conditions	Unlikely	Major	Medium	 Contingency allowance in place Ensure Tender Contract is comprehensive A geotechnical survey has been undertaken and shown the site to be viable for proposed construction concepts Further geotechnical Investigation undertaken as part of the detailed design phase Seek in-kind contributions Seek additional funding from Council, community donations or other sponsorship
Environmental issues e.g. flora and fauna	Rare	Major	Low	The site is currently cleared. Some recent tree and shrub planting may be affected by the build. Where possible this



Risk	Likelihood	Consequence	Risk Score	Mitigation
				will be retained. • A landscape plan will be developed during detailed design stage.
Issue with approvals due to heritage considerations	Unlikely	Moderate	Low	 Contact with both heritage buildings has been minimised. The City's Heritage Advisor will be consulted for advice during detailed design. Approval of the detailed designs will be obtained prior to finalisation.
Significant delays due to weather	Possible	Minor	Low	 Ensure sufficient contingency in construction schedule Do not schedule works during winter period, or allow increased time for completion over winter Investigate options to increase trades to accommodate weather Ensure all insurances are kept up to date
Builder bankruptcy	Unlikely	Major	Medium	 Obtain bank guarantees from builder Conduct due diligence on financial status of builder prior to contract award Ensure all insurances are kept up to date
Quality of work is unacceptable	Unlikely	Moderate	Low	 Ensure Tender Contract is comprehensive and clearly details expectations Complete reference and due diligence checks prior to contract award Project Manager regularly completing quality control inspections Ensure bank guarantees and insurances are in place

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Likelihood Consequence Risk Risk Mitigation Score Ensure OSH guidelines are in Complete reference and due diligence checks prior to contract award Project Manager regularly completing inspections Contractors not adhering Unlikely Major Medium Project Manager to maintain to safety standards and update Risk Register Complete site risk assessments/inspect contractors risk assessment records Ensure contract specifies default notice processes Ensure all insurances are kept up to date Ensure OSH practices are followed Public liability matters Unlikely Moderate Low Ensure appropriate barrier (e.g. accident) fencing and signs are erected at all times Ensure continued communication with public Ensure necessary site security is required of contractor and in place Ensure insurances are Site security issues/ Unlikely Minor Low maintained by contractor vandalism/protests Ensure continued, open communication with public, as has been the case in the development of the project Continue the open and regular communication that has been ongoing since investigations into this site Relocation issues with **Busselton Woodturners** began Implement contract with and other groups that Unlikely Minor Low are relocating from the groups that identifies in writing what the City will do site and what the group will do Undertake mediation if necessary



Risk	Likelihood	Consequence	Risk Score	Mitigation
Effect of construction work on surrounding businesses, tourism, events	Likely	Minor	Medium	 Schedule construction works to minimise impact on key events precincts at key event times. Ongoing communication with events staff to plan ahead with events coordination Ongoing communication with surrounding businesses and organisations Sufficient signage and traffic management required in construction contract
Use of completed BEACH facility is not as high as expected	Unlikely	Moderate	Low	 Work with specialised organisations as identified in design development of facility to ensure functionality and appeal for end users Develop a well-resourced marketing program and resourcing to operate the centre as a professional business unit Undertake significant communications and marketing around the BEACH opening and its various uses Consider creating and implementing a marketing plan and engaging with Tourism WA to do so Consult with Tourism WA for ideas to increase visitation/bookings Council to consider sponsoring additional events at the BEACH to generate awareness of the facility
COVID19 related travel restrictions impact on interstate and international visitor numbers	Unlikely	Moderate	Low	 Opening date expected to be after most, if not all, restrictions are lifted Work with Tourism WA and Busselton tourism groups like MRBTA to target the markets that are able to visit Busselton

BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)

Risk	Likelihood	Consequence	Risk Score	Mitigation
				until markets can be expanded Implement business model changes to maximise the use of the facility within the restrictions
Natural disaster	Rare	Extreme	Low	Ensure adequate insurances are in place
Skilled operational staff unavailable	Unlikely	Minor	Low	 Busselton is a desirable location to live, and has a strong creative sector and events coordination base in existing private sector, If skills cannot be sourced locally, training can be provided or a strong, competitive package offered in initial recruitment process Busselton has a sound base of people already trained in hospitality and institutions that could be engaged to offer training as demand grows
Maintenance and operational cost of facility is higher than expected	Unlikely	Minor	Low	 Complete Asset Management Plan Income derived from commercial operations directed into specified Reserve for the maintenance and operation of the facility Ensure accurate costings during detailed design phase Investigate options to reduce cost of maintenance Investigate business model and identify how to reduce annual losses Increase City commitment to maintenance costs Investigate options to increase facility use to bring in more revenue
				•

1.1

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 the attached Cost Benefit Analysis Report the project will, during construction phase provide 20.5 direct and 39.4 indirect jobs annually, totalling 120 jobs over the construction phase. It is then expected to provide 18 direct and 2.3 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 per cent 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 Wardandi 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 1.32 aboriginal persons. Through the operations of the BEACH 0.2 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).

In January 2019, the City of Busselton formed the BEACH Aboriginal Advisory Group (BAAG) to assist in the progression of the design and development of the BEACH. The BAAG are Community advocates and champions of the project, serving as a conduit between the local Aboriginal community and the BEACH 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 Precinct are regular hosts for their cultural awareness activities. As such, it is extremely important that the BEACH, in both its development and ongoing use, is a facility that celebrates and recognises the local Aboriginal culture.

The City is currently preparing a Request for Quote to develop a Cultural Interpretation Strategy for the Cultural Precinct, which includes the BEACH and the BAAG will assist the chosen consultant in this work.

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.

1.1

It is anticipated the BEACH will significantly support increased youth employment. During the total construction phase the City could expect to provide employment to 14.4 young people. Annually through the operations of the BEACH 2.4 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.

All future project communications and engagement undertaken by the City of Busselton will be governed by a Communications and Engagement Plan that is currently being prepared by the Project Manager as part of the Design Development phase. The Communications and Engagement Plan will be based on the communication management approach and requirements as detailed in the tables below.

Identified key stakeholders include:

Engagement purpose	Level of involvement	Stakeholders	Engagement outcome
Involve	Decision makers	City of Busselton Councillors BEACH Steering Committee	Informed decisions based on achieving best value outcome to agreed budget.
Involve	Affected	Facility user groups: Busselton Repertory Club Acting Up ArtGeo Gallery CinefestOZ	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	SW Land and Sea Council, SW Boojarah Working Party, Undalup Association and local aboriginal community	Informed advocates with whom there are effective relationships to achieve optimal operations for whole of complex, cultural and employment opportunities and broader community support.



Engagement purpose	Level of involvement	Stakeholders	Engagement outcome
Involve	Affected	Busselton Woodturners Association Busselton Historical Society Busselton Pottery Club	Informed about the project and how it affects them. Strong engagement with relocation at Butter Factory.
Consult	Perceived stake	 BREC City of Bunbury Margaret River HEART Shire of Augusta Margaret River Arts Margaret River 	Working together to achieve growth in audiences and diversity of events in the SW.
Consult	Influencers	South West Development Commission (SWDC) Australia's South West Margaret River Busselton Tourism Association (MRBTA) Bunbury Geographe Tourism Association (BGTA) Perth Convention Bureau Regional Development Australia (RDA)	Working together to successfully enter the Business Events market, achieving forecast outcomes.
Inform	Perceived stake	Chambers of Commerce Local hotels, restaurants, bars, resorts, catering, lighting, audio visual, sound businesses. Busselton Town Team	Understand the business opportunities the BEACH provides and are engaged in supporting the outcomes forecast in the Business Case.
Inform	Influencers	Local, State-based and specialist media outlets / journalists Funding Bodies (Federal and State Government)	Informed advocates Political champions Funding contributors Public conscious influencer – project advocates
Consult	Perceived stake	Event and festival organisers e.g. CinefestOZ, Busselton Fringe, Jazz by the Bay, Festival of Busselton, SHIFT Youth Crew, City of Busselton Events Team	A facility that supports the growth and diversification of events across 12 months of the year and the provision of career and professional development



Engagement purpose	Level of involvement	Stakeholders	Engagement outcome
		Local performing arts, dance, music Groups e.g. Jazz Attack, Busselton Choral Society, Busselton Brass Band, Dunsborough Yallingup Stage Door Theatre Academy Education providers e.g. local schools, TAFE, Central Queensland University, Edith Cowan	opportunities for our local community.
Inform	Perceived stake	Current Cultural Precinct Lessees and volunteers: Busselton Art Society Busselton Repertory Club Acting Up Resident artists Coffee Shop Busselton Dunsborough Volunteer Centre	Informed advocates with whom there are effective relationships to achieve optimal operations for whole of complex and broader community support.
Consult	Influencer	 Gallerieswest Art on the Move Circuitwest Performing Arts Connections Australia Black Swan Arts 	A facility that supports the growth and diversification of events and audience attendance in the arts.
Consult	Influencer	Heritage Council Department of Planning, Lands and Heritage	Timely approved designs for construction that achieve a building that enhances and celebrates the Cultural Precincts heritage assets.

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	Project Manager



			Management and Council	
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.

BUSSELTON ENTERTAINMENT AND CREATIVE HUB (BEACH)

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

Name and Title	Role
Naomi Searle (Director, Community and Commercial Services)	Project Sponsor
Maxine Palmer (Manager Community Services)	Business Owner/Grant Agreement Manager
Eden Shepherd (Manager Major Projects and Facilities)	Project Manager
Emma Green (Contract Admin & Tech Officer (BEACH)	Contract Administration and Technical Officer
Ella McAlister (Financial Administration Officer)	Project Administration/Funding acquittal reporting
Ben Whitehill (Airport Projects and Legal Officer)	Contract and Procurement
Julie Rawlings (Strategic Projects/Grants Officer)	Communications/Media monitoring
John Reid (ArtGeo Complex Coordinator)	Operational Planning
Lee Reddell (Manager Development Services)	Development approvals coordination
Sharron Woodford-Jones (Land and Property Leasing Coordinator)	Property and leasing
John Farrier (Facilities Maintenance Coordinator)	Facilities management
Dan Hall (Asset Management Coordinator)	Asset management
Kris Davies (Manager Information Services)	Records Management
Successful Tenderer (TBD)	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 Regional Airport Upgrade, completed 2019, was a \$73.5 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
- 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 Regional 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

The City of Busselton is supported in this project by a community reference group, the BEACH 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 BEACH 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.
- 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 BEACH 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:

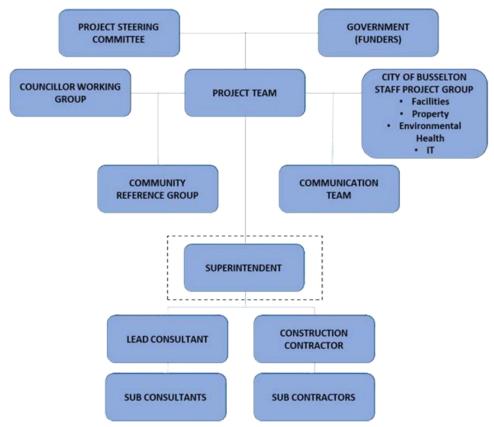


Figure 16 Project Governance Structure



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 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; and
- 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; and
- 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).

1.1

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 has therefore 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 2020.

In line with the Purchasing Policy, this Construction Only RFT will involve the completion of a public tender process, due to the purchase amount exceeding \$150,000. This procurement will be 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: Beach Plans
- 2. Attachment B: Draft Business Operations Plan
- 3. Attachment C: Design Review Presentation
- 4. Attachment D: Cultural Precinct Draft Masterplan
- 5. Attachment E: BEACH Cost Benefit Analysis
- 6. Attachment F: Cost Status Report
- 7. Attachment G: BEACH Lifecycle Management Plan

1.1

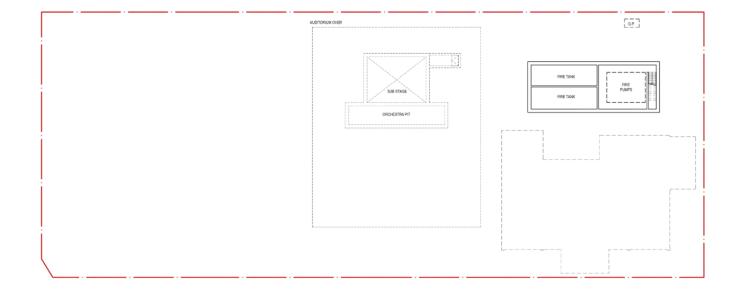


4. SIGNING OF BUSINESS CASE

4.1. Sign-off

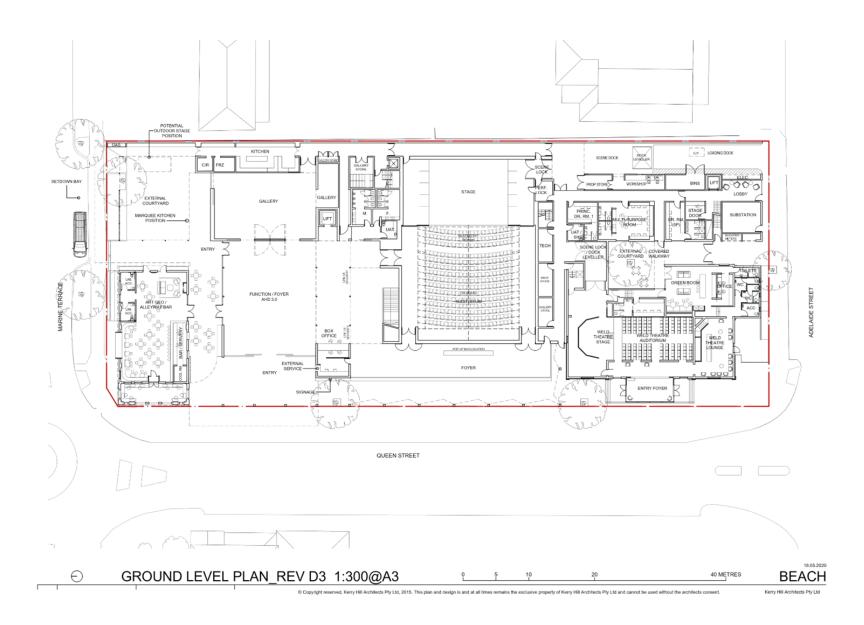
I confirm that the information contained in this Business Case is true and correct.

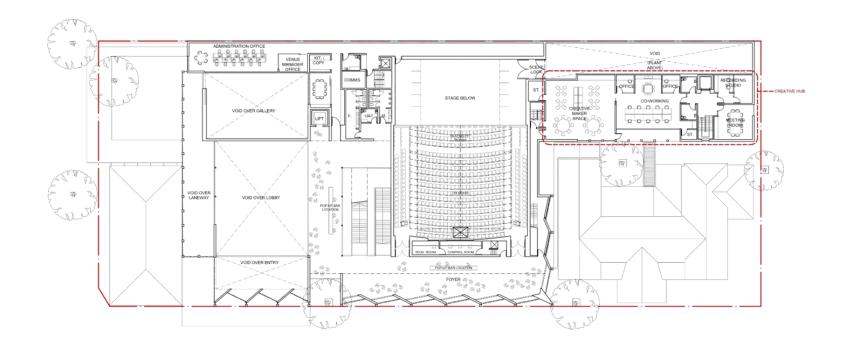
Business Case Author Signed	Juntary	CEO / DG Signed	are)
Completed by	Tara Whitney	Approved by	Mike Archer
Position	Consultant	Position	Chief Executive Officer
Date	18 June 2020	Date	18 June 2020

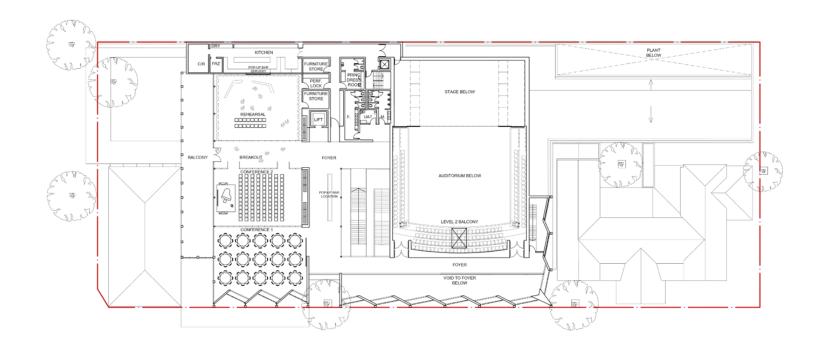




Business Case Supporting Document A - BEACH Plans











Date:

103



Busselton Entertainment, Arts and Creative Hub (BEACH)

Contact: Maxine Palmer

Business Unit

Maxine Palmer

Manager:

Signature: Date:

Director: Naomi Searle

Signature

CEO: Mike Archer Date:

Signature

Business Case Supporting Document B - Business Operations Draft Plan June 2020

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Context

The Busselton Entertainment Arts and Creative Hub (BEACH) will be a first class dedicated convention, entertainment and performing arts centre capable of hosting major events and a hub for the region's burgeoning creative industry.

The BEACH will be an iconic landmark performance space with a minimum 600 seat capacity theatre, and conference and convention facility to accommodate 400 people banquet style. The building will be flexible in design utilising the latest technology to fill the gap to host large indoor events, adding to the viability of the South West touring circuit and the opportunity to increase visitation to the region as a destination for conference, trade shows and conventions.

The BEACH will deliver a traditional theatre with operational flexibility to hold events, small to large functions and a conference facility. The auditorium provides an indoor events space of over 1000 capacity, comprising 625-seats with 343 seats which are retractable or removable, 116 seats on level one balcony and 166 seats and 36 perched positions on level two balcony. Once the 343 seats are retracted or removed there will space to accommodate 515 standing in flat floor mode. The total capacity of the auditorium in flat floor mode is 833 or 669 in an all seating configuration.

The BEACH is will give an exceptional customer experience with high quality seating and a focus on comfort and sight lines to the stage and a more intimate feel for the audience. Programming for the BEACH forecasts the highest use 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 dance.

On the first floor there will be a rehearsal room, two conference rooms and breakout rooms providing for a 400 banquet function with outdoor deck and views to the Bay. This will enable the hosting of conferences outside the main auditorium, allowing 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.

A new art gallery forms part of the BEACH facility, enabling the current gallery to be repurposed into a commercial bar and the existing ArtGeo gallery to be upgraded 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 galleries need, thus not allowing the full beauty of the heritage asset to be fully appreciated. Revenue from leasing the old gallery building will be used to partially fund the maintenance and asset replacement of the BEACH.

The generous 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 BEACH, 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.

The addition of a creative maker space, co-working area, recording studio and meeting room that forms a Creative Industries Hub will be provided, subject to further funding. This will provide short or long-term rental to organisations in the creative industries. This hub will be used to enable collaborations between creative groups and the production of music and arts works. The hub will support the growth of the SWs specialised creative industry segments such as: film, TV & Commercial radio, architecture, design and visual arts, music and performing arts; and publishing.

1.1 Attachment C

Business Case Supporting Document B - Business Operations Draft Plan June 2020

The BEACH is just one component of the broader Cultural Precinct which is already a hub for the creative and performing arts. The site includes an historic courthouse complex of considerable cultural and architectural significance, the historic and quaint 120 seat Weld Theatre, the gallery, artists' studios and workshops, an acting school and a café.

The Courthouse is listed on State and National heritage registers. The site includes several buildings housing courtrooms, gaol cells, bond store, former post office, stables, landscaped courtyard and two cottages that once housed the police constables' families.

The former Department of Agriculture building opposite the Courthouse has housed the ArtGeo Gallery since September 2008.

The cultural precinct is also home to several community and commercial leases: the Busselton Art Society, Acting Up Academy of Performing Arts, the Busselton Repertory Theatre, the Lock Up Coffee Shop and two resident artists. All of these arrangements will now form part of the BEACH operations.

The Vision

"The BEACH will reflect the rich heritage of our jetty, timber industry and picturesque region. The BEACH energises Busselton as a vibrant creative town, connecting the bustling foreshore with a thriving CBD. Loved by the local community and visitors for the extraordinary range of experiences and diversity of high quality events, shows and conferences. There is always something happening at the BEACH."

'BEACH - where it's happening'

This Business Plan details how the new operations of the BEACH will be managed and developed in the short term to work towards achieving the vision for the future.

1. Key Objectives

The BEACH will provide for the Capes region a significant visitor attraction and iconic venue of quality, contemporary design and the latest technologies that will:

- Create new markets for business in convention, conferences, trade shows and the performing arts;
- Diversify the City's events offering and fill the gap in indoor venues with capacity that can reach 1000
 people to service the winter and shoulder seasons;
- Enliven the Cultural Precinct, connecting the CBD and foreshore, providing an economic catalyst for extended trading and business viability;
- Provide a wide range of employment opportunities, from entry level to professional in hospitality, catering, events, marketing, administration and the arts;
- Enrich the lives of our community and its visitors by increasing the spectrum of quality arts and culture events; provide opportunities for our significant creative industries sector and a home for local artistic, cultural and educational groups.

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2. Strategic Links

The establishment of a dedicated convention, entertainment and performing arts venue 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.

This growth strategy will support the City's growing community by adding to and enabling increased accessibility to established visitor attractions, connecting the Busselton foreshore with the CBD. This project has the potential to increase visitor spending and create local jobs while providing for a sustainable local and regional economy.

The BEACH aligns with the following social and economic objectives in the City's Community Strategic Plan:

- 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 crate
 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; and
- · Provide events and unique tourism experiences that attract visitors and investment

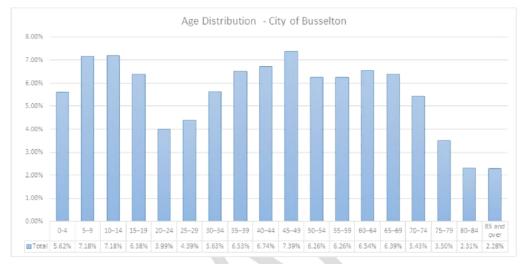
Critical Success Factors

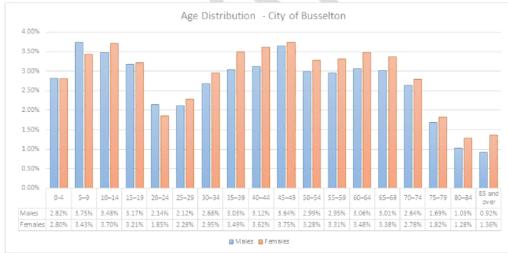
The BEACH will be a fairly complex operation, providing a diverse range of service to a broad range of customers, many internal and external environmental factors will influence its success. The following critical success factors have been identified:

- A shared vision and endorsed Strategic Plan for the development, establishment and growth of the BEACH aligned with the City of Busselton Community Strategic Plan and the community's aspirations for the future.
- · Aligned marketing, programming, financial, utilisation, community, commercial and artistic objectives.
- Versatility and adaptability to achieve the performances, conferences, meetings, events and incentive travel market revenues and attendances forecast.
- Appropriately resourced and effective audience development, event attraction, marketing and community engagement plans.
- An exceptional experience only attainable at the BEACH, highly valued by our community and visitors to the region.
- Integration with the Cultural Precinct, enhancing the heritage environment and adding to the vibrancy
 of the area for a diverse customer experience.
- Connection and interface with the foreshore to attract increased visitation and duration of stay.
- Enough high quality staff with the right skills, experience, values and motivation.
- A cohesive stakeholder reference group working collaboratively in the best interest of the whole complex.
- Strongly connected with industry and other centres; arts, culture, tourism, business events market.
- Clear operating policies and procedures including risk appetite to guide investment decisions.

4. Audiences

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.





3235.0 Regional Population by Age and Sex, Australia, Population Estimates by Age and Sex, Local Government Areas (ASGS 2018), Released 29 August 2019

Entertainment that appeals to children and their families, youth and seniors will feature strongly in BEACH programming.

Consultation in January 2019, for the City's Event Strategy review established the most popular types of events for our local community that can be hosted at the BEACH are concerts/live music, cultural events (theatre, comedy, non-pop/classical music, and ballet), family/youth events, food events, winter festivals and New Year's Eve type celebrations.

Business Case Supporting Document B - Business Operations Draft Plan June 2020

Attendance demand has been estimated on the basis of the average propensity to consume performing arts experiences for Regional Western Australia which has then been applied to the current and forecast population of the City of Busselton. Capture rates have then been used to project scenarios for the expected demand for Performing Arts Events at the 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
Total attendance	63,985	70,268	77,576	84,632	91,155	97,360	103,268
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

A conservative capture rate of 50% has been used to forecast the expected number of Performing Arts Events to program.

As well as providing a contemporary venue for performing arts, the proposed BEACH will also have as a core objective the capacity to host key business events for the City of Busselton and Capes region, which currently has few suitable venues. The business event, or MICE, industry comprises three market segments: meetings and conventions, exhibitions and incentives (i.e. travel rewards to motivate and recognise staff for performance).

A review of the current local conferencing and event offer has been undertaken, including the following venues:

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

The review established there is little capacity in existing venues for medium to large scale business events in excess of 250 people and consequently there will be minimal displacement caused by the BEACH, particularly given the conservative number of events planned to be hosted relative to the potential future demand. The BEACH will be designed to handle larger events and grow the entire MICE industry in Busselton significantly, which should then allow for some organic growth for other venues and also scope for working in partnership to meet the anticipated demand as previously established.

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5. Program

BEACH will cater for:

- · Popular music concerts
- Theatre performances
- Conferences / Expos / Workshops
- Dance performances
- · Musicals and operas
- Classical music performance
- · Other/community performances such as bands, amateur dramatics, stand-up comedy, concerts
- School Performances / school graduations / school showcases
- · Rehearsals / Studio
- · Development of the performing arts and creative industry sector
- Educational / Training Programmes
- Entertainment
- · Cultural experiences
- Professional development

Community consultation and demographic profile information indicate the most popular type of performance is likely to be popular music and family friendly type events.

Emerging/continuing event trends Australia and worldwide have been identified as:

- Winter activations ice rinks/themed villages
- Light festivals light installations/projections onto buildings/landscapes
- Multicultural food night markets 'noodle markets'
- Trail running/hiking/biking events more connection with nature
- Niche/themed food events i.e. seafood (squid), winter reds, beer and bbq, chilli, dessert, cocktails
- · Focus on wellness health, fitness, mental well-being
- Purpose socially responsible, social or environmental statement, reduced carbon footprint
- Venues with a story historic and unique venues, non-traditional event spaces
- Instagrammable events themed, interactive experiences

It is anticipated that current local school, music and dance groups' use of BREC including users south of Busselton will transfer their bookings to the BEACH from 2022/23. Cape Naturaliste College has indicated they are likely to book the facility for their annual school ball and awards night(s) as are Busselton Senior High School. Georgina Molloy Anglican School have expressed a preference to use their own facilities. These activities usually occur for 4 weeks during Term 4.

The Weld Theatre

The Busselton Repertory Club ran 98 performances in the Weld Theatre during 2018/19 as well as actual performances/productions by Busselton Repertory Club, Acting Up and other visiting artists, the Weld Theatre has many other non-performance activities, such as:

- Auditions and rehearsals (usually for each production, a min of 100 hours of audition/rehearsal time)
- Choral Society practices
- Dance practices
- Regular U3A Script Reading sessions
- Singing lessons by Acting Up
- Theatre workshops

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With the additional spaces provided by the BEACH the Weld circa 120 seat theatre is likely to have capacity, especially during the day to be programmed for other uses and can be considered as an additional break out space for Business Events.

The Repertory Club lease expires 30 June 2020. To date the Club have paid a peppercorn rate and been responsible under the lease for all building maintenance, except structural and heritage. The Club have struggled with the capacity to maintain the building, with their own operational needs taking priority. Under the new arrangement the City will 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 BEACH. The new arrangement 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 BEACH management's use and hire of the Club's exclusive use (leased) areas and the terms and conditions.

Acting Up

Acting Up provide community performing arts and have a lease in the Police Sergeants Cottage adjacent to the Courthouse which expires 30 June 2020 with a further 5 year option. To date they have paid a peppercorn rate and been responsible under the lease for all building maintenance, except structural and heritage. The group have struggled with the capacity to maintain the building, with their own operational needs taking priority. Acting Up will move into the new BEACH development and have provided 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 will provide a suitably sized storage area and share used of an office space with other stakeholders with access under hire arrangements to the other aspects of the centre.

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 BEACH management's use and hire of the Club's exclusive use (leased) areas and the terms and conditions.

The cottage they currently lease is not suitable for their needs and is underutilised as a heritage asset and prime real estate with main street frontage. The draft Cultural Precinct Masterplan proposes this building, in future, becomes the Courthouse retail outlet for locally produced artisan products and Cultural Precinct souvenirs.

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.

An example of Acting Up's indicative programming is shown below:

(-0	Term Cost \$	Busselton				
Recreational Drama ages to 8	110.00	Mon 3.45-4.30	Tue 3.45-4.30	Wed 3.45-4.30	Thu 3.45-4.30	Fri TBA
Recreational Drama ages to 11	120.00	Mon 4.30-5.30	Tue 4.30-5.30	Wed 4.30-5.30	Thu 4.30-5.30	Fri TBA

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	+		1	I	
180.00	Mon 5.30-7.00				
180.00	Mon 5.30-7.00				
120.00			Wed 5.30-6.30		
180.00			Thu 5.30-7.00		
	Individual and Group sessions as arranged - Monday to Saturday available. Contact Emma on emma@actingup.com.au				
120.00	Thursday 7.30-8.	Thursday 7.30-8.30pm			
135.00	Course to be arra	anged			
	Course to be arranged – please register your expression of interest				
110.00	War and the second				
	180.00 120.00 180.00 120.00 135.00	120.00 Individual and Gr Saturday availab Tuesday 7.00-8.3 120.00 Tuesday 7.30-8. Or during the day Course to be arra Course to be arra	120.00 Individual and Group sessions as Saturday available. Contact Emi Tuesday 7.00-8.30pm Thursday 7.30-8.30pm Or during the day or evenings — 135.00 Course to be arranged Course to be arranged — please	120.00 Wed 5.30-6.30 180.00 Thu 5.30-7.00 Individual and Group sessions as arranged - More Saturday available. Contact Emma on emma@a Tuesday 7.00-8.30pm Thursday 7.30-8.30pm Or during the day or evenings – six week course 135.00 Course to be arranged Course to be arranged – please register your expensions.	120.00 Wed 5.30-6.30 180.00 Thu 5.30-7.00 Individual and Group sessions as arranged - Monday to Saturday available. Contact Emma on emma@actingup.com.au Tuesday 7.00-8.30pm Thursday 7.30-8.30pm Or during the day or evenings – six week course available 135.00 Course to be arranged Course to be arranged – please register your expression of inter

Key events

The following are examples of key annual events that are likely to use the BEACH, those that the City supports with funding will be required under the funding arrangements to have an opening and/or closing event at the BEACH and a renegotiation of any existing funding agreements:

CinefestOz:

1 week in August likely to want to use the whole centre for: opening gala night (full capacity), closing award night (full capacity), screenings daily using main auditorium and Weld, industry workshops, school visits, meetings, ticketing

Gourmet Escape opportunity to grow the event

Jazz by the Bay opportunity to grow the event

Busselton Fringe Festival

Festival of Busselton

Ironman for registrations, gala dinner and awards nights, potential to grow expo side of event

Busselton Jetty Swim awards night

Battle of the Bands

Business events

Business events that showcase the region and leverage the BEACH's unique point of difference will be targeted, including:

- Agribusiness/Agritourist
- Trade and Export
- Wine Tourism
- · Creative Industries (Emergence, Guitar Festival)

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- Biodiversity
- Marine Tourism (whale-watching, surfing etc.)
- Health and Medical Conferencing
- Cultural Heritage including Aboriginal tourism

The BEACH is forecast to deliver:



Auditorium use	per annum	per week		Attendees per event 60% occupancy of 650 seats	Attendance per annum
Commercial hires	47	0.90		390	18330
Community hires	50			390	
Programmed events	20	0.38		390	
<u>Total</u>	117	2.25		1170	45630
				Ave	Attendance
Rehearsal room hire	per annum	x per wee	<u>k</u>	attendance	per annum
Music/dance schools	200	3.85		30	
Community hires	100	1.92		20	2000
Total	300	5.77		<u>50</u>	8000
Meeting room	200	3.85		10	2000
Large events using multiple					
indoor/outdoor areas	7			1000	7000
Conference rooms	per annum days	x per wee	k	Ave attendance	Attendance per annum
1 room <50 PAX 1 day hire	63	1.21		27	1680
2 rooms 50-150 PAX 1 day hire	33	0.63		83	2750
Full suite > 150 PAX incl 11					
conferences 4 day hire	47	0.90		290	13630
<u>Total</u>	143	2.75		<u>400</u>	18060
Gallery exhibition opening events*	12			40	480
	<u>Visitors per</u>	Visitors			Visitors per
	annum	per week			annum
<u>Bar</u>	19417	373.40		Ave	19417 Attendance
Creative hub	per annum	x per wee	k	attendance	per annum
Leased office/desk space	8		T	8	•
Community desk hire	100			100	
Studio hire	200			2	
Meeting room hire	200			10	
<u>Total</u>	500	9.62		112	
				ST FULL YEAR	103087
* excludes daily visitation in 2018/19	was 16 000	Increasing	to 148,000	0 to 197,000 by	year 5

114

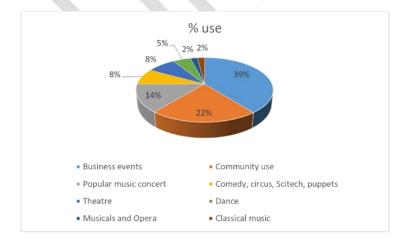
Programming Policy

The BEACH programming will consist of the following streams;

- Community Production Programs produced and coordinated by the community supported by the City
 by the provision of leased/licensed areas within the BEACH for the Busselton Repertory Club and Acting
 Unit
- City funded events Events produced and coordinated by commercial and community organisations supported by the City e.g. CinefestOz and Busselton Festival from funding available through the City's Marketing, Events Reference Group (MERG) cash and in kind by way of venue hire fee waiver and support service waiver considerations.
- 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.
- 4. Venue hire The BEACH will be marketed for hire by community and commercial users. Business Events will be entirely by venue hire, with event organisers able to procure their own catering, furnishings and staffing. A local supply list will be developed. Kitchens and bars will be supplied with basic glassware, crockery, utensils and furnishings, also available for hire.

BEACH 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.

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 forecast which will form the basis from which the Programming Policy will be developed:



Production

As popular music events are forecast to be a main income generator and significant part of the program the following amplification and sound equipment items will be required:

- Sound / hanging array system, power requirements and amps to power system
- · Location of production (sound and lighting desks) in auditorium as usually on floor centre of room
- Lighting hanging from front / middle / back of stage
- · Recording ability to get a feed from sound deck
- Acoustic variability to suit the various program of events.

For Cinefestoz and similar users the BEACH will have the functionality to be set up as a cinema, however this will not be to the same standard as Orana and the hirer will be required to bring in their own specialist equipment.

6. Marketing and Audience Development

Brand

A strong and consistent brand identity for the Cultural Precinct and the BEACH will be developed. ArtGeo Cultural Complex will no longer be used. A powerful brand image will be developed through a Cultural Interpretation Strategy. The brand will support the marketing and promotion of the new venue locally, throughout WA, interstate and internationally. The image will have local resonance and be synonymous with the BEACH's unique point of difference. The Cultural Precinct's brand 'where art and heritage meet' will be reviewed. The current ArtGeo website will be changed to reflect the Courthouse complex and new branding for the Cultural Precinct.

The BEACH will have its own website, possibly containing the gallery, the Weld Theatre and Acting Up, subject to how incorporated in the BEACH operations they become.

The BEACH brand will launch with the BEACH website, in the lead up to the new facility opening when promotion of events, ticket sales and bookings commence and include:

- Domain name
- Style guide and colour scheme
- Logos
- Tag line/slogan
- Uniform specification

Audience development

The purpose of audience development is to increase repeat attendance, find new audiences and increase the existing audience's depth of understanding or experience of work. Key outcomes sought as a result of audience development activities will include:

- 1. Increased attendance
- 2. Support for cultural growth in the community
- 3. Increased revenue
- 4. Development of audience understanding of an art form or work
- 5. People introduced to new art forms and experiences

The audience development plan will drive new ways of reaching audiences to increase attendance and their depth of experience by detailing how the following strategies will be actioned:

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- 1. Market Penetration: creates more attendance from the existing audience for existing programs and products; increases frequency of attendance and brings back lapsed attenders.
- 2. Market development: attracts new audiences for the first time with existing programs.
- 3. Product development: creates more attendance from existing audiences with new programs and products, extending the range of program offer.
- 4. Diversification: creases more attendance via new products or programs for new audiences.

Community Engagement

Methods of community engagement to build affinity with the BEACH and the programmes and events it generates will be established and how they will be achieved articulated in the Audience Development and Marketing Plans.

Effective community engagement is an inherent part of the organisation's culture and how we will work with community. Typical goals of community engagement might include:

- Enhance audience understanding of and connection to a performance
- · Build community skills (creative or more general e.g. lateral thinking)
- · Encourage creative activity in community
- · Increase or maintain social interaction and strengthen networks
- · Bring to the arts centre people who have never been before or haven't been for a while.

Marketing the BEACH

A marketing plan will be developed that establishes market segments, strategies to capture and grow them, key activities, methods and allocation of budget.

The marketing and event purchase and incentivisation budgets have been estimated using benchmarking with similar other regional performing arts and convention centres.

Marketing will align with the income streams identified as:

- Community hire program including schools, music and dance group, Repertory Club, Acting Up and community events organisers.
- Multipurpose venue and conference space for hire
- Programming (curated / produced / purchased) influenced by the degree of artistic/financially driven Policy established.

Technology

The technological capabilities of the BEACH will reflect the state of the art facility and exceptional experience only attainable at the BEACH, the following systems and capabilities will be provided. Timeframes are worked back from an opening date in December 2022:

System	Timeframe for Delivery
Financial management systems that can budget	Start of Financial Year 2022/2023
and report by service	
Bespoke website; intuitive design, informative,	Ready to launch May 2022
educational and built to attract and convert	
ticket sales	
Online ticketing supporting paperless ticketing	Launch with website in May 2022
transaction options	
Facebook, email systems	Ready to launch May 2022

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Online venue bookings that incorporates and	For opening – December 2022 at latest
manages all Cultural Precinct venues in one	Ideally with website for May 2022
precinct booking schedule	
Free Wi-Fi	Prior to opening – December 2022 at latest
Customer Relationship Management System	For opening – December 2022 latest earlier would be
	ideal to handle enquiries
Point of sale software that seamlessly integrates	For opening – December 2022
with other City systems	
People counter	For opening – December 2022
Culture counts customer experience evaluation	For opening – December 2022
system	
Volunteer management system	Year 2 – 2022-2023
Self-serve ticketing	Year 3 – 2023-2024
Online Community Grants Portal	Year 4 – 2024-2025

Ownership and technical support for these systems needs to be established with the City's IT Department and budgeted and resourced accordingly. It needs to be recognised that many of the BEACH's online services need to be accessible 24/7 and BEACH ordinary hours of work are significantly outside of standard business hours. If systems are down the customer experience and associated revenue flow on effects will be compromised.

7. Service Definitions

The BEACH will provide the following services:

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7 Y	nat	we	uo

- Attract new and vibrant arts and event opportunities
- Venue hire community, commercial and business
- Devise, promote and deliver community engagement and audience development programs.
- Manage and promote exhibitions at ArtGeo and Railway House.
- Manage the City's art collection.
- Negotiate and manage community and commercial lease arrangements in association with Property Services.
- Manage and promote the heritage-listed Courthouse and interpret its history in innovative ways.
- Manage retail sales in the Courthouse shop
- Bar, box office and membership sales

Governance and Management

Governance

The different governance models of Independent Board and Local Government run have been 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 BEACH. Once operations have been developed sufficiently and the complexities and full costs of sustaining the BEACH at an acceptable subsidised level established, this model may be reviewed.

The integration and inter-relationships with key stakeholders, the Busselton Repertory Club, Acting Up and CinfestOz is also a critical success factor. A terms of reference for a BEACH stakeholder reference group consisting of an appropriate Office Bearer from each organisation and a minimum of two City staff will be

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established to ensure there is opportunity for regular communication, joint programming initiatives and a collective vision for success. Individual lease, license and or hire arrangements will clarify roles and responsibilities within the Hub operations.

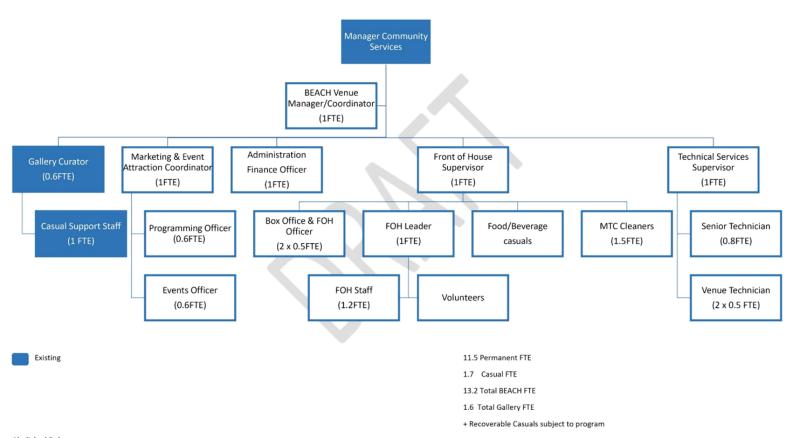
Staffing

The ArtGeo Cultural Complex is managed by a Coordinator, a part-time Curator (0.6FTE), and a casual budget of \$50,000 (excl. super) for exhibition changeovers, administration and weekend customer service with volunteer customer service at all other times to resource opening hours 7 days a week between the hours of 10am and 4pm, 360 days a year. Volunteer resources equate to approximately 2180 hours or \$60,000 unpaid wage savings. The operations of the Cultural Complex will fall under BEACH governance. This includes the following services:

- · Exhibitions at ArtGeo and Railway House.
- · The City's art collection development and management.
- · Community engagement and audience development programs.
- · Management and promotion of the heritage-listed Courthouse and interpretation of its history
- Retail sales in the Courthouse shop, cruise-in markets and venue hire.
- Negotiation and management of community and commercial lease arrangements in association with Property Services.
- Arts and events in the Cultural Precinct.

Based on benchmarking with similar organisations and a more detailed understanding for how the BEACH will operate the following structure has been developed. Permanent staff will be supported by volunteers and a pool of casual Front of House staff that will vary with programming and be offset by revenue.

9. Resources Org Structure



Abolished Roles

· ArtGeo Complex Coordinator

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Key Skills

A critical success factor is the attraction and performance of essentially skilled and experienced staff and their ability to work harmoniously together in the following key role areas:

Venue Manager /Coordinator

The primary purpose of the manager is to develop and manage the annual programs and events within the BEACH, ArtGeo gallery and Cultural Precinct. The manager is responsible for the overall effective management and promotion of the venues, overseeing the operations, stakeholder relationships and developing the strategic vision to position the BEACH as a leading events and convention venue, delivering the best possible outcomes for the City of Busselton community and the region.

The position is planned to be recruited and in place during Early 2022 ahead of the planned opening in December 2022 to implement the first year's program, recruit staff and volunteers and develop strategies, plans, policies networks and partnerships that achieve the objectives outlined in this Business Plan. This role will replace the existing ArtGeo Coordinator role.

Marketing & Event Coordinator

Reporting to the Venue Manager/Coordinator the purpose of this position is to oversee BEACH business streams, create new business opportunities and relationships and generate income to allow the Centre to achieve strategic outcomes and build stronger relationships across the community. This role will develop and implement plans for marketing, brand development, event attraction, income generation and innovative program development and lead the contractual and partnership negotiations with a range of external and internal partners and venue hirers in order to meet the projected budget forecasts.

The position is planned to be recruited and in place in the year ahead of opening by approximately January 2021 to develop and implement the BEACH programme to ensure the BEACH achieves its first year's forecast program of events and forecast revenues.

Finance Administrator

The Finance Administrator reports to the Venue Manager and supports all teams at the BEACH to deliver its financial obligations, including financial procedures and reporting, budget development and tracking, procurement and record keeping requirements.

The interface and division of responsibilities with the City's Finance team and systems needs to be worked through to develop a clear position for this role which considers:

- The integration of existing ArtGeo financial processes and systems.
- Compliance with the City's Finance Policies and Procedures including internal audit procedures.
- Control and provision of, Profit & Loss, Balance Sheet and Asset Register reports.
- · Management of Trust accounts
- Daily cash flow requirements and advise of issues as required.
- Monitoring of outstanding Debtors and recommendations for pursuit of overdue accounts.
- Creditor's invoices and payments within their required time frame; settlement of Petty Cash and In House expenses monthly.
- Budget outcomes and reports on the Centre's financial performance.
- Preparation of budgets for purchase and in-house shows in collaboration with the Venue Manager and the Marketing and Events Coordinator
- · Show acquittals and financial transactions of events.
- · Provision of statistical records
- Financial acquittal reports for funders and sponsors.
- Preparation of annual budget and review with the Venue Manager and the Marketing and Events Coordinator as required.
- · Co-ordination of insurance claims.
- Finance Policy documentation review.

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- Ensure that all sales and transactions made through the ticketing system are properly entered and balanced with accounting system.
- Maintain Balance Sheet Reconciliation
- . Ensure accurate records are kept of all third party monies held in trust.
- · Maintain accurate statistical records regarding use of BEACH

Front of House Supervisor

Reporting to the Venue Manager the Front of House Supervisor oversees all front of house services to ensure client's needs are met for their functions and events. Responsibilities include Box Office customer service and ticket sales, food and beverage services, building presentation and cleanliness and volunteer recruitment and coordination. As the face of services this role provides leadership in ensuring an exceptional customer service experience is achieved.

Technical Services Supervisor

Reporting to the Venue Manager the technical Services Supervisor overseas the technical team to meet the operational requirements of the BEACH for all events. This includes working in multi-skilled areas such as lighting, sound, audio visual, IT and staging during all aspects of production and technical and facilities maintenance. The role provides leadership to ensure a safe and effective operation assisting clients, resident companies and BEACH staff to meet artistic and cultural needs that achieve an exceptional customer experience.

Volunteers

Volunteers will play an important role in the effective running of the venue. In 2018/19 BREC reported using 7000 volunteer hours which equated to \$200k in Front of House wage savings. Volunteers reinforce community engagement, introduce specialist skills to the venue, provide audience development opportunities and help reduce stress and staff burnout. Volunteerism at the BEACH will provide opportunities for all sectors and particularly youth, seniors and socially isolated members of the community to get involved. Volunteer Management Models such as independent "Friends of" type groups or the current volunteer program operated by the Artgeo Complex will be reviewed and developed further to consider opportunities including:

- Ushers, box office support and bar sales
- Events: front of house, back of house, technical assistance, parking assistance etc.

To ensure both volunteers and the venue benefit from volunteering, relevant procedures and policies will be developed and adopted which consider the following steps:

- Recruitment
- Induction
- Supervision
- Evaluation

Volunteer management will also take into account broader human resource factors such as insurance, occupational health and codes of conduct.

Recruitment

All volunteers should be subject to the screening, approval, and probationary procedures as used by the venue in the recruitment of staff. Recruitment of volunteers will also take into account the City's commitment to Equal Opportunities outlined in the City's Policy.

Volunteer Recruitment is entirely dependent on the specific positions and tasks required of the volunteer, position descriptions will be developed for all roles which consider:

- Is there an appropriate age range?
- Is there a minimum time commitment required?
- Is the volunteering need ongoing or just for one specific time period?

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The City will partner with existing community stakeholder groups the Busselton Repertory Club, Acting Up, Bare Naked Theatre, CinefestOz and the Busselton Volunteer Centre to attract volunteerism.

Potential volunteers will be asked to register their interest by completing a Registration Form. Selection will be based on ability to perform the Position Description requirements.

Induction

All volunteers will be provided appropriate information, training and resources to carry out their position description.

Induction and training will consist of:

- · A guided tour of the venue
- · A walkthrough of the tasks involved
- Introduction to a mentor or buddy
- · Reading of the Induction Kit (similar to new staff)
- Signing of the venue's Code of Conduct
- Discussion and agreement on rosters
- Agreement on a review process

Supervision

All volunteers will have access to proper levels of supervision in the carrying out of their tasks by either a paid member of staff, or an experienced mentor/buddy volunteer.

Volunteering is a matter of choice, personal demands on volunteer time may mean there is a greater chance of volunteer rosters not being filled – sometimes at short notice. The supervisor will organise appropriate back up to take over the volunteer role in this case.

In respect to any serious issues or concerns raised by volunteers, they will be given the opportunity to take part in the same due process available to staff in the airing of grievances or complaints.

Evaluation

All volunteers are entitled to an appraisal of their performance and be given the opportunity to have feedback about their role and volunteer conditions.

The evaluation process allows both parties to assess the role and tasks, look for improvements in process and delivery and offer formal thanks to the volunteer for their time and input.

For ongoing volunteers an annual survey will be undertaken. For one-off events or short-term volunteer positions, a simple evaluation form and/or feedback interview will be undertaken

Occupational health and safety

Volunteers will receive the same level of safety and environmental conditions as venue management.

On arrival, volunteers will sign in to begin work, and then sign out on departure or the end of a shift.

Footwear and clothing appropriate for the volunteer position must be worn at all times. Particular attention should be paid to any positions requiring outdoor duties. Hats, water and sunblock will be provided by venue management.

Appropriate guidelines will be given around technical concerns and clear lines of communication provided to the relevant staff.

Emergency procedures will be made readily available and as a minimum an annual emergency procedure drill will be held with learnings shared to all staff and volunteers.

Insurance

Venue management will ensure current Insurance policies include the use of volunteers.

Reimbursement

Consideration will be given to ensuring all volunteers can be reimbursed for any pre-approved expenditure incurred in the exercise of their volunteer tasks. Whilst volunteering is carried out for no financial payment, no volunteer should be incurring expenses to carry out their position.

Dispute resolution

All volunteers are entitled to appeal to venue management through an agreed complaints and concerns process. This includes the identification of a range of venue management personnel to ensure reduced conflict of interest.

Retention and reward

Volunteer rewards and incentives will be established to recognise the valuable contribution they make. Other centres offer lifetime memberships for outstanding service, discounted tickets and thank you functions.

Partnerships

Collaboration and partnerships are critical to the success of the BEACH, supporting financial investment, shared skills, knowledge, learnings, innovation and resources. This plan reflects the need to tap into, work with, complement and also bring something different to support the growth of the performing arts, Business Events and creative industry in the South West of WA.

The City aims to work with the following prospective partners to attract, grow and meet the Business Events markets forecast in this Business Plan.

Key Agencies	Venues	Industry	Government	Market
Tourism WA	Bunbury Regional	Bunbury Chamber	Austrade	Corporates
(TWA)	Entertainment	Commerce &		
	Centre (BREC)	Industry (BCCI)		
Perth Convention	Esplanade Hotel	Busselton	Department of	Associations
Bureau (PCB)		Chamber	Primary Industries	
		Commerce &	& Regional	
		Industry (BCCI)	Development	
Australia SW	Abbey Beach	Margaret River	Department of	Incentives
(ASW)	Resort	Chamber	Jobs Tourism	
	Geographe	Commerce &	Science &	
	Bayview Resort	Industry (MCCI)	Innovation	
South West	Bunker Bay	Dunsborough	Capes Regional	Conferences
Development	Resort	Yallingup	Organisation of	
Commission	Ramada Resort	Chamber of	Council	
(SWDC)		Commerce	(CAPEROC)	
		(DYCCI)		
Margaret River	Margaret River	Film South West		Trade Shows
Busselton	HEART			
Tourism				

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Association			
(NRBTA)			
Regional	Hilton Hotel	MR WTA	Exhibitions
Development			
Australia SW			
(RDA SW)			
Bunbury	The Shelter	MR RAP	
Geographe			
Tourism			
Association			
(BGTA)			
	Cinemas		
	Undalup Room		

The following are seen as key partners to establish and grow relationships within the arts, culture and creative industry sector to achieve the goals outlined in this Business Plan.

Partner	Objective
Circuitwest	Professional development support and advise Build relationships and strategic alliances with relevant performing arts organisations, stakeholders and individuals where there is potential for mutual benefit
SWDC	Creative industry networks, partnerships and opportunities Funding opportunities
Creative Corner	Creative industry networks and opportunities
BREC & HEART	Complimenting and non competing programming. Audience and business event market growth
Augusta Margaret River Shire & City of Bunbury	Audience and business event market growth Joint funding and event incentives
Busselton Repertory Club, Acting Up, Bare Naked Theatre, Cinefestoz	Programming collaboration Volunteer attraction
Department for Culture and the Arts and Chamber for the Arts	Strategic alignment Funding
Country Arts Network	Funding
Undalup Association	Cultural tourism and events growth
BCCI & DYCC	Local business partnerships and sponsorships
Art on the Move	Audience development Exhibition attraction
GalleriesWest	Exhibition growth and diversification
Bunbury Regional and	Exhibition growth and diversification
Collie Art Gallery	Funding partnerships

10. Key Action Plan

Critical success			Resourcing Impacts		Timeframe for delivery			
factor alignment	Action	Customer / Stakeholder	Operational / Capital / External / Funding	19/20	20/21	21/22	22/23	
	Strategic Plan development to outline	See partnerships section,						
Shared vision	growth strategy for audience and product development	Council	Operational in house			X		
	development	SMG						
	Develop SW Business Events Strategy	See partnerships section	Funded by SWDC, resourced by ASW	X	x			
		See partnerships section						
	Develop Cultural Interpretation Strategy	Council	Awarded to Ink Strategy \$24,000	×	X			
		See partnerships section,						
	Finalise Cultural Precinct Masterplan	Council	Operational in house	X	X			
		SMG						
Aligned plans	Develop programming policy	CEO	Operational in house		Х			
	Benchmark others and establish fee structure	Council	Operational in house		х			
	Develop BEACH brand	SMG	\$15,000 - \$20,000		х			
		Public Relations	\$13,000 - \$20,000	X				
	Develop BEACH Marketing Plan	SMG	Resource in house where possible until Events		х			

		PR	Coordinator role in place in early 2021				
	Event Attraction Plan and bookings for 1st 12 months program	CEO MERG	Resource in house where possible until Events Coordinator role in place in early 2021		x		
Cohesive stakeholder reference group	Establish Terms of Reference for BEACH stakeholder reference group.	See partnerships section	Operational in house	ional in house X ional in house X ional in house X			
	Establish Friends of or similar community collective of community champions	See partnerships section	Operational in house		Х		
	Establish regular communications and engagement activities to keep community informed, stakeholders and champions engaged and build future volunteer workforce	BEACH Comms Group ArtGeo Cultural Precinct stakeholders	Operational in house		x		
	Lease, License, hire arrangements with Acting Up, Busselton Repertory Club and Cinefestoz	CEO Council Property Team Facilities	Operational in house	х	x		
High quality staff	Volunteer attraction, recruitment and retention plan and processes	Repertory Club Acting Up CinefestOz Volunteer Centre, HR	Operational in house		х		
	Staff recruitment, selection, induction and training	HR	Operational in house		Programmi ng role in	х	

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				place by Early 2021		
Strong connections	Programming Strategy to compliment, add and not compete.	BREC, HEART and Circuitwest	Operational in house	x	x	
Exceptional experience	Develop website, ticketing and booking systems	PR IT	CoB budget	May 2021 – May 2022		
Appropriately resourced and effective plans	Sponsorships, donors, patrons and Friends of funding opportunities identified	See partnerships section	Operational in house	х	х	
	IT Plan with roles, responsibilities, service levels and budgets	IT Manager SMG	Operational in house	х		
	Sound and lighting production requirements plan	Industry	Propose to resource through ArtGeo, additional Coordinator hours will be required	х		
Clear operating policies and procedures	Develop operating policies and procedures	SMG HR	Operational in house		х	
	Finance systems, processes, roles and responsibilities	Finance Manager SMG	Operational in house	Х		

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11. Funding and Operating Forecast

Revenue

Revenue will help to offset the annual operating costs, asset maintenance and renewal programs reducing the reliance on ratepayer funding. Revenue streams are forecast to increase over time particularly in Business Events if supported by sufficient marketing and incentive budgets. Growth strategies will be developed which consider audience development, partnerships, product extensions and diversification.

Identified revenue streams include:

- Theatre rentals
- · Other facility rentals
- · Business event hires
- Gallery
- · Creative Industries Hub (subject to development)
- Ticketed programmed events
- Event bar sales
- · Commercial lease bar rent
- Sponsorships
- Membership sales
- · Commission on merchandising
- · Ticketing fees
- · Facility community leases/license arrangements

Theatre Rentals

The auditorium will be hired out for performances and other activities. It is estimated that the auditorium will be hired a total of 97 times in the first full year, increasing to 140 times by year 5.

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

- 27 casual hires to commercial organisations at a nominal rate of \$2,575 per hire (note that no fees and charges have been formally adopted by Council, but these are indicative rates).
- 20 incentivised commercial hires at a nominal rate of \$2,060 per hire
- 50 hires to not-for-profit community groups at a rate of \$1,545 per hire
- Additional cost recovery charges for utilities etc. will be charged and have been estimated at 10%

The total expected revenue from theatre rentals for the first full year of operating is \$206,773, increasing to \$318,800 by Year 5.

Other Facility Rentals

In addition to the auditorium, the majority of the BEACH facility will be available for hire for business and performing arts events.

\$58,898 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 500 hires: 200 for music/dance type activities, 200 meetings and 100 community bookings, with hire fees ranging from \$31 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 BEACH will be hired a total of 85 times in the first full year of operation for commercial events, increasing to 110 times by year 5, with larger conferences hiring over 4 days. The revenue model completed for Business Events and Functions at the BEACH estimates that, of these 85 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 \$138,625 for the first full year, increasing to \$189,659 by year 5.

Gallery

The Gallery area will be used 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 BEACH facility, there will be an increase of around three additional exhibitions a year, equating to around \$11,196 in revenue the first full year.

Creative Industries Hub

The Hub is forecast to add an additional \$48,300 in revenue per annum, including \$33,100 from a range of hire arrangements, consisting of 200 bookings for the studio space at \$100 per hire, 200 bookings of the meeting rooms at \$50 per hire and 100 bookings of working spaces at \$31 each.

An additional \$13,154 is forecast to be generated from flow on events into the broader BEACH facility.

City Programming

In addition to hiring out the venue, the City will also secure events and shows and stage them at the BEACH. For these activities, the revenue the City obtains will be from ticket sales. The City has estimated it will deliver 20 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 \$358,020 in the first full year operating, increasing to \$447,525 by year 5 (with an assumed slight increase in occupancy each year up to 65% in year 5).

Bar Lease and Sales. The City will lease the new bar in the ArtGeo building on a commercial basis. Based on a market valuation, the lease is expected to be \$30,000 for the shortened first year and \$45,000 per year thereafter. This bar will be unable to cater for the full demand of pre, post and interval drinks. The BEACH will have bar areas on all levels to cater for these drink sales. Bar sales revenue forecasts starting at \$150,000 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. The City will enable patrons to 'purchase' a seat for the year for \$250. This is a common form of fundraising for new theatres. It is expected to sell 100 seats initially with this reducing over time by half each

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year. Memberships will also be available at \$1,000 per annum. 15 of these are estimated to be sold initially and are forecast to double over time by year 5.

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 BEACH 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.

Funding Opportunities

As the venue owner and manager the City will have greater 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 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.

Costs

The City will be responsible for all operating costs consisting of the following key cost centres:

- Building operation, maintenance and cleaning costs
- Utilities costs
- Cost of running commercial and business tourism events
- Venue staffing
- · Asset Renewal and Maintenance Program for future works
- Capital Works

As a new facility BEACH cost data has been established by benchmarking against other regional, similar venues adjusted to reflect programming to develop reasonable cost estimate forecasts for the operating costs to run the

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venue. As the BEACH establishes itself and the City develops a greater understanding of the costs and operational requirements of the new facility and its operations these forecasts will be reviewed and refined. It will be important that financial systems have the capabilities to budget and report by service to evaluate performance and be flexible enough to be able to respond promptly to action improvements.

Budget

The estimated operating budget for the BEACH first 5 years is attached.



12. Risk Management

Risk is an inherent component of performing arts. Risks are primarily financial (the potential for lower than forecast box office revenue), artistic (a poorly executed show which affects future results), and reputational (for example, elitist, difficult to work with, out of touch). There may also be conflicts in managing these risks. For example, a very entrepreneurial program may be an artistic success but a financial failure.

Best practice recommends budget for acceptable levels of failure, recognising that every target will not be met every time. A degree of contingency will be established in the BEACH budgets to reflect the productions that do not meet projections.

A Risk Assessment has been completed to identify and evaluate the effect of uncertainty on objectives and deliverables, including risk mitigation strategies pre and post project implementation as tabled below.

Risk	Risk Level Pre-Mitigation (low, medium, high)	Mitigation	Residual Risk Level Post-Mitigation (low, medium, high)	Comments
No demand / uptake from MICE market or performances; underutilised asset an business case not achieved. Reputational risk to funding program- risk to Government / funding bodies that th BEACH does not delive a tangible economic benefit.	Hìgh	Work with specialised organisations identified in this Business Plan to ensure functionality and appeal for end users and ongoing advocacy and assistance to profile and market centre. Development of a strong brand, well-resourced marketing program, event procurement and resourcing to operate the centre professionally.	Medium	Initial support from industry stakeholders has been positive and advocacy will continue. Operational costs including staffing have been factored into City workforce plan and LTFP. Busselton is one of WAs most visited and premier locations; already a desirable location ready to attract conference market; accessibility for interstate and international travel to support conference and conventions will be supported though the development of the Busselton Margaret River Airport.

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Ability to attract skilled staff to operate specialist jobs and roles.	Medium	Busselton is proving a desirable location to live, and has a strong creative sector and events coordination base in existing private sector, in the event that skills cannot be sourced locally, Strong, competitive package offered in initial recruitment process, assisting to attract quality skilled staff to work in specialised areas, with the region showing strong capacity for events coordination and ancillary hospitality and beverage skills-opportunity to lead to traineeships, apprenticeships, skilled labour force.	Low	Busselton and the SW have one of the fastest growing populations, which will drive demand for employment. Added with a desirable location to live, should attract quality skilled staff to work in specialised areas. The region is one of the most heavily reliant on tourism Australia wide and has a sound base of people already trained in hospitality, and institutions that could be engaged to offer training as demand grows. Functions / hospitality aspect of the facility will bring an opportunity for young people to enter the workforce, and develop a robust, long term career. Traditionally, 18-25 yr. are employed in hospitality. Regional population statistics shows a leakage of that demographic from community, so there is an opportunity for population retention as an outcome.
Programming conflicts and perception of community / stakeholders that there will be a compromise of performing arts, theatre experience and functionality due to focusing on commercial events that drive revenues.	Medium	Employ specialist theatre technicians trained in audio visual and stage production, interior fit out etc. to ensure facility is quality state of art to attract quality performances. Undertake case studies of other centres who have achieved success from a similar model of operation; multipurpose facet. Development and adherence to an accepted management model and programming policy for the complex. Continued communication with stakeholder /user groups, so they are included and informed	Low	A management model and reference group is detailed in this Business Plan. A programming policy will be developed and endorsed by Council and the CEO. Numerous community groups have been identified that can make use of the complex. Calendar of events that are staged on or around the foreshore is increasing, that require an indoor facility – the complex will offer accommodations for events to be increased, housed out of multi-purpose centre.

City ov facility private faciliti	etition of new wned public y over existing ely owned ies – reputational political	Medium	Communications with existing commercial enterprises and potential enterprises – the foreshore development is set to add to and enhance their own enterprises and attract a new type of visitor, and increase the capacity of Busselton to host more visitors.	Low	Busselton is currently not attracting significant large conferences, events or trade shows, having limited number of conference venues with limited capacity. None of these smaller existing venues are near the CBD, but several kilometres out of town away from ancillary hospitality offerings. This will be a carefully designed, purpose built facility in a prime location that will offer easy access to attendees The Cultural Precinct is set to be enhanced by a quality development which will act as a drawcard for a new type of visitor, increasing viability of surrounding enterprise.
the ne	ity to maintain ewly developed tructure	Low	Incorporate maintenance and upgrade activities as per the CoB Asset Maintenance Plan. Income derived from commercial operations directed into specified Reserve for the maintenance and operation of the facility will be ongoing.	Low	The City has a comprehensive long term asset management plan and financial plan which caters for a worst case operating deficit that it can clearly demonstrate can be sustainable.
compe and Hi unhea	H is seen as etition by BREC EART resulting in althy practice that not benefit the	High	Developing transparent and open communication with peers and looking at opportunities to work together to grow the amount of business in the region	Low	A SW Business Event Strategy proposal has already been tabled at CAPEROC and regular communication is taking place with BREC to work on the BEACH creating new market opportunities and not competition for audiences.

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13. Measuring Success

Critical success factors, which also consider centre and public value outcomes will be monitored and measured as follows:

Critical success factor	Measure
Appropriately resourced and effective audience development, event attraction, marketing and community engagement plans.	Marketing and event attraction activity undertaken Attendance at promotional activities Community engagement activity completed Attendance at community engagement activities
Versatility and adaptability to achieve the performances, meetings, events and incentive travel market (MICE) revenues and attendances forecast.	Utilisation rates – number of activities by type undertaken vs forecasts Attendance by type of activity vs forecasts Visitors from outside Busselton and SW region Number of enquiries converted to bookings
An exceptional experience only attainable at the BEACH, highly valued by our community and visitors to the region.	Level of community support for the BEACH and its activities. Audience response to program (culture counts metrics)
Enough high quality staff with the right skills, experience, values and motivation.	Staff engagement survey
A cohesive stakeholder reference group working collaboratively in the best interest of the whole complex.	Stakeholder feedback

Estimated Operating forecast for BEACH (\$)									
	2021/22 (transition 3 months	2022/23 Year 2	2023/24 Year 3	2024/25 Year 4	2025/26 Year 5	2026/27 Year 6	2027/28 Year 7	2028/29 Year 8	2029/30 Year 9
Revenue	operating)								
Theatre Rentals	51,693	206,773	250,903	282,470	318,800	328,364	338,215	348,362	358,813
Other Facility Rentals (Conferences, meetings, rehearsal room)	14,725	58,898	64,862	69,834	75,345	77,605	79,934	82,332	84,801
Business Events	34,656	138.625	163,083	186,772	189,659	195,349	201.209	207,246	213,463
Gallery exhibitions	8,400	11,196	11,532	11,878	12,234	12,601	12,979	13,369	13,770
Commission on art sales	10,000	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758
Creative Hub hires	11,564	46,254	47,642	49,071	50,543	52,059	53,621	55,230	56,887
Creative Hub Leases	90 505	90,000	92,700 447,525	95,481 447,525	98,345 447,525	101,296 460,951	104,335	107,465	110,689 503,693
Programming Revenue Commercial rent - ArtGeo bar	89,505	358,020 30.000	447,525	447,525	45,000	45,000	474,779 45,000	489,023 45,000	45,000
Beverage sales	37,500	150,000	178,126	194,004	205,000	211,150	217,485	224,009	230,729
Sponsorship	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Memberships, seat endowments	0	27,500	26,250	28,125	31,563	32,509	33,485	34,489	35,524
Ticketing	31,472	125,887	158,849	183,601	215,085	221,537	228,183	235,029	242,080
Merchandise sales		8,775	8,994	9,214	9,490	9,775	10,068	10,370	10,681
Operating Revenue Operating grants/subsidies and	342,934 11,875	1,283,927 47,500	1,527,825 46,250	1,635,705 48,125	1,731,702 51,563	1,781,703 53,110	1,833,204 54,703	1,886,250 56,344	1,940,88 58,035
contributions MERG Reserve transfer	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Performing Arts/Convention Centre			150,000	154,125	158,363	162,718	167,193	171,791	176,515
Building Reserve Transfer Grants and funding	111,875	197,500	346,250	352,250	359,926	365,828	371,896	378,135	384,55
TOTAL REVENUE	436,809	1,481,427	1,874,075	1,987,955	2,091,628	2,147,531	2,205,100	2,264,386	2,325,43
Expense	2021/22 (transition)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/3
Salaries & Wages including cleaners,	(transition) 275,840	1,103,359	1,136,460	1,170,554	1,205,670	1,241,840	1,279,095	1,317,468	1,356,99
matching super and \$34,500 bar workers wages. Note: \$101,331 offset from existing Artgeo Coordinator role	,	-,,	-,,				,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Casual programming budget	25,000	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987
Penalties estimate	3,644	14,577	16,618	17,116	17,630	18,159	18,703	19,265	19,842
Other Employee Related Costs (based	5,206	20,823	21,310	21,862	22,015	22,015	22,015	22,015	22,015
on Glasshouse & BREC) Employment expenses	309,690	1,238,759	1,277,388	1,315,622	1,354,588	1,394,565	1,435,741	1,478,153	1,521,83
Administration Operational expenses	34,425	137,700	140.110	142.562	145.056	147.595	150,178	152.806	155,480
(based on Glasshouse)	- ,			,				252,000	
Communications, IT, software (based on Glasshouse)	28,200	28,694	29,554	30,441	31,354	32,295	33,264	34,262	35,289
Bar operations (based on Glasshouse, REAP, BREC)	12,125	48,500	49,349	50,212	51,091	51,985	52,895	53,821	54,762
Cleaning materials (based on BREC)	1,964	7,855	7,992	8,132	8,275	8,419	8,567	8,717	8,869
Electricity & Gas (based on BREC)	25,000	100,000	101,750	103,531	105,342	107,186	109,062	110,970	112,912
Water (based on BREC & REAP) Insurances (based on Admin & BREC average)	16,500 10,000	66,000 40,000	67,155 40,700	68,330 41,412	69,526 42,137	70,743 42,874	71,981 43,625	73,240 44,388	74,522 45,165
Waste (based on Lawrence)	1,625	6,500	6,663	6,829	6,949	7,070	7,194	7,320	7,448
Security (based on Lawrence)	2,500	10,000	10,175	10,353	10,534	10,719	10,906	11,097	11,291
Fee waivers, concessional hire (based on	16,250	65,000	66,625	68,291	69,998	71,748	73,542	75,380	77,265
Glasshouse & Undalup room) Contractors & Consultants (based on	6,250	25,000	25,438	25,883	26,336	26,796	27,265	27,743	28,228
BREC) Equipment repairs & replacement		40.000	40.700	41.412	42.137	42.874	43.625	44,388	45.165
based on REAP & Glasshouse)		,	,				,		,
Materials and contracts	154,839	575,249	586,211	597,388	608,735	620,305	632,102	644,131	656,397
Marketing & Publicity (based on BREC)	140,000	144,000	146,520	149,084	151,693	154,348	157,049	159,797	162,594
Programming Expenditures includes show purchases \$210,359, Production expense \$16404, Royalties \$31,787	64,636	258,545	263,070	267,673	272,358	277,124	281,973	286,908	291,929
(based on BREC) Marketing & Promotion (Buying	204,636	402,545	409,590	416,757	424,051	431,471	439,022	446,705	454,522
shows/Conference Sponsorships) Building maintenance / asset			280,316	285,813	291,309	296,806	302,302	307,798	307,798
management Total Expenditure	669.165	2.216,553	2,553,504	2,615,580	2,678,682	2,743,147	2,809,167	2,876,788	2,940,55
Expenses without maintenance	000,100	2,210,003	2,273,188	2.329.767	2,387,373	2,446,341	2,506,865	2,568,989	2,632,757
Operating surplus/deficit	-232,356	-735,125	-679,429	-627,625	-587,054	-595,616	-604,067	-612,402	-615,11
Allocations	2 121	10 705	10 000						-0.00
Plant Charge Allocation	3,434 1,358	13,735	13,975 5,527	14,220 5,624	14,469 5,722	14,722 5,822	14,979 5,924	15,242 6,028	15,50
Finance & Corporate Services Support	2,010	5,432	-,	5,02	3,120	3,022	5,52		
Customer Service Charges	3,526	14,105	14,352	14,603	14,859	15,119	15,383	15,653	15,92
Records Services Charges Financial Services Charges	1,842 4,840	7,367 19,358	7,496 19,697	7,627 20,042	7,760 20,392	7,896 20,749	8,034 21,112	8,175 21,482	8,31 21,85
Human Resources & Payroll Charge	4,840 5,682	19,358 22,727	23,124	20,042	20,392	24,360	21,112	25,220	25,66
	1,182		4,811	4,895	4,981	5,068	5,157	5,247	5,33
Occupational Health & Safety Charges		4,729							
Computer Services Charges	5,847	23,388	23,797	24,214	24,638	25,069	25,508	25,954	26,40
Business Systems Charges Public Works Overheads Charges	5,989 2,084	23,957 8,337	24,376 8,483	24,803 8,632	25,237 8,783	25,679 8,936	26,128 9,093	26,585 9,252	27,05 9,41
Public Works Overheads Charges Plant Charge Allocation	2,084	8,337 166	8,483 168	8,632 171	8,783 174	8,936 177	9,093	9,252 184	9,41
	14	400	58	59	60	61	62	63	- (
Internal Plant Depreciation Charges		57							
			4.000	1.050	4 276	4 207	1 220		1,36
Public Works Overheads Charges	303	1,210	1,232	1,253	1,275	1,297	1,320	1,343	
Public Works Overheads Charges	86	1,210 342	348	354	360	367	373	380	38
Public Works Overheads Charges Plant Charge Allocation									38
Public Works Overheads Charges Plant Charge Allocation Internal Plant Depreciation Charges Public Works Overheads Charges	86	342	348	354	360	367	373	380	38



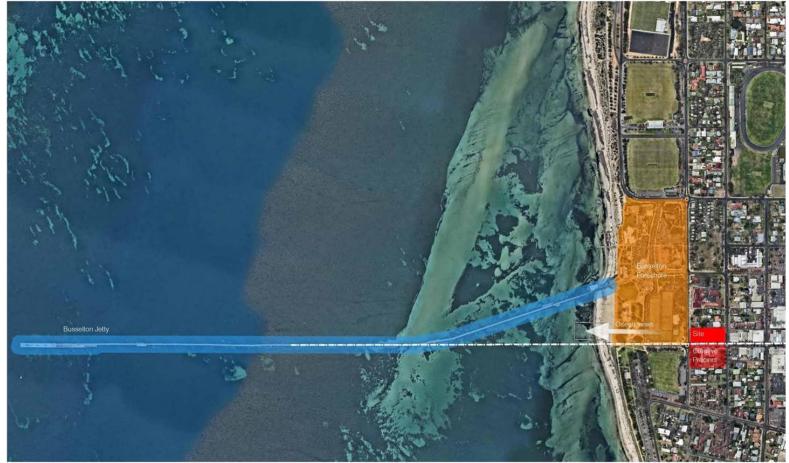
BUSSELTON ENTERTAINMENT & ARTS CREATIVE HUB (BEACH)

DPLH PRESENTATION Heritage Review

09 JUNE 2020

Urban Context Analysis

Urban context analysis and identification of important linkages and frontages in the Cultural Precinct and key frontages



Site Location Plan

Urban Context Analysis

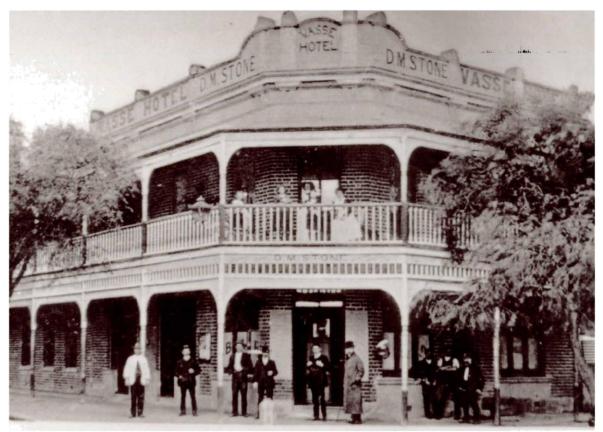


Urban Context Analysis



Busselton Courthouse

Urban Context Analysis



Vasse Hotel

Business Case Supporting Document C - BEACH Design Review Presentation

Natural Context Analysis



Natural Contextual References



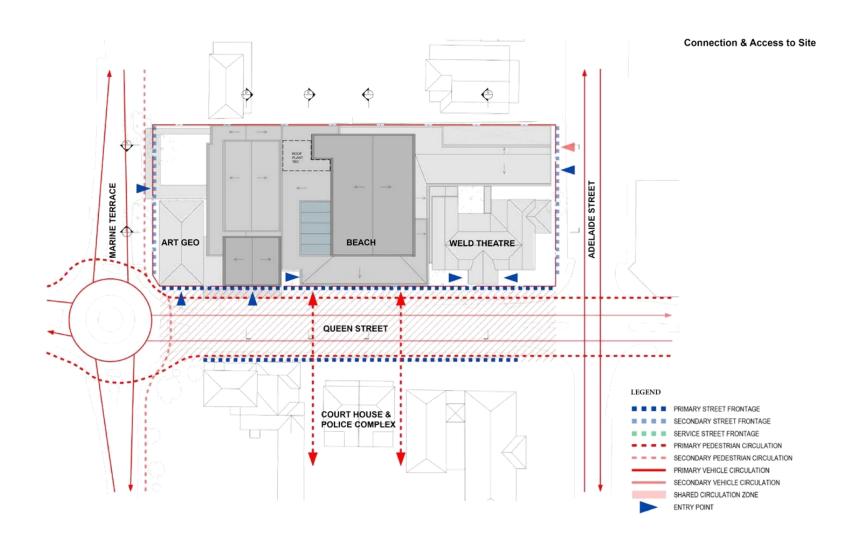


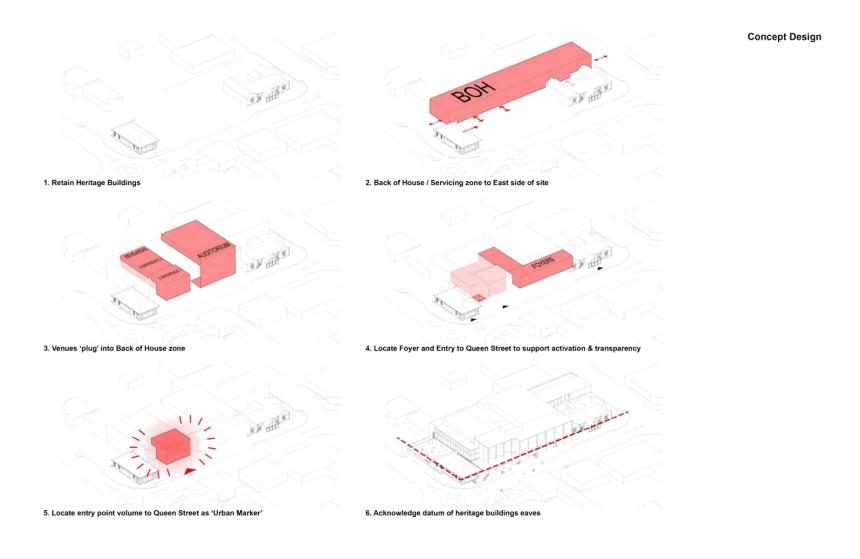
Urban Contextual References

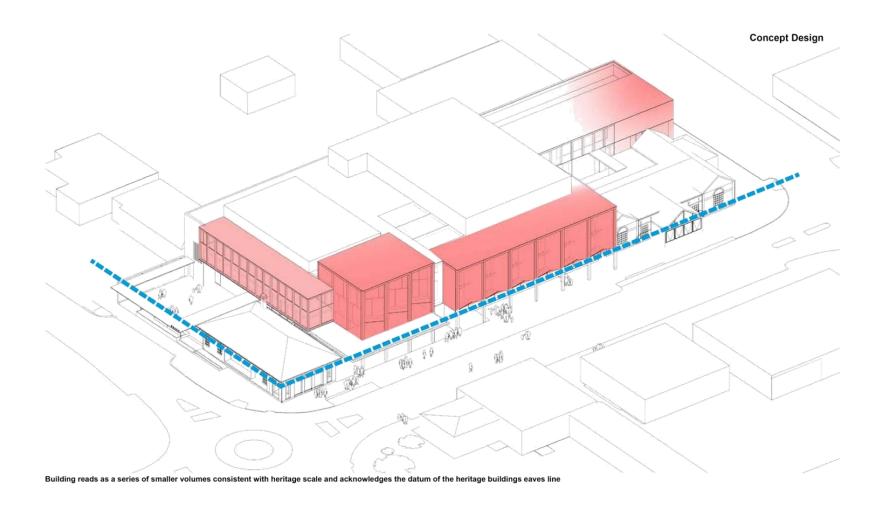


Material References

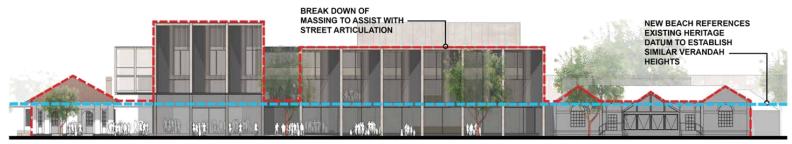








Scale and Massing



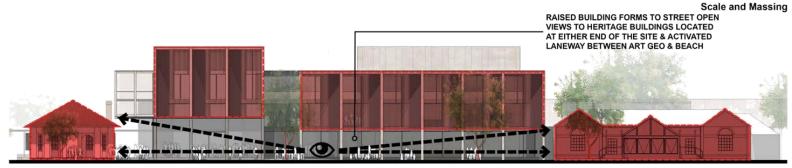
Elevation Diagram - Heritage Datum References and Street Articulation



Elevation Diagram - Mass & Proportion

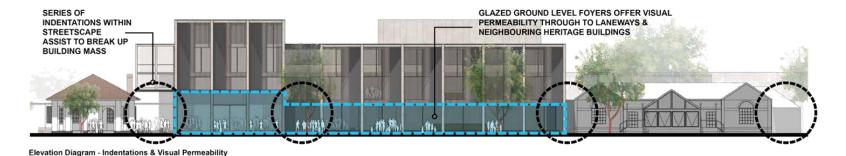


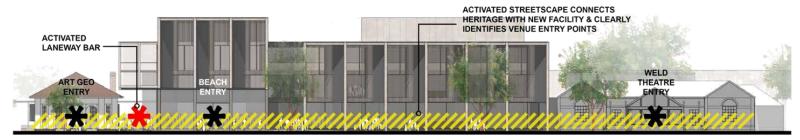
Elevation Diagram - Main BEACH Entry Identification



Elevation Diagram - Raised Building Volumes open views to Heritage landmarks.

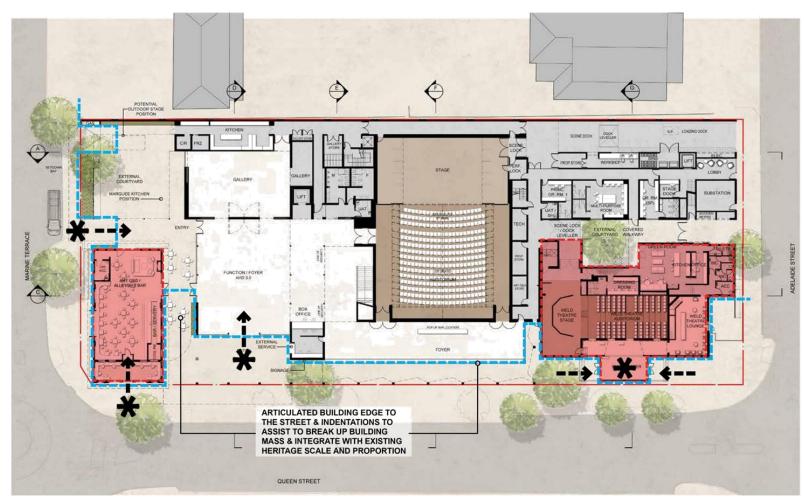
Attachment D



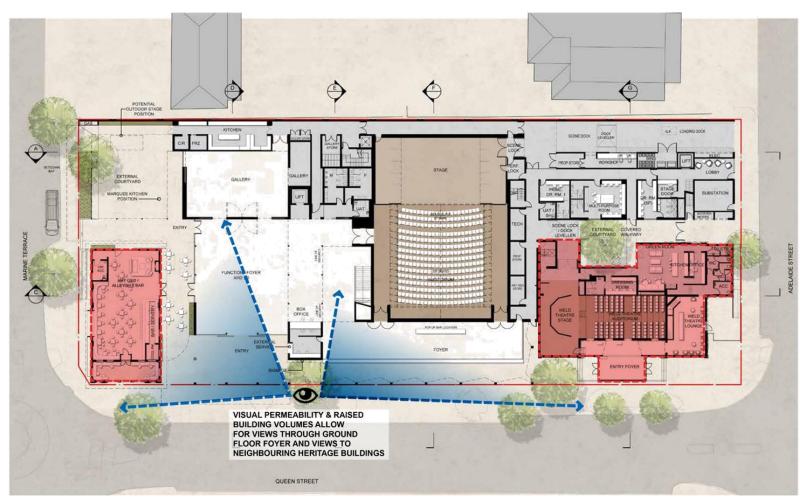


Elevation Diagram - Street Activation & Venue Entry Locations

Attachment D



HERITAGE INTEGRATION & STREET ARTICULATION



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HERITAGE INTEGRATION THROUGH VISUAL CONNECTIVITY



RAISED VOLUME PROVIDES CLEAR HIERARCHY TO BEACH ENTRY & OPENS VIEWS TO HERITAGE BUILDING & ACTIVATED LANEWAY BETWEEN BOTH VENUES. PERMEABLE GROUND LEVEL ALLOWS VIEWS THROUGH FOYER TO HERITAGE BUILDING, GALLERY AND NORTH EAST COURTYARD.



PERMEABLE GROUND LEVEL ALLOWS VIEWS THROUGH FOYER TO HERITAGE BUILDING, GALLERY AND NORTH EAST COURTYARD & ASSISTS TO VISUALLY CONNECT HERITAGE TO THE NEW FACILITY.

HERITAGE INTEGRATION THROUGH VISUAL CONNECTIVITY





PERMEABLE GROUND LEVEL ALLOWS VIEWS THROUGH FOYER TO HERITAGE BUILDING, GALLERY AND NORTH EAST COURTYARD VISUALLY CONNECTING HERITAGE WITH THE NEW FACILITY. HIGHER VOLUMES TO THE MAIN FOYER OPEN VIEWS TO HERITAGE FACADES AND PROVIDES OPEN VOLUME, NATURAL SUN PENETRATION & AN ACTIVE ENVIRONMENT TO ADJOINING LANEWAYS.

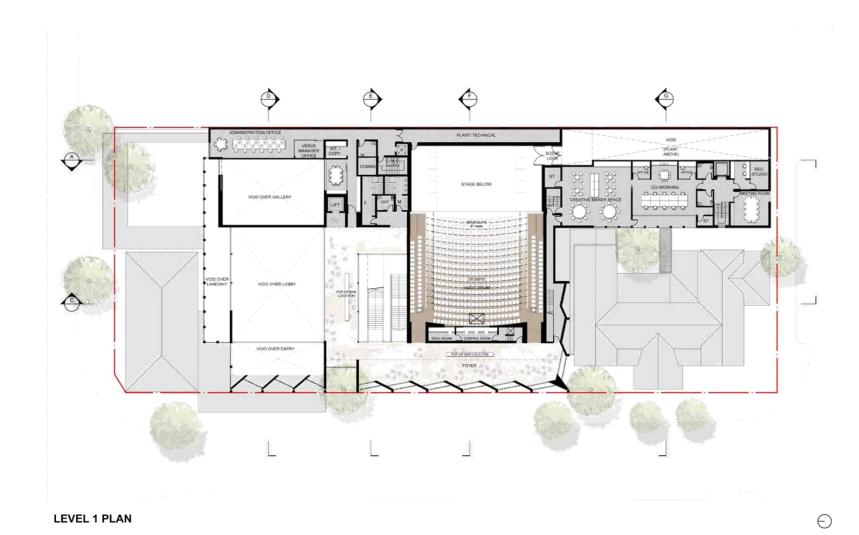
GROUND MATERIAL BLEND WITH THE HERITAGE FACADE TO EXTEND SIMILAR TEXTURE AND FINISHES. NORTH ENTRY TO BEACH PROVIDES ACTIVITY AROUND THE HERITAGE BUILDING & PROVIDE NEW LIFE TO ART GEO INTEGRATING HERITAGE INTO THE CREATIVE ARTS PRECINCT. COURTYARD SPACES AND ACTIVE LANEWAYS PROVIDE EXTERNAL SPACES TO SUPPORT THE NEW VENUES. ENTRY CANOPIES ARE RAISED TO OPEN VIEWS OF HERITAGE FACADE.

HERITAGE INTEGRATION THROUGH VISUAL CONNECTIVITY



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GROUND FLOOR PLAN

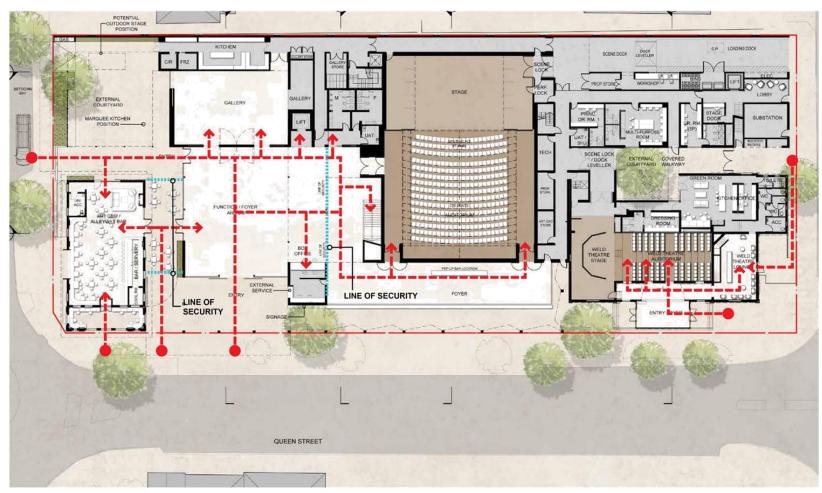




LEVEL 2 PLAN



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GROUND FLOOR PLAN PUBLIC CIRCULATION

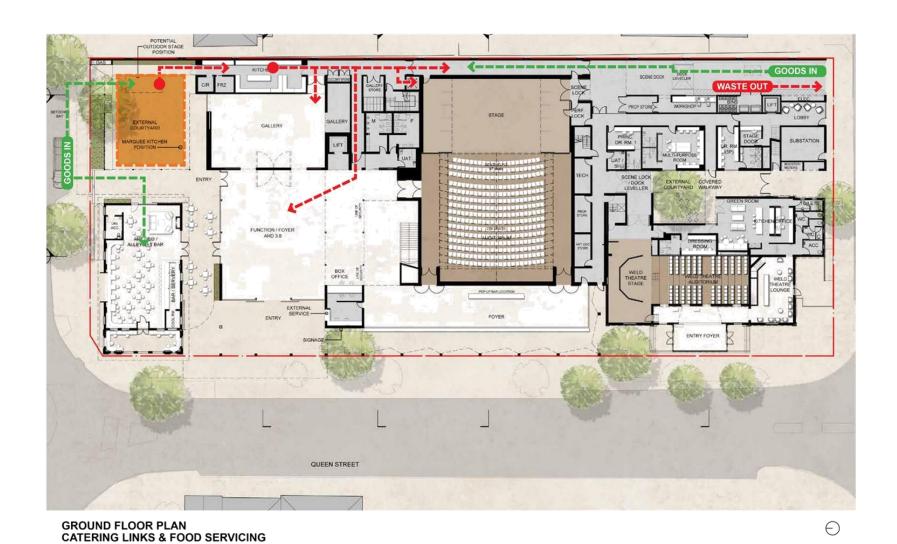


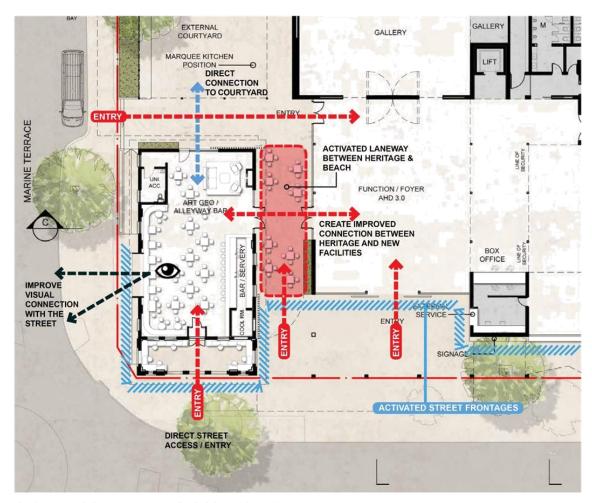


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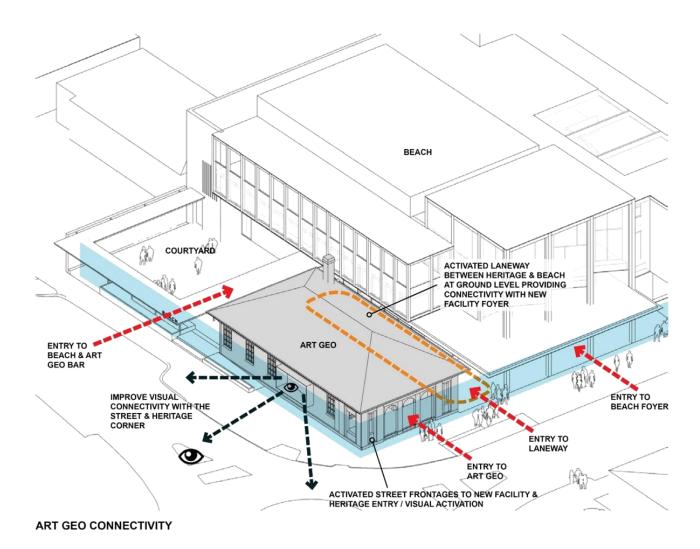
GROUND FLOOR PLAN PERFORMERS & SETS CIRCULATION







GROUND FLOOR PLAN - ART GEO CONNECTIVITY



Attachment D







NORTH VIEW DOWN QUEEN STREET



NORTH VIEW DOWN QUEEN STREET AT QUEEN & ADELAIDE STREET INTERSECTION







NORTH VIEW DOWN QUEEN STREET AT QUEEN STREET & MARINE TERRACE INTERSECTION

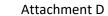


SOUTH VIEW DOWN QUEEN STREET



SOUTH VIEW DOWN QUEEN STREET AT QUEEN STREET & MARINE TERRACE INTERSECTION

1.1

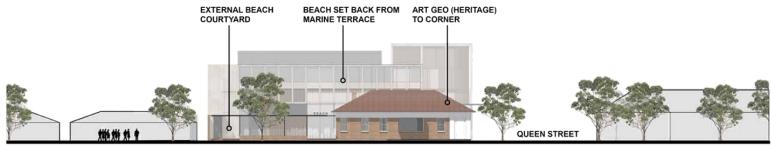




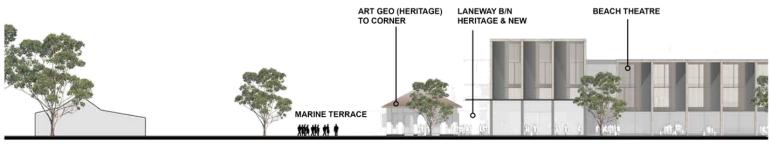
SOUTH VIEW DOWN QUEEN STREET ADJACENT ART GEO & NEW BEACH FACILITY



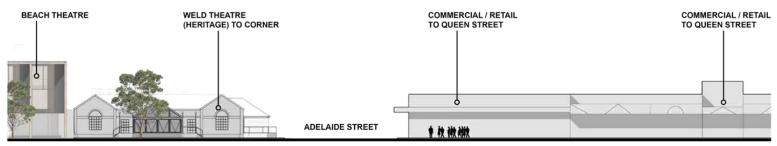
SOUTH VIEW DOWN QUEEN STREET AT QUEEN & ADELAIDE STREET INTERSECTION



MARINE TERRACE ELEVATION



QUEEN STREET ELEVATION (NORTH)



QUEEN STREET ELEVATION (SOUTH)

Building Materials & Textural References



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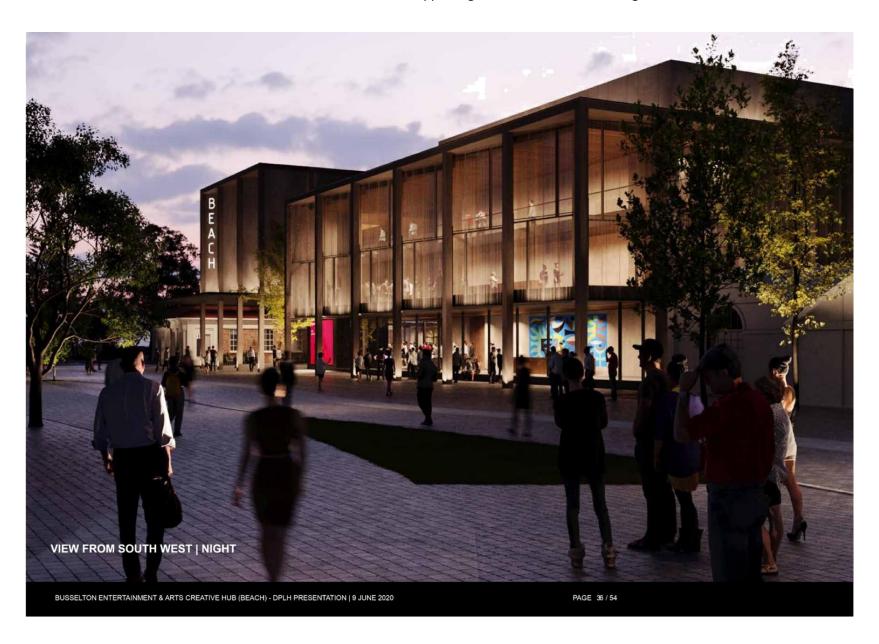
MATERIALS FOR BEACH HAVE BEEN SELECTED TO COMPLIMENT THE EXISTING HERITAGE FABRIC OF ART GEO AND WELD THEATRE TO PROVIDE HISTORICAL & NATURAL CONTEXTUAL REFERENCES

Building Materials & Textural References

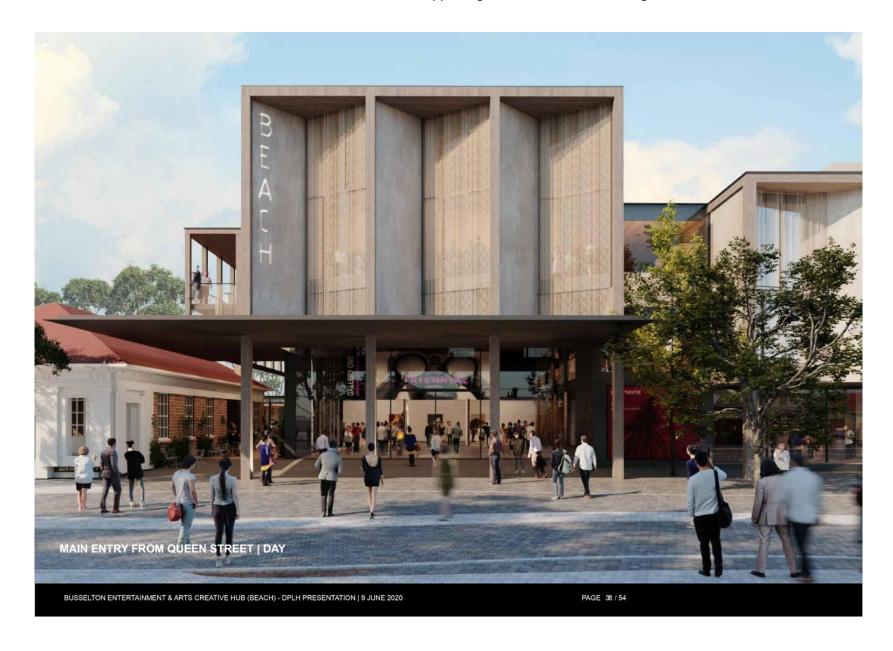


MATERIALS FOR BEACH HAVE BEEN SELECTED TO COMPLIMENT THE EXISTING HERITAGE FABRIC OF ART GEO AND WELD THEATRE TO PROVIDE HISTORICAL & NATURAL CONTEXTUAL REFERENCES

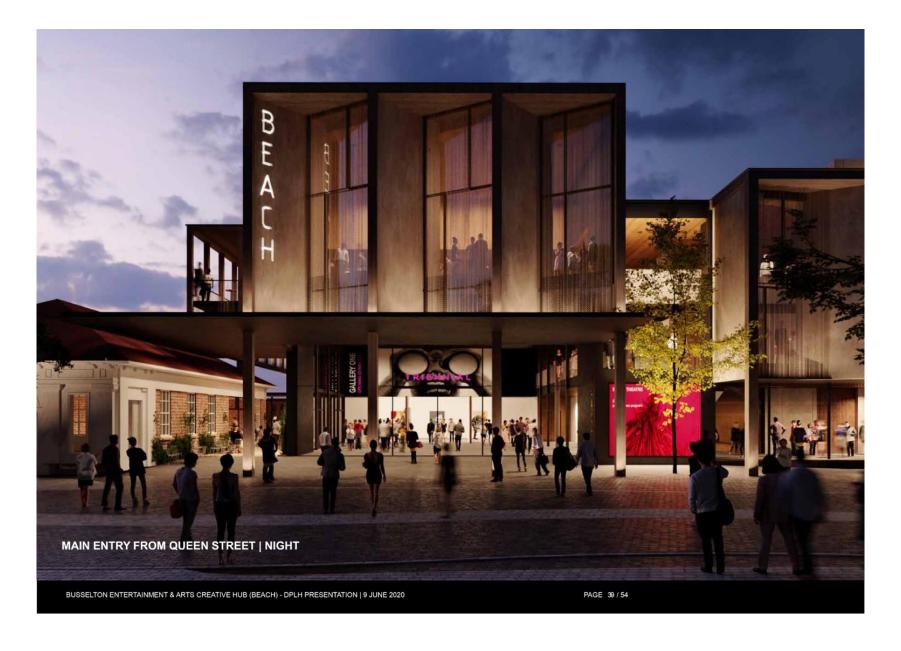




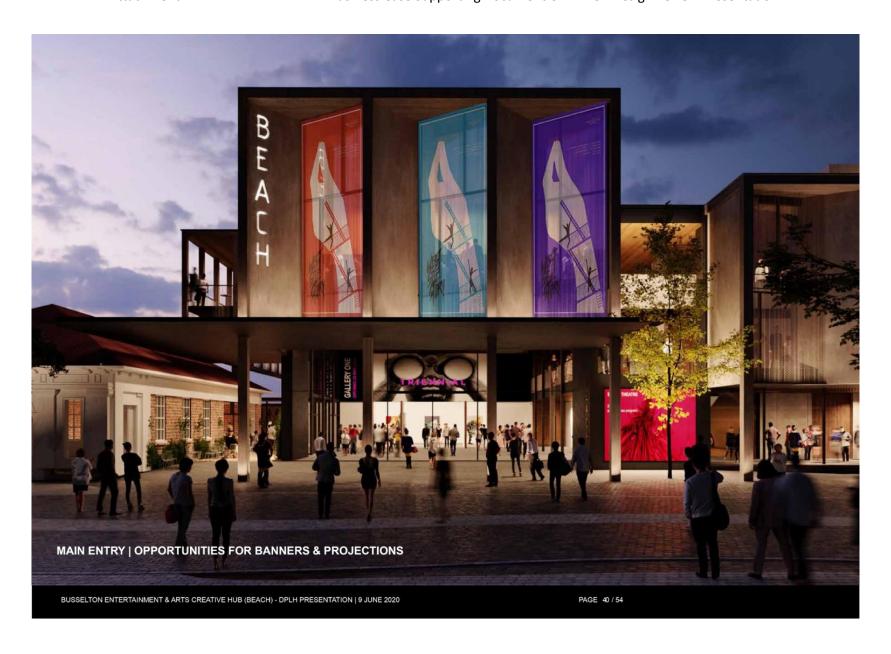




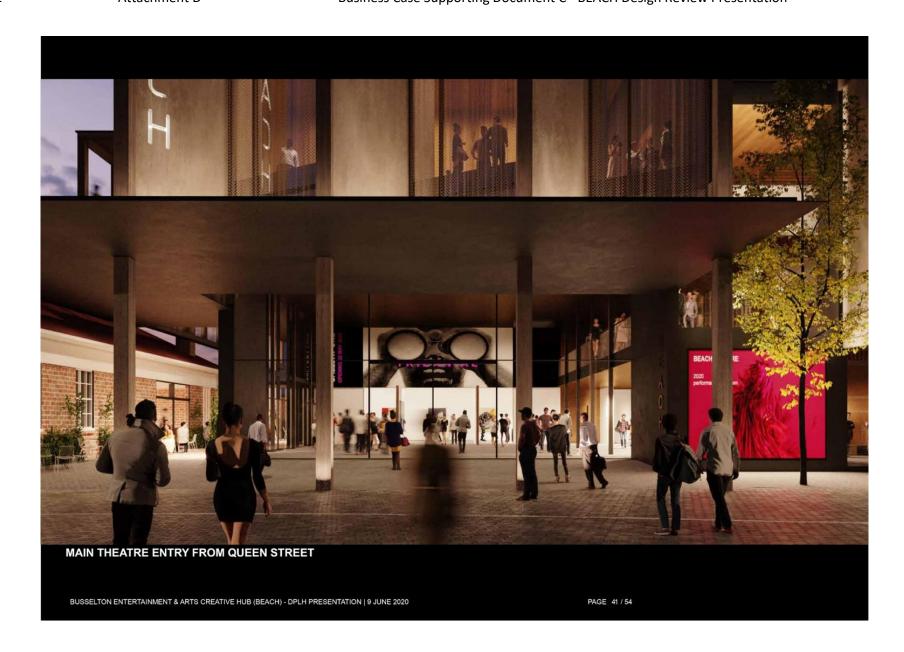
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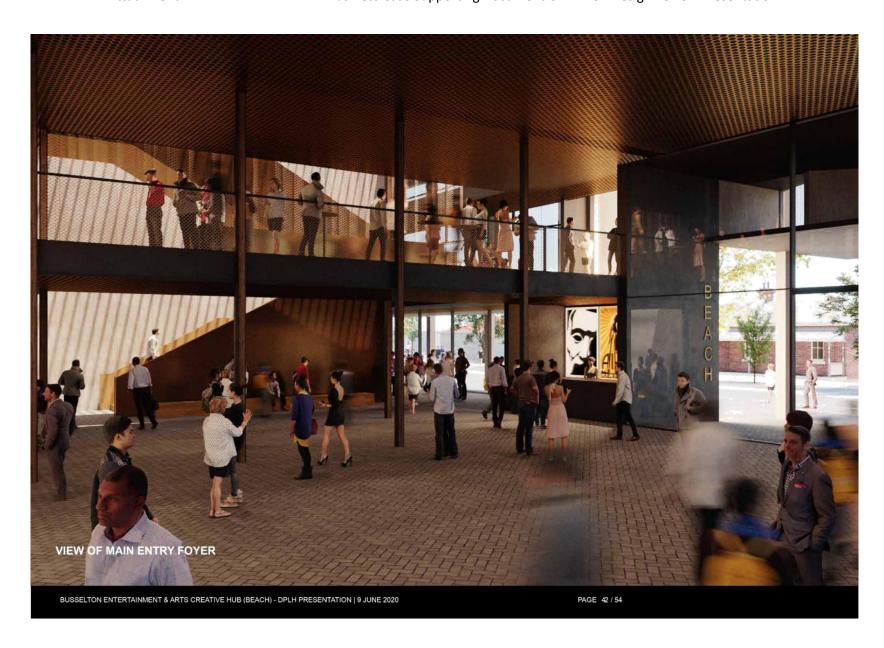
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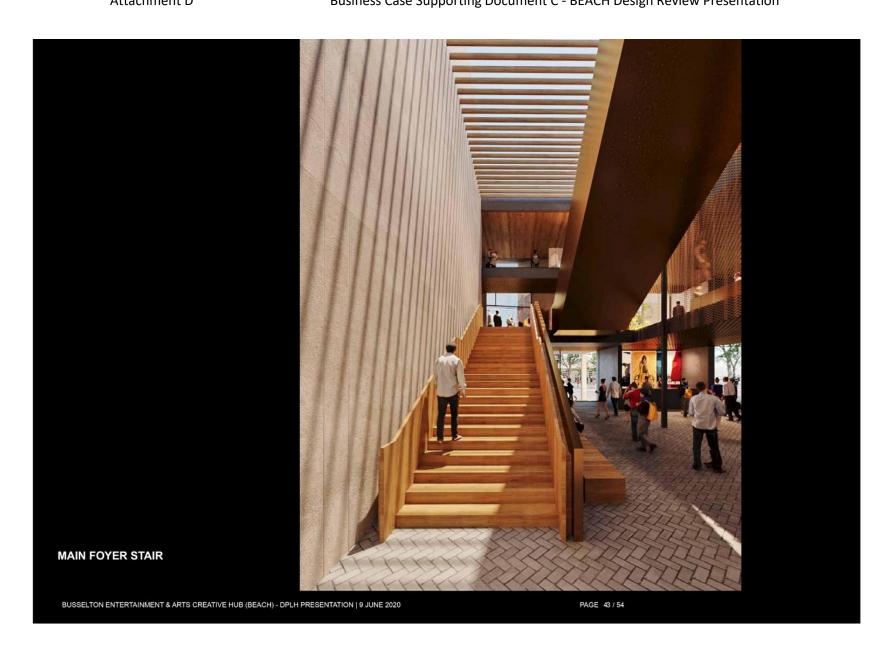
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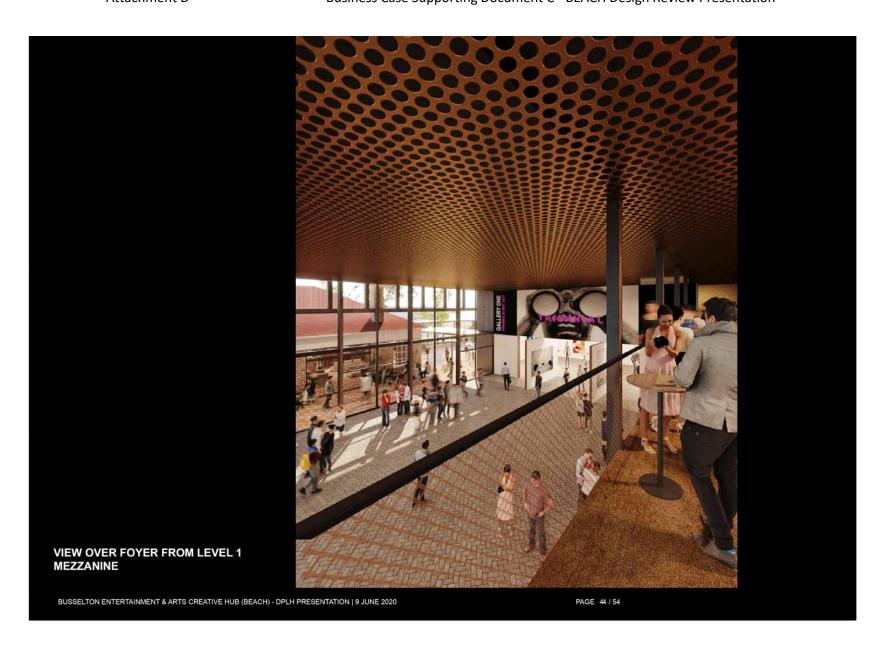


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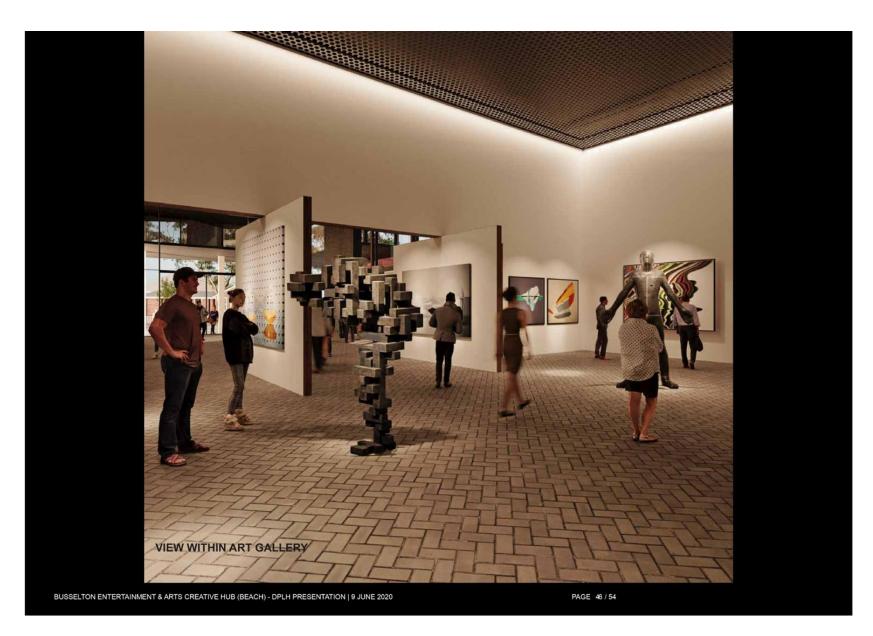
Business Case Supporting Document C - BEACH Design Review Presentation 1.1 Attachment D



Attachment D Business Case Supporting Document C - BEACH Design Review Presentation

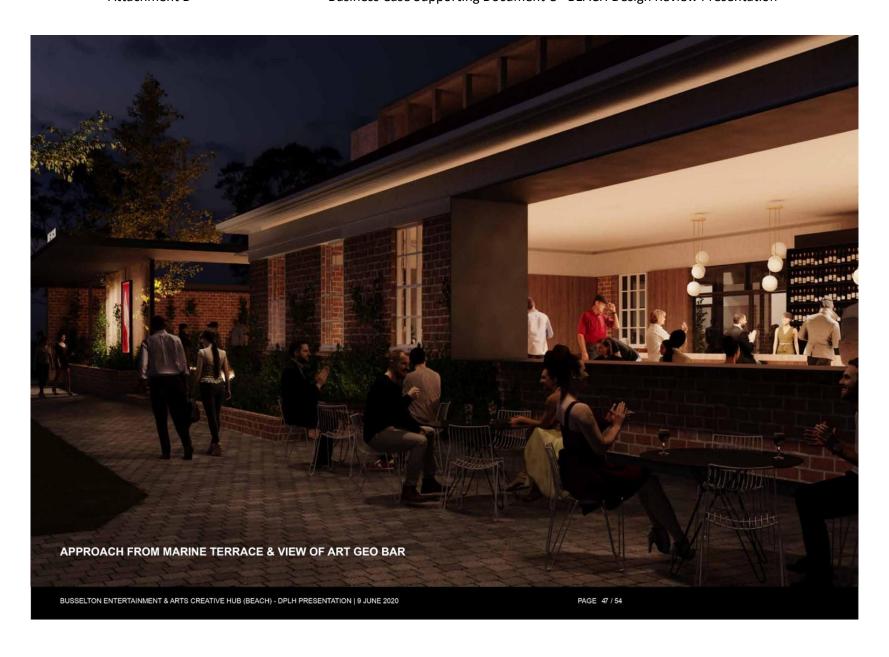


Attachment D Business Case Supporting Document C - BEACH Design Review Presentation



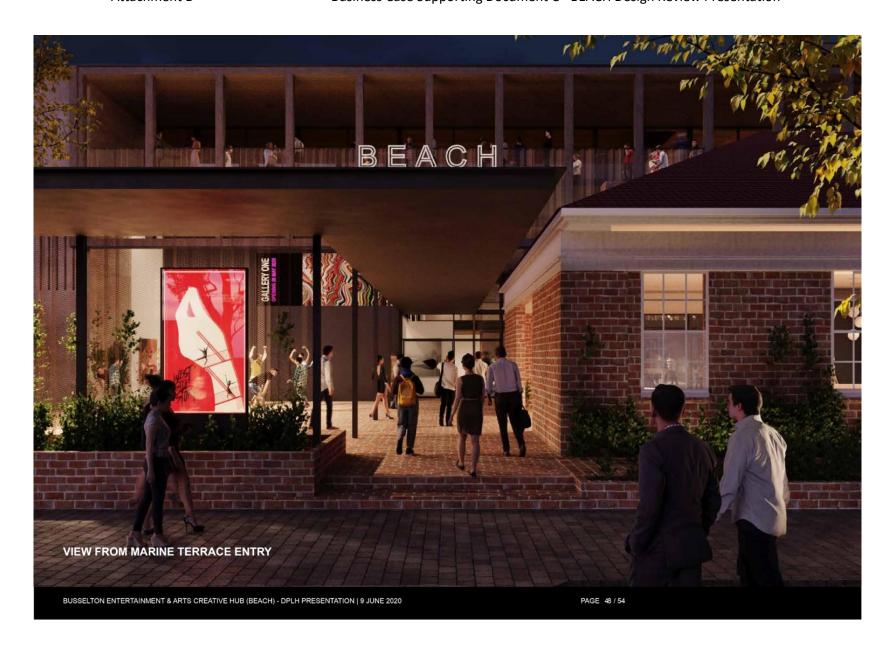
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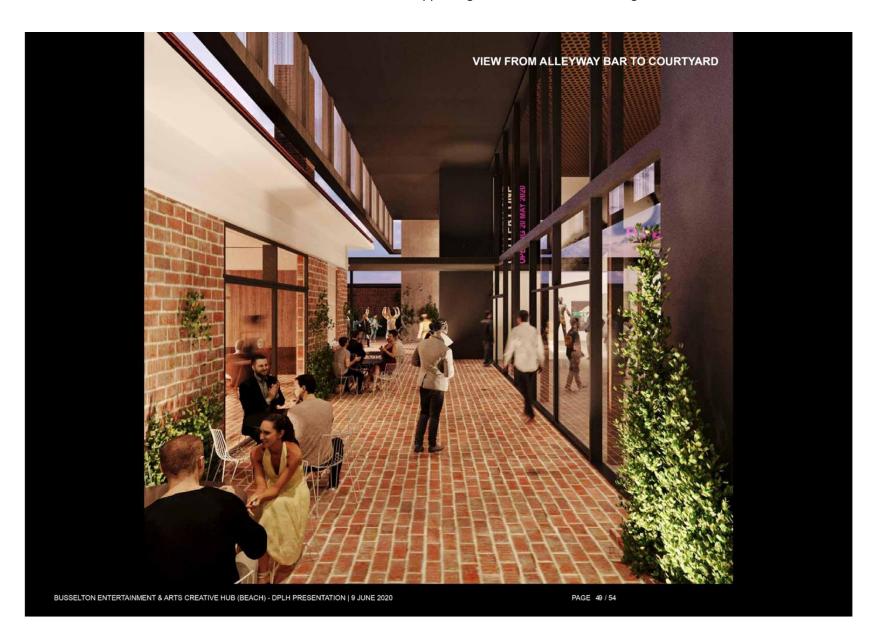


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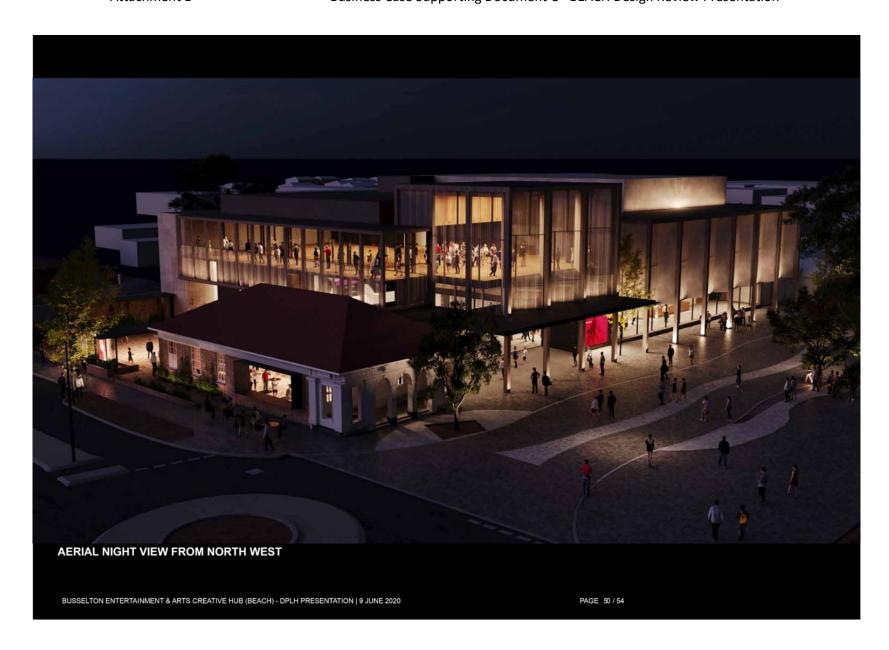


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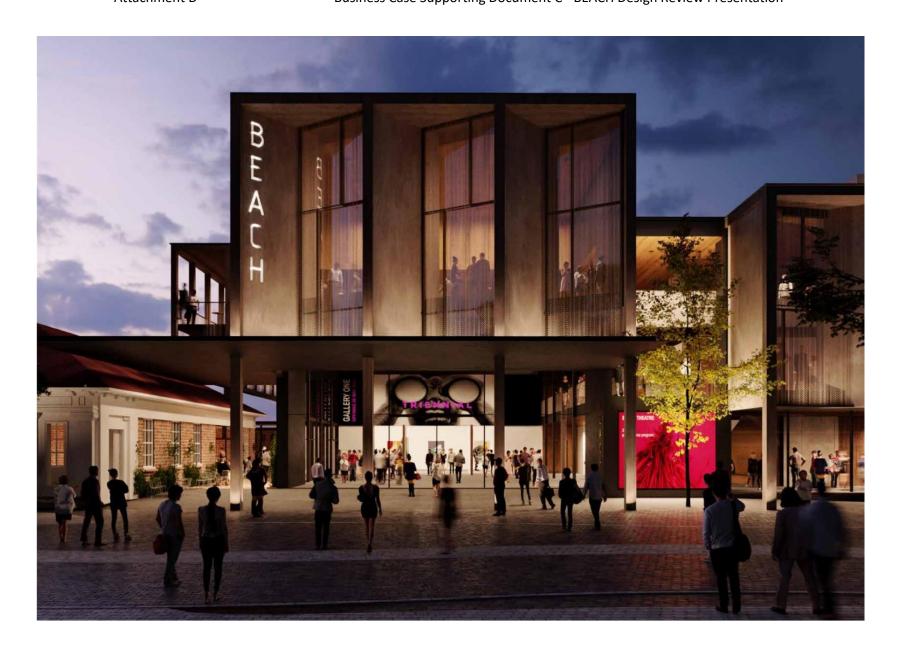
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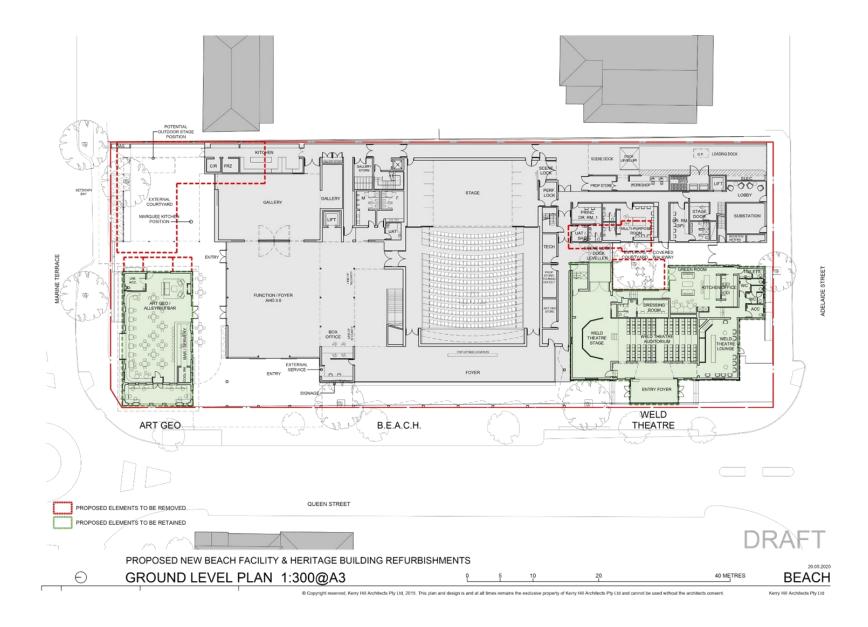


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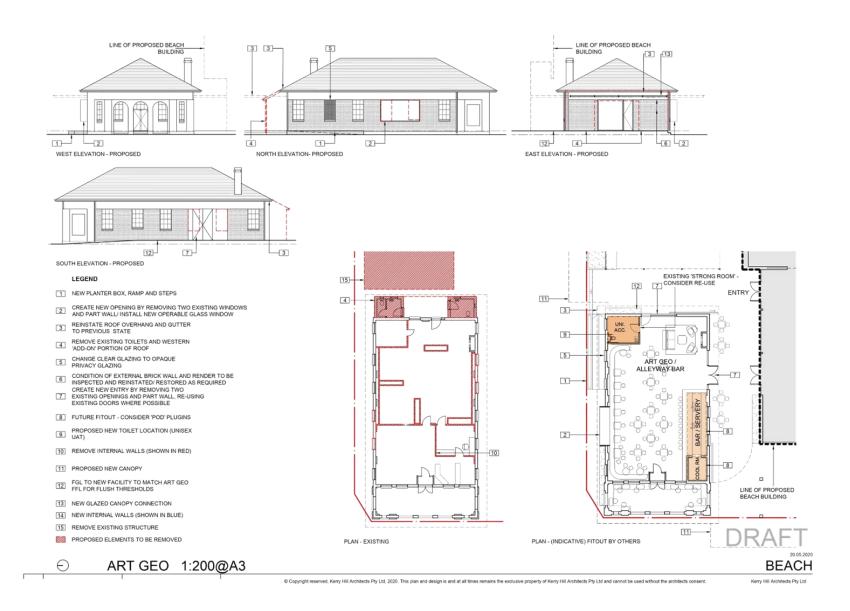
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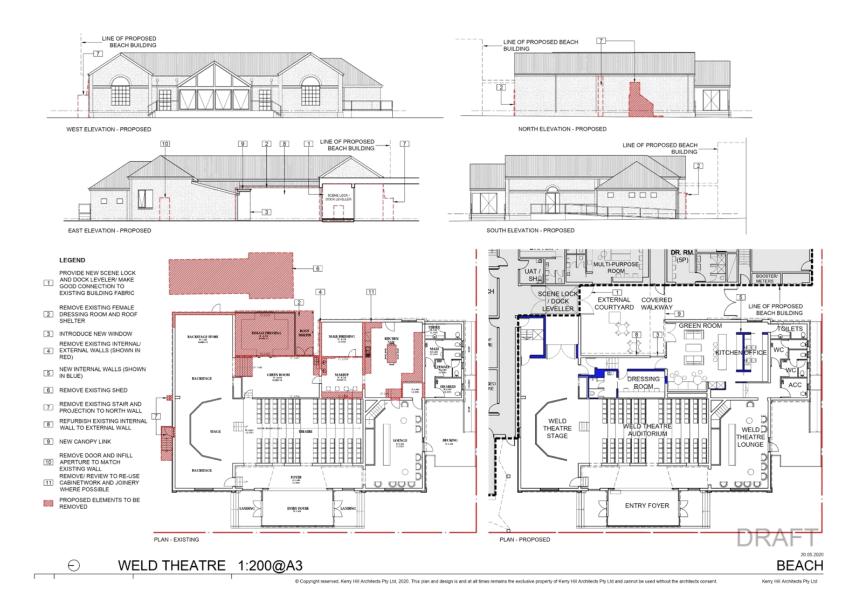
Business Case Supporting Document C - BEACH Design Review Presentation



Business Case Supporting Document C - BEACH Design Review Presentation



Business Case Supporting Document C - BEACH Design Review Presentation



MASTERPLAN FOR THE BUSSELTON CULTRAL PRECINCT

Executive Summary

In mid-2022 the City of Busselton will have a new facility, the Busselton Entertainment Arts and Creative Hub (BEACH), in the Cultural Precinct (currently known as the ArtGeo Cultural Complex). In addition to the BEACH development, a number of current lease arrangements are expiring creating new opportunities for the ArtGeo Cultural Complex and the entire Cultural Precinct.

The purpose of this Masterplan is to highlight these opportunities and identify options for future usage of the heritage listed spaces within the precinct that will enhance the BEACH development and grow visitor's cultural experiences by establishing:

- the best possible commercial and community creative entities to use the various spaces within the precinct;
- the value of the local arts community's needs, wants and expectations of the cultural precinct facilities and spaces in the future;
- the creative development of the Cultural Precinct facilities as a key location for all visitors;
- o the use of the precinct as the main driver of visitors into the CBD from the foreshore.

However, in order for the Cultural Precinct to fulfil its potential, its identity needs to be resolved. While the site should continue to be multi-faceted and support different activities, it needs a core identity, a unifying place essence that can 'hold it all together'.

The creation of an identity and brand for the whole Cultural Precinct, including the BEACH, needs to be something that appeals to people – like 'Yagan Square' or 'Elizabeth Quays' or 'The Rocks', an identity that can be remembered as being unique to Busselton.

This identity will:

- Help users to better understand and make sense of the site;
- Provide a firm foundation for establishing a strong brand;
- Help to establish a niche for the precinct;
- Provide clear direction for choice of tenants and programming;
- Have a connectedness amongst all stakeholders in the precinct.

The Cultural Precinct is a diverse assortment of creatives and activities, and the historical significance of the heritage listed Courthouse Complex is comparable to the Rocks in Sydney. The Rocks is a good example of a key historic icon that has used its location, its historical places and past extremely well in branding itself to place it on the map for locals and tourists. Establishing a sense of place like 'The Rocks' is also achievable for the Cultural Precinct. Our vision is that:

The Busselton Cultural Precinct is a regional hub and globally recognised destination for creative talent and business - loved by the local community and visitors for the extraordinary experience and diversity of high quality events and activities. It reflects the ambition of the City, the beauty of the region through its heritage and creates lasting memories shared from generation to generation. The Busselton Cultural Precinct is a must see destination, connecting the bustling foreshore with a thriving CBD and growing linkages throughout the region and WA.

This Masterplan details each unique space in the Cultural Precinct and explores opportunities, strategies and a number of actions which can be implemented over the short, medium and longer term that can support the journey towards achieving this goal.

Context

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 and is managed by the City of Busselton. It is currently known as the ArtGeo Cultural Complex within which several community and commercial leases operate. The site includes:

- The 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) leased by Tracie Anderson Ceramics and Nalda Hoskins Jewellery
- Workshop Spaces Fodder Room, Bond Store
- Performing Arts Academy (Police Cottage)
- Busselton Art Society (Police Cottage)
- Weld Theatre leased to Busselton Repertory Club
- Busselton Woodturners (leased)
- 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 (DBCA) offices.



The development of the BEACH provides a catalyst for investment in the Cultural Precinct and the opportunity to develop a clear vision, brand and masterplan for the area for future generations to share and benefit from the heritage and cultural experiences offered.

Strategic Alignment

The Cultural Precinct aligns with the following social and economic objectives in the City of Busselton Strategic Community Plan 2019 -2023:

- A community with access to a range of cultural and art, social and recreational facilities and experiences.
- Work with key partners to provide a range of community services and programs that support people of all ages and backgrounds.
- Host and facilitate events and programs that bring the community together.
- Sustainably manage development and value our environment (in this case Heritage).
- Provide events and unique tourism experiences that attract visitors and investment.

Current Operations

The Busselton Cultural Precinct houses diverse creative tenants and community groups undertaking a variety of indoor and outdoor cultural activities and events, which ArtGeo staff support and facilitate. There are numerous activities and programmes such as cruise ship markets, exhibitions, workshops, studio hire, heritage interpretation, school group visits, heritage tours, volunteer programme and gift shop.

ArtGeo is managed by a Coordinator and assisted by a part-time Curator (0.6FTE). There is a budget for casual staff of \$50,000 (excl. super) for exhibition changeovers; administration; marketing and design; coordination; training and rostering of volunteers; and weekend customer service. A pool of customer service volunteers are relied upon to man the Gallery and Courthouse between 10am and 4pm, seven days a week 360 days a year. There are a number of issues associated with relying on a pool of volunteers as they are a highly mobile workforce who come and go according to their own agendas, which is a constant drain on resources to manage them. The volunteers can't be relied upon to always arrive for their shifts – as they are just that, volunteers. The skill level of the volunteers is highly varied and not specific to the roles. Volunteer resources equate to approximately 2,180 hours or \$60,000 unpaid wage savings.

In the future, operations of the Cultural Complex will fall under BEACH governance. This includes the following services:

- Exhibitions at ArtGeo Gallery and Railway House.
- The City of Busselton Art Collection development and management.
- Community engagement and audience development programs.
- Management and promotion of the heritage-listed Courthouse and interpretation of its history.
- · Retail sales in the Courthouse gift shop, cruise-in markets and venue hire.
- Negotiation and management of community and commercial lease arrangements in association with Property Services.
- Arts and events in the Cultural Precinct.

1.1 Attachment E

Business Case Supporting Document D - Draft Masterplan Busselton Creative Centre

The current usage of the different buildings within the ArtGeo Cultural Complex and associated visitor statistics are outlined below:

- o ArtGeo Gallery (Exhibition space / functions / events)
- o Courthouse Complex:
 - New Courthouse (gallery space, exhibitions, rehearsal and performance space, heritage tours, meetings)
 - · Gaol Cells and exercise yard (heritage tours)
 - Police Station Dayroom (gallery space, heritage tours)
 - Bond Store (heritage tours, events, workshops, school programs)
 - Old Courtroom (gift shop / retail)
 - · Fodder room (workshops / rehearsal space)
 - Stable Studios (Artists in residence) ** Current Leases end 31 March 2020
 - Post office (Coffee Shop) ** Current Lease end 30 June 2020
 - · Courtyard (events, workshops, markets)
 - Police Cottages (Acting Up, Busselton Art Society) **Current Lease term ends 30 June 2020 with a further 5-year option
 - Old Police Station Queen St green place BEACH site (events, cruise-In markets)

Visitor Statistics - 2018/19

- o ArtGeo Gallery 9,000 visitors
- o Courthouse / Police Complex 18,000 visitors

Lease Holders and Event Visitation Statistics

Currently the City doesn't have tangible visitation numbers for the lessees or events or passing foot traffic from the foreshore into the CBD (and vice versa). The Cultural Precinct would have significant visitation (estimated at 50,000), however this has not been recorded or documented to date.

- Weld Theatre (Repertory Club) 70th Anniversary celebration with 98 shows per year and an average of 130 people per show. Also home to events, meetings, workshops, rehearsals, storage of sets and props.
- Acting Up after school programme from Monday to Thursday as well as workshops, storage.
- Busselton Art Society workshops, exhibitions and retail gallery.
- Major Events
 - Fringe Festival (annual)
 - IRONMAN headquarters and registration hub (annual international event) 5,000 people visited
 - Pride Festival (annual)
 - Wellbeing Expo (bi-annual)
- Cruise In Markets on average 2/3 per month during the cruise season from January to March.
- Guided heritage tours (weekly during school holidays and special events e.g. cruise ship days – approx. 20) and self-guided group tours (e.g. aged care facilities).

1.1 Attachment E

Business Case Supporting Document D - Draft Masterplan Busselton Creative Centre

ArtGeo Gallery

ArtGeo Gallery, housed in an elegant neo-classical brick and tile pavilion built for the Agricultural Bank of Western Australia in 1931, opened in 2008. Situated on the corner of Queen Street and Marine Terrace, ArtGeo is in a prime location linking the CBD to the popular Foreshore precinct. The ArtGeo Gallery is an adaptable white-cube space that hosts 8 exhibitions per year, sourced regionally, nationally and occasionally internationally. The space is also available to hire for select corporate and private functions.

Within the Gallery building there is one office accommodating two work stations and a customer service desk adjacent to Gallery 1 with one work station. At the rear of the Gallery there is a kitchen, female and male toilet, disabled access, meeting room/office and storage facility for the Gallery and the Busselton Art Collection.

The Gallery building, property and technical equipment has required upgrades for some time. It is currently not an A-Class gallery due to the limited climate control, security and storage which also houses the City of Busselton Art Collection.

Old Courthouse Complex

The recent focus in the Courthouse has been to reduce the amount of art on display (and for sale) throughout the building, and to change it into more of a museum experience with extensive visual interpretation. Within the complex is the Old Courtroom, Police Station, Day Room, Magistrates Retiring Room, Gaol Cells, Exercise Yard, Bond Store and New Courtroom. The upgraded interpretation brings the colourful history of the complex to life with past stories of notorious characters, escapees and infamous court cases providing visitors with a more engaging experience. The new interpretation will be completed by April 2020 prior to the Heritage Council South West Heritage Conference – Encounters in Busselton in May 2020, which also coincides with the 160th Anniversary of the original Courtroom and Bond Store.

Bond Store

Once linking the Jetty to the town of Busselton, the Bond Store has been used as the gift shop housing local art and crafts. In April 2019 the shop was moved into the Old Courtroom as it has higher foot traffic with visitors having to pass through the space to get to the popular gaol cells.

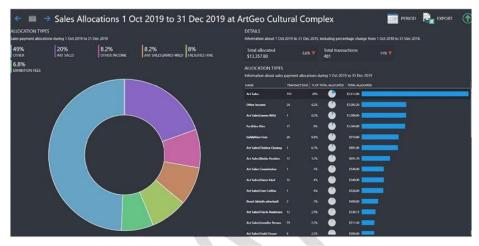
The Bond Store was then converted into an educational/ workshop space targeted at school groups and local artists. This space has been activated in recent months with a number of workshops being held including dress making and macramé, indoor market stalls, school excursions and Busselton Ukulele rehearsals. This has resulted in increased visitors to the Courthouse and engagement with local artists.

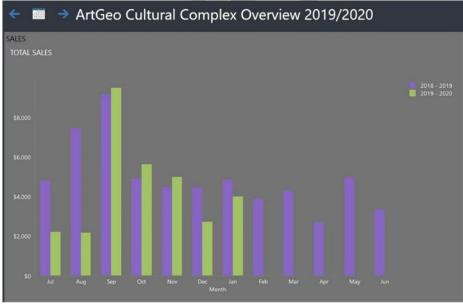
Old Courtroom Gift Shop

The Gift Shop, receives on average 18,000 visitors annually and features a range of art and craft pieces made in the South West and Great Southern including photography, scarves, painting, ceramics, handmade soap, pottery, woodwork and jewellery. Locals and tourists appreciate the quality and uniqueness of the products however it hasn't functioned as a commercially orientated retail outlet to date, or made use of the heritage value visitors are wanting to experience and also take home as gifts.

ArtGeo Revenue in 2018/19

ArtGeo's revenue streams are made up of art sales commission, facilities hire, exhibitions fees and other income. Other Income includes heritage tours, market stalls, and workshop fees (see below charts).





A casual staff member has only recently been dedicated to review retail operations, and start sourcing relevant tourism merchandise for the Settlement Art Project and the 160-year-old Courthouse to link retail to the visitor experience – encouraging them to buy a memento to take home.

1.1 Attachment E

Business Case Supporting Document D - Draft Masterplan Busselton Creative Centre

An expression of interest is currently open for souvenir makers to help create a unique retail experience which will enhance the history of the Courthouse site as well as give visitors an insight into the talented makers that live in the region. Some possible themes relate to ships, Geographe Bay, whaling, gaol cells and the timber industry.

Gaol Cells

There are nine gaol cells within the Old Courthouse building, next to the Police Station. Built in 1861, eight were for individual prisoners and the ninth larger cell was a communal one for Aboriginal prisoners. The cells were in use until 1976 when the Police Department vacated the buildings. The cells are very popular with visitors, and along with the New Courtroom, are a drawcard. They are currently empty, apart from a couple of interpretation panels. Horrendous History night tours run once a week during school holidays.

Fodder Room

The Fodder Room, which was originally used to store food for the Police horses, is located at the back of the Complex next to the Stable Studios. It is a multi-purpose space which houses the printing press and is available for hire for workshops (max 12 people) or small informal functions. Short-term hire is from \$36 for three hours or \$55 per day. This room is frequently used and works well for band rehearsals, artist workshops and weekly art classes (which run for a term). The room has a few limitations - it is a long skinny shape, ventilation is poor, not enough storage space and it is difficult to keep clean.

Courtvard

The Courtyard in the centre of the heritage complex is a multipurpose functional public space for local residents and tourists that can cater for up to 500 people. Facilities include a 5m x 5m stage, three phase power and disabled toilet surrounded by the heritage-listed buildings and shady trees. The space is currently used annually by Acting Up for the Fringe Festival and a few City sponsored events like Busselton Pride.

The current focus is to get locals to identify more with the precinct, via the Courtyard, by hosting more events like the Summer Breeze Night Market which features live entertainment, local food vendors, licenced pop-up bar and stalls. Issues include lack of lighting, signage, limited visual access points and community awareness of the space making it under visited and utilised. The current leseses of the various heritage buildings around the Courtyard do not use the space to encourage activation e.g. Busselton Art Society host their annual Art in the Park in Mitchell Park not the Courtyard.

Merenj Boodja Bush Garden

The bush garden is a community garden with a connection to Boodja, planted and designed in the Noongar Six Seasons in association with the Undalup Association. It is ideal for a path in reconciliation with the community, with focus on the reconnection of Culture, providing a spiritual healing to many while visiting the garden area, learning and gaining Cultural knowledge of the land, the arts, the language and the people. It also engages the local community in the rich and diverse local Noongar Culture of the Wadandi people. The area is situated adjacent to the foreshore.

It is available for short-term hire from \$50 per half day or \$100 per day. This space is currently underutilised, however staff are liaising with the Undalup Association to develop cultural displays and information about the Wadandi culture to be shared with international visitors and hope that will develop further.

Department of Biodiversity, Conservation and Attractions (DBCA)

This dated government building on the boundary of the Cultural Precinct on the corner of Adelaide and Queen Streets, houses a small number of staff. For people walking down Queen Street towards the Foreshore this building is the first thing they encounter in the precinct. Although it provides a shop front, visitation to the building is low and it doesn't add to the vibrancy or attractiveness of the area – especially as an entry statement. Previous attempts to acquire the land and building have been unsuccessful.

Current Lease Arrangements

The Weld Theatre

Named after an early Western Australian Governor – Sir Frederick Aloysius Weld, this building was completed in 1881. The Weld Hall was initially built as a mechanics institute providing support and education to the community. The Busselton Repertory Club took up a lease in 1962. They ran 98 performances in the Weld Theatre (seats 120) during 2018/19 as well as productions by Acting-Up and other visiting artists.

The Weld Theatre has many other non-performance activities, such as:

- Auditions and rehearsals (usually for each production, a minimum of 100-hours)
- Choral Society practices
- · Dance practices
- Regular U3A Script Reading sessions
- Singing lessons by Acting Up
- Theatre workshops

The Repertory Club lease expires 30 June 2020. A new arrangement will need to be considered for operations with the BEACH to include:

- 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 BEACH management's use and hire of the Club's exclusive use (leased) areas and the terms and conditions.

Police Cottage 1 - Acting Up Performing Arts

Acting Up provide community performing arts and have a lease in Police Cottage 1. The Cottage is 95m squared and has a 15m squared veranda. It is adjacent to the Courthouse. The lease expires 30 June 2020 with a further 5 year option.

When Acting Up were given a new lease in 2015 it was on the basis of a Business Plan which detailed new initiatives to activate the Cottage during the day. It was recommended a five (5) year term be entered into to provide future flexibility to review how the space was operating and any influences the proposed BEACH development may have. Council at the time passed an alternative Notice of Motion to enter into a ten (10) year lease with an option to the lessee at the end of the first 5 year term. The Business Plan initiatives have not been achieved and the building continues to be primarily used four evenings a week, as outlined in the program below.

Acting Up's main usage periods are classes Monday to Friday from 3.30pm and Saturday mornings for 3-4 hours. On average there are 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.

An example of Acting Up's indicative programming is shown below:

Course Name (age ranges are approximate)	Term Cost	Busselton				
Recreational Drama ages to 8	110.00	Mon 3.45-4.30	Tue 3.45-4.30	Wed 3.45-4.30	Thu 3.45-4.30	Fri TBA
Recreational Drama ages to 11	120.00	Mon 4.30-5.30	Tue 4.30-5.30	Wed 4.30-5.30	Thu 4.30-5.30	Fri TBA
Recreational Drama ages to 17+	120.00	Mon 5.30-6.30	Tue 5.30-6.30	Wed 5.30-6.30	Thu 5.30-6.30	Fri TBA
Advanced Drama Certificate Ages 12-14	180.00	Mon 5.30-7.00				
Advanced Drama Certificate Ages 15+	180.00	Mon 5.30-7.00				
Musical Theatre Introductory	120.00			Wed 5.30-6.30		
Musical Theatre Advanced	180.00			Thu 5.30-7.00		
Singing Lessons		Individual and Group sessions as arranged - Monday to Saturday available. Contact Emma on emma@actingup.com.au				
Adult Musical Theatre Adult Drama	120.00	Tuesday 7.00-8.30pm your 7.30-8.30pm			your interest	
Directors and Directing	135.00	Course to be arranged				
Stage Make-up and Special Effects		Course to be arranged – please register your expression of interest				
Drama for Toddlers ages 2½-5	110.00		ue 10.00- 1.00			

Acting Up will move into the BEACH and have provided an ideal scenario where they have:

- exclusive use of a storage area
- office space
- are the dominant user of a multipurpose rehearsal type room
- access to an activity/breakout room, toilets and foyer space.

The City will provide a suitably sized storage area and shared use of an office space with other stakeholders, with access under hire arrangements to the other aspects of the centre.

A new arrangement will need to be established which considers Acting Up's:

- 1) Area of exclusive use under a lease arrangement.
- 2) Access to shared common areas under a license agreement.
- 3) Hire of areas and the terms and conditions of hire.
- Use and hire of exclusive use (leased) areas to BEACH management and the terms and conditions.

Police Cottage 2 - Busselton Art Society (BAS)

Busselton Art Society (BAS), is a member-based (100 members) community group, currently they have a 5-year lease for the larger of the two Police Cottages (approx. 102m squared) until 30th June 2020, with an option to renew for a further 5-years. They are open daily from 10am to 3pm to the general public and use the space as an Art Gallery, workspace for members and for workshops. Workshops and exhibitions held by BAS are well attended but to this date are not documented with the City. BAS make limited use of the broader precinct, as mentioned previously, they host their annual Art in the Park weekend event in Mitchell Park not the Courtyard.

Old Post Office - Lock up Coffee Shop

The Lock Up Coffee Shop (with alfresco seating) has the current lease for the old Post Office, part of the Courthouse complex, with street frontage on Queen Street. The Post Office has been a coffee /tea shop for numerous years and the lease expires on 30th June 2020. The Coffee Shop currently assists in the activation of the precinct attracting people with alfresco dining and a strong loyal customer base. There is a good relationship with the tenant with the City allowing other coffee shop tables within and around the courthouse reception. This is a small space – 33m squared with a 20m squared veranda.

Stables Studios - Artists in Residence

The Stables Studios are at the rear of the Courtyard and are leased by two artists in residence until 31 March 2020 – Tracie Anderson Ceramics (Studio 1) and Nalda Hoskins Jewellery Design (Studio 2). This is an interactive experience for visitors who are able to watch the talented artists at work and talk to them about their art. People can purchase their pieces from the Old Courtroom Gift Shop. Studio 1 is 30m squared and Studio 2 is 42m squared. Artists under current lease arrangements are unable to sell from their Studios to avoid longer lease terms required under the Commercial Tenancy Act.

Expressions of Interest (EOI) for artists, artisans, musicians and creatives ran for six weeks and closed 1 February 2020 for these studio spaces. There is opportunity to open these spaces up to more than one or two south west artists, to provide a changing experience and more of a collaborative maker space. A new provision under the Act for "Pop Up" Retail leases of less than 6 months has enabled the City to now consider a broader and more varied occupancy offering.

1.1 Attachment E

Business Case Supporting Document D - Draft Masterplan Busselton Creative Centre

WEAKNESSES & GAPS

There is a perception that the Cultural Precinct is currently under-utilised, particularly the buildings and the Courtyard. It is likely that these perceptions relate both to the actual levels of activity at the site and to the fact that the activities inside buildings are not visible from, nor do they reach out to the outdoor spaces.

Also, as different areas of the precinct cater to different groups it is noted that documentation of the visitation has not been recorded or communicated. It is likely that users don't have an awareness of the overall level of activity onsite or the number of activities that could be engaged in, if they were interested.

These perceptions of how the Cultural Precinct has operated in the past have eventuated from the following key areas:

Communication

There is no cohesive strategy by any of the lessees or the City in ensuring buy-in to activate Cultural Precinct in any formal or agreed way (e.g. lease agreements, cohesive stakeholder working group).

Collaboration

Within the precinct stakeholders have limit resources, skills and time in developing funding opportunities, marketing plans, liaising with the key contacts, joint programming and audience development.

Programming

All Cultural Precinct stakeholders and their members have dynamic programmes, but these have not been documented or a consistent delivery of activities of interest promoted.

Brand, Marketing Signage and Promotion

The development of the ArtGeo brand for the Cultural Precinct in 2008, 'where art and heritage meet', is weak due to no strategic alignment with any plan and no staff skilled (until May 2019) to promote the brand.

The ArtGeo Gallery has significant brand value and industry credibility due to past coordinators pushing the visual arts, and ensuring the City of Busselton Art Award and Gallery are respected even though not categorised as an A-Class Gallery.

Community feedback suggests that currently the rich history of the Cultural Precinct is not well integrated into the experience of the site. Opportunities to engage with the history of the precinct are generally confined to the dedicated courtroom spaces and gaol cells and the story of the site's Indigenous history is almost completely absent.

1.1

OPPORTUNITIES

There are significant opportunities to target many levels of the creative industries through the Cultural Precinct spaces; arts business development (e.g. Creative Corner), circus, community arts, community development, community visioning, history (e.g. Heritage Council), indigenous communities, multimedia, multicultural communities, music, people with disabilities, live performances, servicing local visual artists, theatre, visual art and craft exhibitors, writers, youth, tourism and education.

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The Cultural Precinct's multi-layered past is a significant asset in terms of delivering an authentic and distinctive place experience to users, the potential of which remains largely untapped. The history and appeal of the site needs to be brought fully to life and in a way that enriches, rather than constrains, its present and future.

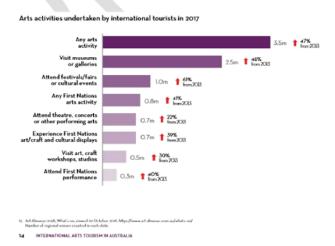
ArtGeo Gallery

Draft concepts for the BEACH show the potential of the ArtGeo building to be a commercial hospitality hot spot, servicing the BEACH, attracting people to the area and linking the CBD and Foreshore. The building could be used as a wonderful alfresco dining experience, using the laneway, courtyard and frontage to Marine Terrance and Queen Street.

Design concepts illustrate how the ArtGeo Gallery could be included in the BEACH to achieve the following benefits:

- Build on and continue the ArtGeo Gallery brand into the future.
- · Significantly grow audiences.
- · Ability to joint resource.
- · Cross populate markets.
- Increased accessibility.
- Achieve an A-Class Gallery Status.
- Regularly changing exhibitions will add another visual element to the BEACH.

A recent report by Australia Council for the Arts, International Arts Tourism — Connecting Cultures, states that visiting museums and galleries is the most popular form of international arts tourism. More than 2.5 million international tourists visited museums and galleries while they were in Australia in 2017, an increase of 46% since 2013. Museums and galleries are a readily accessible form of arts engagement for tourists, often not requiring forward planning or advance ticket purchase.



1.1 Attachment E

Business Case Supporting Document D - Draft Masterplan Busselton Creative Centre

To determine the appropriate size and specifications for the Gallery an agreed direction for its future is required so that it can achieve its potential to attract new markets and grow. There is opportunity with the BEACH to achieve A Class status and receive a higher standard of touring product.

Courthouse Complex

There is the potential to turn the currently under-utilised exercise yard into a space for creatives to hire for workshops or classes. If the door from the exercise yard to the Courtyard was kept open during the day while in use, it would further activate this space.

The Police Station and Day Room (the two rooms that connect the Old Courtroom Gift Shop and the gaol cells) lend themselves to becoming reading rooms by including vintage arm chairs/couches and some relevant books on Busselton history. By introducing shared use with the coffee shop, visitors would be able to relax and enjoy a coffee.

Bond Store

The historic and aesthetic value of the Bond Store is significant to being more widely used in the future for private and corporate functions and events. This space has only just started to be promoted. There is the potential for the coffee shop to also use this space, when not being used for workshops/schools, and have tables for their patrons.

Old Courtroom Gift Shop

If the Gift Shop was moved from the Old Courtroom to the Police Cottages, with Queen Street frontage, it would encourage passing foot traffic to enter. The retail products in this shop should be linked to the heritage experience as recommended in a Retail report produced by Richard Harling in February 2019.

Fodder Room

There is an opportunity to attract different grass roots (emerging) artists to utilise and activate the space, currently mainly used for art classes.

Gaol Cells

Utilising the Gaol Cells more presents lots of opportunities. Regularly changing sound bites and digital interpretation could be featured in individual gaol cells, the Aboriginal cell or exercise yard. Another option is to have relevant exhibitions or pieces of art in cells with arm chairs that visitors can sit and contemplate with a coffee. There is also an opportunity to attract more events using the whole complex including cells e.g. Cabin Fever – Dark and Stormy.

Courtvard

There is an opportunity to activate the Courtyard with the development of a performance program to open the precinct after 5pm for locals and visitors, which will support local artists/creatives and regular events. Recent statistics from Australia Council for the Arts indicate that more than one million international tourists attended festivals, fairs and cultural events in 2017, an increase of 61% since 2013.

Developing an annual event program will increase visitation to the Courtyard and assist in the identity and branding of the precinct as creative space with the local community. Ideas include:

 Weekly free sundowner events from spring to autumn of multi-cultural performances including dance and music.

1.1 Attachment E

Business Case Supporting Document D - Draft Masterplan Busselton Creative Centre

- Ticketed contemporary music events and performing arts activity to build the profile of the location to the whole South West region.
- Linking more with foreshore events (City Youth Community and Events teams), and foreshore venues such as Rocky Ridge Brewing Co to the Courtyard, leveraging joint marketing opportunities.
- o Regular food/artisan markets.
- o If possible including in tenanted leases obligations to hold/support events in the precinct.
- o Hosting early regular weekly Yoga, Pilates etc.
- Shade sail encourage people who work in CBD to come and have lunch on lawn with a busker on Fridays.

There is opportunity to support these initiatives through MERG funding applications, private sponsorship and partnerships and the City's small grants and donations fund.

Merenj Boodja Bush Garden

The International Arts Tourism – Connecting Cultures report, by Australia Council for the Arts, states that First Nations arts engage international tourists, especially those who travel outside capital cities. Nearly 830,000 international tourists engaged with First Nations arts while in Australia in 2017, an increase of 41% since 2013. This incorporates increased attendance at First Nations performances as well as attendance at art, craft or cultural displays. Staff will continue to liaise with the Undalup Association to develop cultural displays and information about the Wadandi culture to be shared with visitors to the precinct. This space can also be promoted and programmed with more events spilling out from the Bond Store. Department of Biodiversity, Conservation and Attractions (DBCA)

Incorporating this site into a cultural offering would link the whole precinct together and presents an opportunity for Stage 2 of the BEACH development, a creative industry hub.

Stage 2 of the BEACH is subject to attracting additional funding and will develop a creative industry hub to support the growth of the South West's specialised creative industry segments including film, TV, commercial radio, architecture, design, visual arts, music, performing arts and publishing. The Stage 2 development concept is for a purpose built sound proof recording studio, office(s), meeting rooms and creative maker spaces that can also be used for other purposes such as a breakout space, photography studio, rehearsal room and small live music venue.

Access or ownership to this property would open up the Cultural Precinct Courtyard (currently underutilised and hidden) for easier accessibility via Adelaide Street. It would provide another opportunity to grow artisan and small business start-up offerings with an expanded semi-permanent market place similar to Fremantle.

With an upgrade, the building in the short term could be a space for the development of creative programs, a rehearsal/studio production space for musicians and the film industry, and a central place for all artists to meet and network. This is turn would have a flow on effects of increasing the use of other indoor and outdoor spaces for spin off events, conferences and workshops.

The Weld Theatre

With the additional spaces provided by the BEACH, the Weld Theatre is likely to have capacity, especially during the day, to be programmed for other uses and can be considered as an additional break out space for business events.

Police Cottage 1 - Acting Up

This cottage opens onto Queen Street as well as the Courtyard behind, which is an ideal opportunity to move and develop the current Courthouse Gift Shop into a commercial South West creative retail space that can activate the current lack of daily opening hours in this space, and the upcoming increased night activity with the opening of the BEACH. Currently the town centre and foreshore are the major tourist attractors, the activation of this Police Cottage will attract visitors and locals daily, allowing the precinct to be a main driver of visitors into the City from the Foreshore.

Moving the Gift Shop out of the centre of the Old Courtroom to the Police Cottage will assist in activating the heritage Courthouse Complex, for more interpretation including digital and sound, exhibition space, functions/event bookings, workshops and heritage tours which will also increase visitation.

With the completion of the BEACH the current Cruise-in markets set up for the annual cruise ships will no longer have a base of operation. These markets have been popular due to the south west handmade creative products and also criticised for not having more local craft on offer. The activation of permanent south west creative retail and heritage/cultural tour outlet in the Police Quarters is an obvious activation for the City that promotes the precinct as a whole.

To reinvent and provide a more relevant retail experience, that provides commercial and cultural dividends, was the key recommendation as the most beneficial course of action in Richard Harling's Retail Report in February 2019.

24 June 2020

Police Cottage 2 - Busselton Art Society (BAS)

With an aging member base requiring disabled access and parking in close proximity, the opening of the BEACH may be an opportunity for BAS to move to a new location that fulfils their needs and requirements for the future. This space could then be activated (along with the other Police Cottage currently occupied by Acting Up) when their lease ends on 30th June 2025. It would be prudent to work with BAS on a plan for the future to understand what their requirements are likely to look like in five years time.

Staff will continue to have regular stakeholder lease meetings to keep people abreast of what is happening in the precinct and BEACH for future opportunities. Joint programming and marketing opportunities will also be explored and developed to further activate the precinct.

Old Post Office - The Lockup Coffee Shop

The current lessee is interested to continue the lease with an expanded alfresco table space in the precinct. They would also like to obtain a liquor licence to fully activate the space after 5pm.

Development of the old tennis club leading to and from the foreshore, and the development of the BEACH, gives the Post Office space and the ArtGeo Gallery space a lot more commercial potential and value to the City to lease with a commercial interest in mind to service the precinct and link to the CBD.

Stables Studios – Artists in Residence

The artist studios could be the production spaces that provide some of the local product for the creative retail outlet from the Police Cottages, linking the visitor to the experience of visiting a local artist at work with the retail experience or vice versus. This would increase visitation through the retail outlet and into the Courtyard – activating the space.

Proposed Site Plan

The below site map provides an indication of what each space has the opportunity to become.



STRATEGIES

The Cultural Precinct is a diverse assortment of creatives and activities in an historical setting on the corner of Queen Street and Marine Terrace, the gateway to the foreshore and CBD. It has the capability to be comparable to the world renowned 'The Rocks' in Sydney, also a key historic site, that has used its location, its historical places and past well in placing it on the map for locals and tourists.

Something like the Rocks is achievable for the Cultural Precinct and our vision is that:

The Busselton Cultural Precinct is a regional hub and globally recognised destination for creative talent and business - loved by the local community and visitors for the extraordinary experience and diversity of high quality events and activities. It reflects the ambition of the City and the breathtaking beauty of the region through its rich history and the creation of lasting memories shared and favoured by current and future generations. The Busselton cultural precinct is a must see destination, connecting the bustling foreshore with a thriving CBD and growing linkages throughout the region and WA.

This can be supported by focussing on the following strategies:

Strategies to achieve the vision

- 1. A focus on programming and event attraction in the Cultural Precinct.
- 2. Increase visitation to the ArtGeo Gallery.
- 3. Development of a strong Cultural Precinct and BEACH brand to build affinity with the Cultural Precinct.
- Increase the activation of the Cultural Precinct with a South West Creative Retail Outlet on Queen Street.
- Engage and support the Aboriginal community to provide products for retail and cultural experiences/events.
- 6. Supporting the growth of commercial food and beverage offerings.

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Business Case Supporting Document D - Draft Masterplan Busselton Creative Centre

- 7. Lease arrangement which achieve increased day time activation.
- 8. Mechanisms to seek feedback from place users, the local community and tenants and to measure the impact of changes.
- 9. Develop synergies with the current lessees to increase their presence in the cultural precinct.

- 10. Utilising all spaces within the Courthouse Complex to generate revenue by increasing the hire of spaces.
- 11. Create a shared space for visitors throughout the Courthouse Complex.
- 12. Increase volunteers



1.1

Action Plan

Attachment E

The following short, medium and longer terms actions are recommended to support these strategies

Strategy	Action	Timeframe	Budget considerations
A focus on programming and event attraction in the Cultural Precinct.	 Work with the City's Events Team and Cultural Development Officer to leverage existing events e.g. Cinefest Oz/ Jazz by the Bay to have a presence in the Cultural Precinct. Creating an annual series of events (e.g. Summer Breeze Night Market) hosted and presented by the City. Creating a brand and identity for 'The Courtyard' as 'the' venue to host events e.g. Rocky Ridge pop-up-bar events. Communicating with commercial promoters to utilise 'The Courtyard'. Develop an emerging artist programme to compliment the audience development plan e.g. partnership with Battle of the Bands. Promote and programme events in the Merenj Boodja Garden. Applications for funding, sponsorship and partnerships. 	Immediate focus to December 2020 and then ongoing	Within existing budget.
Increase visitation to the ArtGeo Gallery.	 Moving the Gallery into the BEACH. Increase the status and ensuring the benchmarking of best practice for galleries by: Design a functional space within the BEACH with walls height and running length equivalent to or greater than the current Gallery space. Upgrade lighting to ERCO Professional Lamps. Control and monitor environmental conditions within the Gallery – humidity, temperature and light. Monitored security to meet A-Class Gallery standards. 	Congruent to the development of the BEACH.	Within the BEACH budget.

Development · Rebrand of the Cultural Precinct including imagery, signage In parallel with BEACH design Estimated \$15,000 in **BEACH** budget strong Cultural Precinct phase Feb - June 2020 and BEACH brand to · Development of a professional and robust Marketing and build affinity with the Audience Development Plan. Cultural Precinct. Professional retail staff 4. Increase the activation Moving the Courtroom Gift Shop into Police Cottage 1 when April 2022 to be included in of the Cultural Precinct Acting Up move into the BEACH. with a South West Immediate 2021/22 budget. • In the meantime develop Courtroom Gift Shop merchandise Creative Retail Outlet on to tie into the visitors experience and show the potential of Queen Street. moving the retail into a Queen Street shopfront. • Increase revenues to remove reliance on volunteer resourcing 5. Engage and support the Work with the Underlap Association to run activities on Ongoing Within existing budget. Aboriginal community to Cruise Ship visits; and provide products for retail and • Develop cultural displays and information about the Wadandi cultural experiences/events. · Develop relationships with the Aboriginal Community to utilise spaces in the complex in the future. 5. Supporting the growth • Extend the Lockup Coffee Shop lease to 30 June 2022 and In place by June 2020 Valuation of commercial food and explore the possibilities of having shared spaces within the recommends leaving beverage offerings. rent of coffee shop at Courthouse complex. \$12,900 +GST and • Support the Coffee Shop to increase the alfresco table space. ongoings. Support the Lockup Coffee Shop application for a liquor Valuation of the licence after 5pm to vitalise the cultural precinct. Gallery • Investigate the commercial leasing opportunities of the recommended at ArtGeo Gallery as a hospitality offering and also to service the \$45,000 + GST. BEACH. 6. Lease arrangement • Change the artists in residence Stables Studios to a In place from April 2020 Valuation which achieve increased collaborative maker space model and pop-up commercial recommends leaving day time activation. rents at Studio 1 leases for 6-months maximum terms. Communicate further with Acting Up to activate the Police Cottage during the day June 2020 \$325/month inc GST e.g. moving the ArtGeo Coordinators office into the Cottage and Studio and include a hot-desk for other creatives. This would require \$433.34/month inc the current lease agreement to be altered. GST.

7. Mechanisms to seek feedback from place users, the local community and tenants and to measure the impact of changes.	 Establish ways to increase buy-in and feedback from tenants, and creative users of the precinct, documentation on the usage, and activity through data collection from the leasing, and hiring documentation. 	In place from April 2020	Within Exiting Budget
8. Develop synergies with the current lessees to increase presence in the cultural precinct.	 Work with BAS, Acting Up and Busselton Repertory Club on activities and events to be more visible in their current and future programming. 	Immediate	Within Existing Budget
9. Utilising all spaces within the complex to generate revenue by increasing the hire of spaces.	 Offer and promote the Exercise Yard as a creative space for workshops or a monthly resident artist. Promote the Gaol Cells as a unique venue for tourism and cultural events. Promote the Bond Store as a 'one-of-a-kind' venue for private and corporate functions. Attract different emerging artists to utilise and activate the Fodder Room. 	Immediate	Within Existing Budget
Create a shared space for visitors throughout the Courthouse Complex.	 Implement furnishings that suit the heritage complex that will attract the coffee shop patrons and visitors to immerse themselves in history and the arts. Speak to Bunbury and Fremantle Prison about exhibiting past and current prisoners work in the Police Station, Day Room 	May 2020 June 2020	Within Existing Budget
11. Increase volunteers	 and Cells. Develop a recognition and reward program for volunteers. Actively promote the volunteer programme. 	Immediate	Within Existing Budget

Critical Success factors

The following will be important to the success of the Masterplan for the Cultural Precinct:

- Clear understanding of the purpose and objectives as a heritage, tourist and art attraction.
- Clear financial and usage goals.
- · Sufficient resourcing to deliver good quality activation initiatives.
- Marketing and communications strategy to publicise activation initiatives.
- Baseline data about current levels of usage and finances, to enable tracking of changes over
- Mechanisms to seek feedback from place users, the local community and tenants and to measure the impact of changes.
- Buy-in from the creative tenants and commercial tenants.
- Increased flexibility in relation to conditions on the title.
- Acquisition of the DBCA site and funding for its development.
- Good relationships with the Aboriginal community, other potential partners and stakeholders.
- Ability to attract and retain appropriately skilled and motivated volunteers

Measures of Success

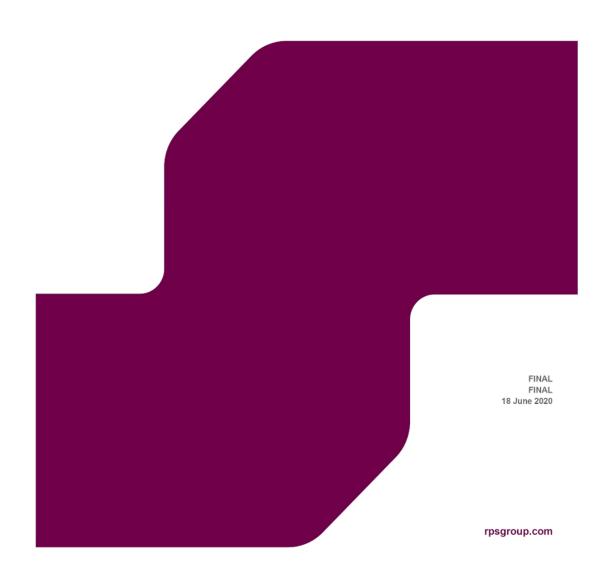
The success of the activation of the Cultural Precinct and increased awareness by the general public will be measured by increases in:

- Number of events held and people who attend.
- Number of workshops held and people who participate.
- Visitors to the Courthouse and Art Gallery.
- · Satisfaction of visitors to the Courthouse and Art Gallery via feedback forms.
- Venue hire bookings.
- Retail sales.



BUSSELTON ENTERTAINMENT, ARTS AND CULTURAL HUB

Cost Benefit Assessment



Business Case Supporting Document E - BEACH Cost Benefit Assessment Final

REPORT

Document status					
Version	Purpose of document	Authored by	Reviewed by	Approved by	Review date
DRAFTA	Draft for internal model QA and review	LB	MW	MW	29/05/2020
DRAFTB	Draft for client review	LB	MW	MW	02/06/2020
DRAFTC	Draft including EIA summary	MW	LB	MW	10/06/2020
FINAL	Final version for submission	MW	LB	MW	18/06/2020

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Approval for issue		
Mark Wallace	MhL	18 June 2020

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Business Case Supporting Document E - BEACH Cost Benefit Assessment Final

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Appendix A Construction Costs

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1 INTRODUCTION

1.1 Background and Context

The Busselton Entertainment, Arts and Cultural Hub (BEACH) will deliver a fully functioning conference, exhibition and performance venue in the Busselton Cultural Precinct. The new facility will integrate with the existing Weld Theatre and Heritage-Listed ArtGeo Gallery, maximising the appeal and use of those community facilities. The BEACH will be a high quality, technically advanced, flexible and adaptable facility capable of serving the local and regional communities adding to the wider regional business events and performance offer. Working in conjunction with venues in Margaret River, Bunbury and Busselton, creating an urban / peri-urban complimentary 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 delegates at major regional conferences and trade shows. The Councilendorsed location for the BEACH 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 BEACH will activate the only remaining vacant site within the recently redeveloped 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 use 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 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 BEACH 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.

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Figure 1 Busselton Cultural Precinct

1.2 Report Purpose and Structure

RPS was engaged to prepare a Cost Benefit Analysis of the Busselton Entertainment, Arts and Cultural Hub (BEACH). This Assessment Report includes the following key sections:

- Introduction overview of the project background, purpose, structure and study area;
- Cost Benefit Assessment Methodology outline of the cost benefit assessment methodology uses
 with all associated assumptions and inputs;
- Benefits Statement summary of all quantifiable benefits incorporated into the CBA including description and calculation approaches. Summary of the value of benefits over financial, economic and social categories.
- Cost Benefit Assessment Results Summary of the costs and the results of the CBA including BCR and NPV indicators; and
- Conclusion summary of key conclusions of the project.

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1.3 Geography and Study Area

For the purpose of this assessment, RPS has defined the Study Area as the Busselton Local Government Area (LGA). The coast-centric City of Busselton is located in the South-Western corner of Western Australia, occupying the coastline between Margaret River and Bunbury.

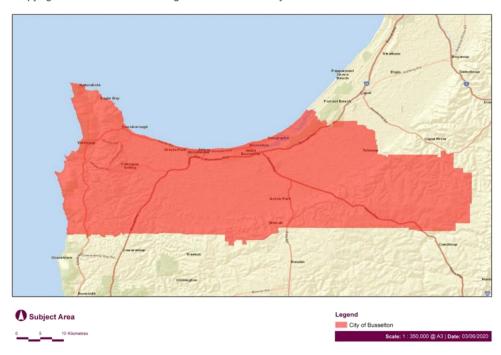


Figure 2 City of Busselton

1.4 Glossary and Abbreviations

Terms and Abbreviations	Description		
ABS	Australian Bureau of Statistics		
BCR	Benefit Cost Ratio		
BEACH	Busselton Entertainment, Arts and Cultural Hub		
CBA	Cost Benefit Assessment		
Externalities	External Costs or Benefits not captured in market prices		
GVA	Gross Value Added		
LGA	Local Government Area		
NPV	Net Present Value		
SA2	Statistical Area 2		
SEIA	Social and Economic Impact Assessment		

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2 COST BENEFIT ASSESSMENT METHODOLOGY

This section summarises the Cost Benefit Analysis (CBA) methodology and assumptions.

2.1 Methodology

A CBA is the most commonly used, and most comprehensive, of the economic evaluation techniques. Essentially, a CBA compares the monetised benefits and costs of a project to evaluate the desirability of a project. A CBA provides little value if it is conducted without a base case in which with to compare options. For this study, the development option is therefore analysed based on only the incremental, or additional, benefits and costs with respect to a base case. This approach is the most appropriate to assess the net economic benefits that accrue from the two development options.

The CBA steps include:

- 1. Identify the quantifiable benefits that can be monetised;
- Calculate the value (in monetary terms) of the quantified incremental benefits and capital costs in net present value (NPV) terms using the discount rates;
- Calculate the benefit cost ratio (BCR) the total present value of all net benefits compared to the
 present value of capital costs to determine the ratio to which incremental net benefits exceed (or
 undershoot) incremental costs related with the upgrade; and
- 4. Undertake a sensitivity assessment.

2.1.1 Discount Rates

Discounting is the reverse of adding (or compounding) interest. It reduces the monetary value of future costs and benefits back to a common time dimension – the base date. Discounting satisfies the view that people prefer immediate benefits over future benefits (social time preference) and it also enables the opportunity cost to be reflected (opportunity cost of capital). Recognising the potential for multiple audiences for the business cases, real discount rates of 4, 7 and 10% have been applied. This complies with recommendations set by the Office of Best Practice Regulation (OBPR) at the Federal Government level and

Modelling of quantifiable benefits and costs are developed over a 20-year timeframe (post construction phase).

2.1.2 Cost of Capital Approach

The cost benefit assessment undertaken in this report represents a "cost of capital" assessment. This approach focuses primarily on the up-front capital costs of the project with reduced consideration of ongoing costs (beyond basic operational cost impacts). The reason for this approach is twofold:

- Firstly, it reflects the stage of the project design and concept that the Cost Benefit Assessment is testing

 early stage concepts typically have a capital cost estimate but may not have detailed cash flow or
 maintenance cost estimates. As such, the "cost of capital" approach does not consider ongoing
 cashflow consideration which includes discounting any financial revenues that could be secured by the
 harbour to offset unknown maintenance costs;
- Secondly, this economic business case specifically seeks to develop or address the validity of potential
 capital investment in the project. As such, evidence is required, through the CBA, of the potential return
 on investment (in the form of economic and social benefits) to inform this capital decision.

2.2 Comparison with the Base Case

For the purpose of this report, RPS has undertaken a cost benefit assessment of the *net additional benefits* and costs above and beyond the current entertainment and cultural-based infrastructure in Busselton. All NPVs and BCRs generated as part of the Cost Benefit Assessment are reflective on the net increase in

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output and social benefit beyond Busselton's current operations, and account for development of the new facility.

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2.3 Key Assumptions

In addition to assumptions made as part of analysis in **sections 3.0** and **4.0** of this report, a series of assumptions as inputs into the cost benefit analysis have been made. The following reference table is provided for the purposes of transparency.

Table 1 Cost Benefit Analysis Assumptions

Assumption	Value
Assessment period	23 Years (including 20 years of operation)
Construction phase	2 years (2021 – 2022)
First year of operation	2023
Total estimated project commitment	\$29.8m (excluding in-kind contribution) ¹
Jser Group share of Households	55.6%
Non-user group of Households	44.4%
Fravel externality savings (\$ per 100km travelled) ²	\$10.73 ³
ravel distance savings (kms/trip assuming round trip ravel to Bunbury)	55
Villingness to pay for free events (user group)	\$29.674
Villingness to pay (non-user group)	\$7.375
Rate of new performing arts participants	0.85%6
requency of new participant involvement (hours/year)	60 hours ⁷
eisure time valuation (\$/hr)	\$13.17 ⁸

¹ Cost estimates provided by City of Busselton. Refer to Appendix A

² Travel time and distance savings subject to "rule of half" to adjust value estimates to median of the distribution.

³ AustRoad (2015) Guide to Project Evaluation Part 4 Project Evaluation, Austroads, Melbourne. Includes power 100km values for Air Pollution Greenhouse, Noise, Water, Nature and Landscape, Urban Separation and Upstream and Downstream Costs savings

⁴ ESA (2015), Cultural Investments - where do the benefits come from?, Economic Society of Australia

⁵ ESA (2015), Cultural Investments - where do the benefits come from?, Economic Society of Australia

⁶ ABS (2020) Participation in Selected Cultural Activities Australia cat no. 4921.0. Based on a 10% increase in cultural art participants of which 8.52% will be of a performing arts nature. Only performing arts increases have been valued.

⁷ Average performing arts participation level derived from ABS cat no. 4921.0 Participation in Selected Cultural Activities Australia.

⁸ AustRoad (2015) Guide to Project Evaluation Part 4 Project Evaluation, Austroads, Melbourne. Adjusted to 2019 in line with CPI.

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3 BENEFITS STATEMENT

3.1 Identified Benefits

A range of direct financial, economic and social benefits of the Project have been identified. Those benefits which are capable of being monetised for inclusion in the CBA are outlined in the table below.

Table 2 Identified benefits and method of value calculation

Benefit	Description and Approach	Calculation Approach
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 ⁹ . RPS has also added an additional \$380,000 per year of expenditure associated with the Creative Incubator Hub.
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.	Estimated using the Busselton economy Economic impact Assessment model transaction table, developed by RPS from ABS input-output tables ¹⁰ . Supply chain shares of estimated at 30.7% for first round and industry support indirect benefits.
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 ¹¹ . This WTP figure was multiplied by the number of households that fit into the 'user category' ¹² .
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

⁹ TRA (2020) National Visitor Survey, Tourism Research Australia, Canberra

¹⁰ ABS (2019) Australian National Accounts - Input-Output Tables 2017/18.

¹¹ ESA (2015), Cultural Investments - where do the benefits come from?, Economic Society of Australia

¹² ABS (2019), Attendance at Selected Cultural Venues and Events, Cat. No. 4114.0, Australian Bureau of Statistics

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Benefit	Description and Approach	Calculation Approach
		total increase ¹³ . This rate of participation increase was forecast relative to projected population figures and applied to a leisure time valuation (\$ per hour) and a frequency of involvement (hours per year).
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.	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 (closes next comparable facility) as outlined in Assumptions table.
Creative Hub Business Turnover	Turnover increase of businesses operating within Creative Incubator hub.	Calculated based on a total of 5 businesses per year with average revenue acceleration of 10%. Business size breakdown in line with Count of Business data for Busselton from ABS ¹⁴

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3.2 Value of Benefits

Overall, the Project will yield benefits between \$81.0m under a 4% discount rate to \$45.2m at a 10% discount rate.

Table 3 Present Value of Benefit Categories (\$ million), by Discount Rate, 2020 to 2043, Busselton Entertainment, Arts and Cultural Hub

Benefit Category	4%	7%	10%
Financial	\$7.9	\$4.1	\$2.2
Economic	\$59.7	\$45.4	\$35.9
Social	\$13.5	\$9.6	\$7.2
Total Benefits	\$81.0	\$59.1	\$45.2

The largest contributor to these benefits is Economic, accounting for between 70-80% of the present value of benefits depending on the discount rate. Increased Tourism Expenditure is the most significant individual contributor with respect to identified benefits, valued at \$37.9 million over the assessment lifespan at a 7% discount rate. Residual asset value and construction-based gross value add also provide significant benefit, presently valued at \$18.1 million and \$9.0 million, respectively.

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¹³ ABS (2019), Participation in Selected Cultural Activities, Cat. No. 4291.0, Australian Bureau of Statistics

¹⁴ ABS (2020) Count of Australian Businesses, Cat No 8165.0, Australian Bureau of Statistics, Canberra

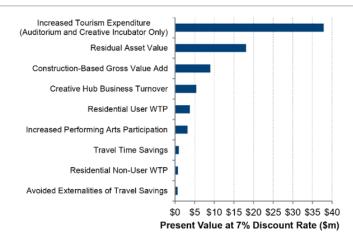


Figure 3 Present Value of Identified Benefits at 7% Discount Rate

The largest share of benefits from the project is expected to be Economic, driven primarily by increased tourism expenditure, construction supply chain benefits and creative incubator hub business turnover growth. This also reflects the fact that Residential User Willingness to Pay benefits are included within the Economic category. This reflects the transactional nature of the relationship between users and the facility.

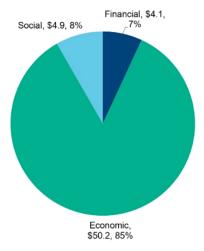


Figure 4 Share of Benefit Present Value, by Benefit Category, by 7% Discount Rates (\$m)

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4 COST BENEFIT ASSESSMENT RESULTS

This section summarises the costs of the project and outlines the results of the cost benefit assessment.

4.1 Costs

Two financial costs have been included in this assessment:

- Capital or construction costs;
- Ongoing maintenance costs.

As per section 2.1.2, operational costs have not been included within the CBA and instead are addressed as part of Financial Analysis in the associated business case.

4.1.1 Capital Costs

For inclusion in the CBA, RPS has utilised cost estimates provided in Appendix A. This capital cost amounts to a total value of \$30.3m for the total estimated project commitment.

However, this includes an allowance of \$500,000 for in-kind contributions from Council. For the purpose of this CBA, RPS has excluded this allowance from the capital cost for the project.

This reduces the capital cost, for the purpose of this assessment to \$29.8m.

For the purposes of this assessment, RPS has assumed a 2 year construction phase of 2021 and 2022, with capital costs allocated evenly across this period. This is to help inform the construction supply chain benefits and to take a conservative position regarding the commencement of operation of the activities at BEACH.

4.1.2 Maintenance Costs

The City of Busselton provided RPS with a Lifecycle Asset Management Plan (version 4) which included annual estimate of maintenance costs for the project from 2023/24 to 2042/43. This data includes allowances for:

- External services
- · Electrical, fire, mechanical and plumbing services
- Preventative maintenance relating to ceilings, floors and walls, fitting and finishes, and external and internal columns, doors and windows and the roof.

In total, a maintenance budget of \$10.48m over 20 years is assumed in the Lifecycle Management Plan. Annual values have been included in the Cost Benefit Assessment.

Refer to Appendix B for the LMP maintenance costs for the BEACH project.

4.1.3 Summary of Costs

Overall, the present value of project costs ranges from \$31.5m under a 4% discount rate to \$27.7m under the 10% discount rate. The present value of capital and maintenance costs are illustrated below.

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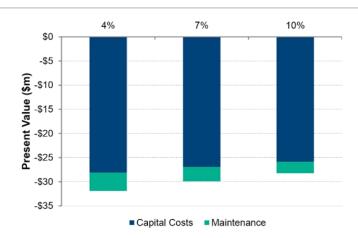
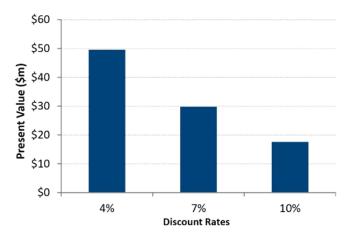


Figure 5 Present Value, Capital and Maintenance Costs

Capital costs represent the largest component of project costs, though maintenance costs are impact more significantly by discount rates over the course of the assessment period.

4.2 **Summary of Cost Benefit Assessment Results**

Based on a comparison of the present values of the costs and calculated benefits, it is estimated that the Busselton Entertainment, Arts and Cultural Hub project will have a positive Net Present Value under all discount rates, ranging from +\$17.6 million at the 10% discount rate to +\$49.50 million at the 4% discount rate over the 20 year assessment period.



Net Present Values, by Discount Rate, Busselton Entertainment, Arts and Cultural Hub

Similarly, a review of the Benefit Cost Ratios reveals ratios are above 1.5 for all discount rates (1.0 is when benefits are equal with costs) and exceeds 2.0 at both the 4% and 7% discount rate scenarios.

Table 4 CBA Results, by Discount Rate, 2020 to 2043, Busselton Entertainment, Arts and Cultural Hub

	4%	7%	10%
Costs	\$31.5	\$29.4	\$27.7
Benefits	\$81.0	\$59.1	\$45.2
NPV	\$49.5	\$29.8	\$17.6
BCR	2.57	2.01	1.64

BCRs for the project are illustrated in the figure below.

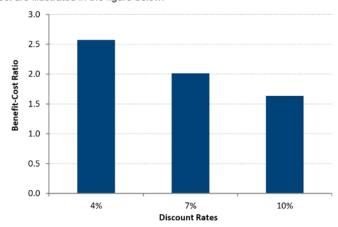


Figure 7 Benefit Cost Ratios, by Discount Rate, Busselton Entertainment, Arts and Cultural Hub

Given the social nature of the proposed investment, RPS regards the results under the 4% and 7% discount rates to be the most relevant as they are closest to the "social rate of return" of 6%. As such, BCRs of 2.0 for the project at both of these rates is a positive outcome.

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5 **ECONOMIC IMPACT ASSESSMENT**

This section summarises the preliminary employment indicators and economic impact assessment results for the Busselton Entertainment, Arts and Cultural Hub.

In particular, this section includes preliminary estimates of the direct and indirect economic contribution to the Busselton economy from the project during Construction and Operational Phases. The economic indicators assessed and presented in this letter are Output, Income, Full Time Equivalent Jobs (FTEs) and Gross Value Add (GVA).

Methodology and Approach 5.1

At the core of an Economic Impact Assessment is Input-Output (IO) tables. IO tables are part of the national accounts by the ABS and provide detailed information about the supply and use of products in the Australian economy, and the structure of and inter-relationships between Australian industries.

IO tables are converted, through statistical analysis, into a series of Economic Multipliers. These Multipliers represent the relationship between the direct activity (expenditure or production) associated with a project and the wider economy.

The results of an EIA are generally presented as both direct effects, that is effects from the direct activity of the project or event and indirect effects, which are additional effects from further rounds of spending in the supply chain. A third or consumption effect, resulting from rounds of consumer spending generated by the additional income in the region can also be calculated.

There are two broad levels of Multipliers that can be utilised for Impact Assessments:

- Simple Multipliers including the Direct or Initial Effect, First Round and Industry Supply Chain effects;
- Total Multipliers including the Simple Multipliers plus subsequent Induced Production and Household Consumptions effects

Impact Assessments can assess:

- Output the actual dollar amount spent on the project in the Region;
- Income the amount of wages and salaries paid to labour;
- Employment the full time equivalent per annum employment generated by the project; and
- Value Added the value added to materials and labour expended on the project.

RPS has undertaken an Impact Assessment for the Busselton economy, focused solely on Simple Multipliers. For the Busselton economic impacts, this entailed the following tasks:

- Transaction tables were developed from National IO tables for the Busselton economy. For the Busselton economy, the Regional Transaction Table was calculated by applying employment-based location quotients for the Region, based on the results of the 2016 Census of Population and Housing. This has the effect of excluding spending on imports to the Region since they generate no local economic activity
- Economic Multipliers were then generated for Busselton economy across 119 industry categories defined by the ABS;
- Construction and operational expenditure and production associated with the development were allocated across 119 industry categories; and
- Economic impacts associated with the project are calculated.

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5.1.1 Criticisms of Impact Assessments

Economic Impact Assessments based on IO-tables and Economic Multipliers have been criticised by Government and academia. RPS recognises Economic Multipliers are based on limited assumptions that can result in multipliers being a biased estimator of the benefits or costs of a project.

Shortcomings and limitations of Multipliers for economic impact analysis include:

- Lack of supply-side constraints: The most significant limitation of economic impact analysis using
 multipliers is the implicit assumption that the economy has no supply-side constraints. That is, it is
 assumed that extra output can be produced in one area without taking resources away from other
 activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent
 to which the economy is operating at or if it is near capacity.
- Fixed prices: Constraints on the availability of inputs, such as skilled labour, require prices to act as a
 rationing device. In assessments using multipliers, where factors of production are assumed to be
 limitless, this rationing response is assumed not to occur. Prices are assumed to be unaffected by policy
 and any crowding out effects are not captured.
- Fixed ratios for intermediate inputs and production: Economic impact analysis using multipliers
 implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. As
 such, impact analysis using multipliers can be seen to describe average effects, not marginal effects.
 For example, increased demand for a product is assumed to imply an equal increase in production for
 that product. In reality, however, it may be more efficient to increase imports or divert some exports to
 local consumption rather than increasing local production by the full amount;
- No allowance for purchasers' marginal responses to change: Economic impact analysis using
 multipliers assumes that households consume goods and services in exact proportions to their initial
 budget shares. For example, the household budget share of some goods might increase as household
 income increases. This equally applies to industrial consumption of intermediate inputs and factors of
 production.
- Absence of budget constraints: Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume that household and government consumption is not subject to budget constraints.
- Not applicable for small regions: Multipliers that have been calculated from the national I—O table are
 not appropriate for use in economic impact analysis of projects in small regions. For small regions
 multipliers tend to be smaller than national multipliers since their inter-industry linkages are normally
 relatively shallow. Inter-industry linkages tend to be shallow in small regions as they usually do not
 have the capacity to produce the wide range of goods used for inputs and consumption, instead
 importing a large proportion of these goods from other regions.

5.1.2 Adjustments to Improve EIA Reliability

Despite this, IO tables and Economic Multipliers remain popular due to their ease of use and communication of results. RPS has undertaken a number of steps and made appropriate adjustments to the EIA methodology to address and mitigate these concerns.

RPS has only used Simple Multipliers in the Assessment. This has the effect of discounting Household Consumption impacts from the assessment. By doing so, only those industries with a first round or supply chain connection are considered. This has the effect of making the results of the EIA conservative and suitable to inform decision making.

RPS regards the use of Economic Multipliers as part of this Assessment as appropriate and reliable. The results of the assessment are conservative, defensible and suitable for informing decision making.

5.2 Summary of Results

The multipliers assessed fall under the category of **Simple** multipliers, which is the aggregate impact of the **Direct** or initial effect, the **First Round** effects and the **Industry Support** or industry supply chain effects.

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5.2.1 Construction

To calculate construction impacts, RPS attributed 95% of the capital expenditure to the Non-Residential Building Construction sector (covering the construction process from civil earth works to infrastructure and installation). An allowance of 5% of total capital cost was made for allocation to Construction Services.

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Direct and indirect economic impacts of construction of the proposed project to the Busselton economy are summarised in the table below. A total of 120 jobs are estimated for the project from the construction phase. \$10.4m of Income is projected to stem from the project, with overall GVA projected to reach \$19.2m.

Table 5 Construction Impacts, Total, Busselton economy

Construction Impacts	Direct	First	Industry Support	Simple
Output (\$m)	\$29.8	\$18.8	\$12.3	\$61.0
Income (\$m)	\$3.3	\$4.1	\$3.0	\$10.4
Jobs (FTEs)	41	46	33	120
Gross Value Added (\$m)	\$6.6	\$7.3	\$5.4	\$19.2

Given the project nature of construction work and the anticipated 2 year timeframe of construction completion, the annual average economic impacts of construction have been calculated, as outlined in the table below. Construction is anticipated to produce an additional \$9.6m in GVA to the Busselton economy per year of construction, contributing to a total output of \$30.5m per year.

Table 6 Construction Impacts, Average Annual, Busselton economy

Construction Impacts	Direct	First	Industry Support	Simple
Output (\$m)	\$14.9	\$9.4	\$6.2	\$30.5
Income (\$m)	\$1.7	\$2.0	\$1.5	\$5.2
Jobs (FTEs)	20.5	22.8	16.6	59.9
Gross Value Added (\$m)	\$3.3	\$3.6	\$2.7	\$9.6

5.2.2 Operational Activity

To establish operational impacts, RPS drew on data provided in the lifecycle management plan (Version 4.0) on the expected operation costs for the project and attributed each category of expenditure to the relevant ABS industry. Category allocation can be found below in Table 2.

Table 7 Operational costs per ABS industry allocation

Cost Category	Average Annual Cost	Allocated ABS Industry
Maintenance	\$524,242	Other Repair and Maintenance
Administration	\$337,842	Employment, Travel Agency and Other Administrative Services
Contractors and Consultants	\$36,095	Professional, Scientific and Technical Services
Insurance	\$45,705	Insurance and Superannuation Funds
Marketing and Promotion	\$466,653	Professional, Scientific and Technical Services
Materials and Contracts	\$54,245	Other Services
		Split between:
Utilities	\$189,675	Electricity Transmission, Distribution, On Selling and Electricity Market Operation, and
		Water Supply, Sewerage and Drainage Services

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Based on RPS' analysis, the proposed project will stimulate an annual output of \$2.5m in simple terms once operational, reflected by an additional generation of \$0.8m in Income, 20* FTE jobs and \$1.2m in Gross Value Add. \$0.8m of the annual GVA will be realised as a result of direct impacts, while an extra \$0.3m and \$0.1m will be felt through first round and industry supply chain effects, respectively.

Direct and indirect economic impacts of the proposed project to the Busselton economy once operational are summarised in the table below.

Table 8 Operational Impacts, Busselton economy

Operational Impacts	Direct	First	Industry Support	Simple
Output (\$m)	\$1.7	\$0.5	\$0.3	\$2.5
Income (\$m)	\$0.6	\$0.2	\$0.1	\$0.8
Jobs (FTEs)	18.0*	1.5	0.8	20.3*
Gross Value Added (\$m)	\$0.8	\$0.3	\$0.1	\$1.2

*It is important to note that these figures include an additional 13 FTEs, per information provided by Council. RPS has derived the employment impacts from operational expenditure, with these 13 FTEs be created through Council expenditure on wages and salaries, rather than as a result of increased expenditure to the wider economy.

5.2.3 Tourism

In line with the increased tourism expenditure as part of the cost benefit analysis, RPS has derived increased tourism visitation from the Lawrence Consulting Report dated November 2018, indicating an estimated 14,700 net additional non-local visitors 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 visitation¹⁵. These figures have been multiplied to establish a net annual additional tourism expenditure and attributed across a range of tourism based ABS categories to analyse economic impact. Category allocation is outlined as follows:

- 20% Heritage, Creative and Performing Arts
- 20% Retail Trade
- 20% Accommodation
- 20% Food and Beverage Services
- 10% Road Transport
- 10% Sports and Recreation

Based on RPS' analysis, the proposed project will stimulate an annual output of \$4.5m in simple terms once operational, reflected by an additional generation of \$1.3m in Income, 26 FTE jobs and \$2.2m in Gross Value Add. \$3.1m of the annual net additional output will be realised as a result of direct impacts, while an extra \$0.9m and \$0.5m will be felt through first round and industry supply chain effects, respectively.

Direct and indirect economic impacts of the proposed project to the Busselton economy once operational are summarised in the table below.

Table 9 Tourism Impacts, Busselton economy

Operational Impacts	Direct	First	Industry Support	Simple
Output (\$m)	\$3.1	\$0.9	\$0.5	\$4.5
Income (\$m)	\$0.9	\$0.3	\$0.1	\$1.3
Jobs (FTEs)	21	3	1	26
Gross Value Added (\$m)	\$1.5	\$0.5	\$0.2	\$2.2

¹⁵ TRA (2020) National Visitor Survey, Tourism Research Australia, Canberra

Council
1.1 Attachment F

233 24 June 2020 Business Case Supporting Document E - BEACH Cost Benefit Assessment Final

REPORT

6 CONCLUSIONS

The Busselton Entertainment, Arts and Cultural Hub (BEACH) represents new entertainment and cultural facility capacity in the City of Busselton. As such, it has the potential to significantly contribute to both the economic and social capacity of the City and address a current gap in Busselton's community infrastructure. This gap results in local residents travelling outside of the City to access events and activities, constrains local social participation in these activities and prevents the attraction and capture of economic benefits from performing arts and cultural events.

Analysis by RPS has identified a range of economic, social and environmental benefits associated with the construction, utilisation and induced travel pattern change attributes of the facility. The result of the CBA is positive NPVs across all discount rates and BCRs above the 2.0 threshold at both the 4% and 7% discount rates. Both of these rates are the most relevant to this project given the social and economic nature of the facility.

Interestingly, the largest share of benefits at the 7% discount rates is Economic, demonstrating that while the project is of a cultural and social nature, BEACH fundamentally represents an economic development assets which will support local construction, tourism and creative industries into the future.

rpsgroup.com

Appendix A Construction Costs

Cost Plan Summary

Project: City of Busselton



Auto code	Description	Quantity	Unit	Rate	Subtotal	Factor	Total
	Zone 1 - Main Auditorium Building	3,170	m2	4,080.98	12,936,713		12,936,71
!	Zone 2 - Back of House and Admin Building	1,126	m2	2,936.58	3,306,591		3,306,59
	Zone 3 - Function, Gallery, Conference & Foyer	1,352	m2	3,399.32	4,595,875		4,595,87
,	Zone 4 - The Weld Theatre	415	m2	1,192.55	494,910		494,91
	Zone 5 - ArtGeo Gallery	192	m2	1,165.29	223,735		223,73
	Total Estimated Building Cost	6,255	m2	3,446.49	21,557,824		21,557,82
	Zone 6a - Site Preparation and Demolition	6,255	m2	9.59	60,000		60,00
	Zone 6b - External Works	6,255	m2	28.92	180,890		180,89
	Zone 6c - External Services	6,255	m2	19.18	120,000		120,00
	Total Site Preparation, External Works & Services	6,255	m2	57.70	360,890		360,89
	Total Building Cost	6,255	m2	3,504.19	21,918,714		21,918,71
	Preliminaries and Margin	6,255	m2	332.53	2,080,000		2,080,00
	Total Estimated Construction Cost	6,255	<u>m2</u>	3,836.72	23,998,714		23,998,7
)	Contingency	10	%		2,350,000		2,350,0
1	Public Arts	1	%		228,900		228,90
2	Headworks & Statutory Charges	1.5	%		378,600		378,60
3	Kitchen Equipment	N/A			EXCL		
4	Professional Fees	1	Sum		2,590,440		2,590,4
	Sub-Total Estimated Project Cost	6,255	m2	4,723.69	29,546,654		29,546,6
5	Escalation	N/A			INCL		
	Total Escalated Project Cost	6,255	<u>m2</u>	4,723.69	29,546,654		29,546,6
	BELOW THE LINE ITEM				SEE BELOW		
6	Loose Furniture				127,000		127,0
7	Woodturners Relocation				180,000		180,00
В	Theatre Lighting & AV Equipment - 1st Day Equipment (Excl. Defer items)				795,000		795,0
9	Landscaping				120,000		120,00
0	ESD Initiative - PV Cell	1	Sum		56,000		56,00
	Total Below Line Item				1,278,000		1.278,0
1	Approved Value Engineering	6,255	m2	-176.50	-1,104,000		-1,104,00
2	Increased Zone 3 Gallery Building Height and Addition of Mezz Office	3,170	m2	200.18	634,577		634,5
	TOTAL ESTIMATED PROJECT COMMITMENT				30,355,231		30,355,23
_							

Business Case Supporting Document F - BEACH Cost Status Update Summary

Cost Plan Summary



 Project:
 City of Busselton

 Details:
 200520_CONCEPT COST PLAN - R2 (VE)

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Building: Busselton Entertainment Arts Creative Hub (BEACH)

Auto code	Description	Quantity	Unit	Rate	Subtotal	Factor	Total
1	Zone 1 - Main Auditorium Building	3,170	m2	4,080.98	12,936,713		12,936,713
2	Zone 2 - Back of House and Admin Building	1,126	m2	2,936.58	3,306,591		3,306,591
3	Zone 3 - Function, Gallery, Conference & Foyer	1,352	m2	3,399.32	4,595,875		4,595,875
4	Zone 4 - The Weld Theatre	415	m2	1,192.55	494,910		494,910
5	Zone 5 - ArtGeo Gallery	192	m2	1,165.29	223,735		223,735
	Total Estimated Building Cost	6,255	m2	3,446.49	21,557,824		21,557,824
6	Zone 6a - Site Preparation and Demolition	6,255	m2	9.59	60,000		60,000
7	Zone 6b - External Works	6,255	m2	28.92	180,890		180,890
8	Zone 6c - External Services	6,255	m2	19.18	120,000		120,000
	Total Site Preparation, External Works & Services	6,255	m2	57.70	360,890		360,890
	Total Building Cost	6,255	m2	3,504.19	21,918,714		21,918,714
9	Preliminaries and Margin	6,255	m2	332.53	2,080,000		2,080,000
	Total Estimated Construction Cost	6,255	<u>m2</u>	3,836.72	23,998,714		23,998,714
10	Contingency	10	%		2,350,000		2,350,000
11	Public Arts	1	%		228,900		228,900
12	Headworks & Statutory Charges	1.5	%		378,600		378,600
13	Kitchen Equipment	N/A			EXCL		0
14	Professional Fees	1	Sum		2,590,440		2,590,440
	Sub-Total Estimated Project Cost	6,255	m2	4,723.69	29,546,654		29,546,654
15	Escalation	N/A			INCL		0
	Total Escalated Project Cost	6,255	<u>m2</u>	4,723.69	29,546,654		29,546,654
	BELOW THE LINE ITEM				SEE BELOW		0
16	Loose Furniture				127,000		127,000
17	Woodturners Relocation				180,000		180,000
18	Theatre Lighting & AV Equipment - 1st Day Equipment (Excl. Defer items)				795,000		795,000
19	Landscaping				120,000		120,000
20	ESD Initiative - PV Cell	1	Sum		56,000		56,000
	Total Below Line Item				<u>1,278,000</u>		1,278,000
21	Approved Value Engineering	6,255	m2	-176.50	-1,104,000		-1,104,000
22	Increased Zone 3 Gallery Building Height and Addition of Mezz Office	3,170	m2	200.18	634,577		634,577
	TOTAL ESTIMATED PROJECT COMMITMENT				30,355,231		30,355,231

Business Case Supporting Document G - BEACH Lifecycle Management Plan

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Lifecycle Management Plan

Busselton Entertainment, Arts and Creative Hub (BEACH)

Attachment H

Business Case Supporting Document G - BEACH Lifecycle Management Plan

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Business Case Supporting Document G - BEACH Lifecycle Management Plan

Summary

The Busselton Entertainment and Cultural Hub [BEACH] is due to be constructed over two years (2020/21 – 2021/22). The construction cost is currently estimated at \$30.2M.

The purpose of this Lifecycle Management Plan [LMP] is to provide an estimate of the cost of operating and maintaining the building for both the short and medium term [2020/21 – 2042/43]. This period of twenty three years has been used as a means of demonstrating the immediate operating cost allocations as well as the full twenty year maintenance and renewal costs of the building components and their associated elements.

This document is not designed as a full Asset Management Plan, but rather a means of articulating the City's current understanding, at this stage of design development, of the likely cost to operate and maintain the building, based on what is currently known and also assumptions based on research of similar facilities and industry standards. Assumptions and sources of information used, are detailed within the body of this report. A full Asset Management Plan will be developed further once detailed designs are completed. The LMP also provides detail of how the City plans to fund the required works through a combination of annual budget allocations and also Reserve funding. This demonstrates that the City has both the ability to quantify the ongoing costs implications and also the commitment to setting aside funds to ensure they can be met.

Building Value

Table 1 below shows the construction value and also how this value is anticipated to increase of the course of this plan. This annual increase has been factored into expenditure calculations and also the annual amount to be transferred to the Reserve. The inflation applied to the annual replacement cost of buildings is made with reference to the Non-Residential Building Construction Index, provided by the Australian Bureau of Statistics [ABS]. The like for like replacement cost is anticipated to increase to \$43.99M by 2042/43.

Table 1 Building Replacement Cost Increase

Year	Sum of Replacement Value	Sum of Annual Increase
2023/24	30,200,000	2%
2024/25	30,804,000	2%
2025/26	31,420,080	2%
2026/27	32,048,482	2%
2027/28	32,689,451	2%
2028/29	33,343,240	2%
2029/30	34,010,105	2%
2030/31	34,690,307	2%
2031/32	35,384,113	2%
2032/33	36,091,796	2%
2033/34	36,813,631	2%
2034/35	37,549,904	2%
2035/36	38,300,902	2%
2036/37	39,066,920	2%
2037/38	39,848,259	2%
2038/39	40,645,224	2%
2039/40	41,458,128	2%
2040/41	42,287,291	2%
2041/42	43,133,037	2%
2042/43	43,995,697	2%

1.1 Attachment H

Business Case Supporting Document G - BEACH Lifecycle Management Plan

Lifecycle Management Costs

Table 2 provides an overview of the operating, maintenance and renewal costs between 2020/21 – 2042/43. The BEACH will be a high profile and well-used public building to be maintained at a high standard [good-very good condition]. The factors making up these totals are detailed within the body of this Plan.

The total anticipated costs associated with the building of 96.91M, equate to an annual average [2020/21-2042/43] of 4.21M.

Table 2 Lifecycle Management Costs 2020/21 – 2042/43

	Maintenance	Operating	Renewal	Allocations	Grand Total
Total Costs 2020-2043	10,484,842	61,062,124	11,514,752	14,498,108	96,912,122

Funding Sources

The City has allocated funds within the current Long term Financial Plan [LTFP] to be set aside within a cashed backed reserve account to fund major maintenance and renewal works. This will ensure that funds are available when they are required and the building can be maintained to an acceptable standard. Table 3 shows the annual Reserve allocation within the current draft LTFP for 2020/21 – 2029/30. It is anticipated that this allocation will continue beyond the current LTFP (2029/30) and will be available over the lifetime of the building. The cost implications of this are further detailed in Table 11.

Table 3 LTFP BEACH Reserve Allocation

Year	Sum of Reserve Allocation \$
2020/21	0
2021/22	0
2022/23	0
2023/24	175,000
2024/25	382,500
2025/26	416,160
2026/27	451,013
2027/28	487,094
2028/29	524,438
2029/30	563,081
Grand Total	2,999,287

Attachment H

Business Case Supporting Document G - BEACH Lifecycle Management Plan

The Reserve will fund the Preventative Maintenance and Renewal works as detailed within the Plan, how this measures against what is planned to be allocated to the Reserve is shown in Table 4 below. This indicates that there is to be sufficient reserve funds allocated to cover the required component renewal and preventative maintenance activities within the current LTFP. The anticipated Preventative Maintenance and Renewal over time are shown in Table 11.

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Table 4 Items Funded by Reserve LTFP 2020/21 – 2029/30

Item	Cost Allocation Expenditure 2020-2030	Reserve Allocation Income 2020-2030
Preventative Maintenance & Renewal	749,564	
Reserve Funding		2,999,287
Grand Total	749,564	2,999,287

Annual Maintenance and operational costs will be funded through each year's annual operational budget. The total cost of these items is shown below. The annual implications of these is detailed in Attachment A.

Table 5 Items funded through Annual Operational Budget 2020/21 -2042/43

Activity	Sum of Allocation 2020-2043 \$
Maintenance	
Annual	6,305,977
Maintenance Total	6,305,977
Operating Costs	
Administration	7,770,369
Contractors and Consultants	830,187
Employment Expenses	35,067,163
Insurance	1,051,213
Marketing and Promotion	10,733,013
Materials and Contracts	1,247,645
Utilities	4,362,534
Operating Costs Total	61,062,124
Allocations	
Depreciation	10,625,000
Overheads	3,873,108
Allocations Total	14,498,108
Grand Total	81,866,210

Business Case Supporting Document G - BEACH Lifecycle Management Plan

1.1

Lifecycle Management Plan

Scope

This LMP covers the period 2020/21 - 2042/43. This period of twenty three 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.

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Context

This LMP is designed as a guiding document to form the basis for more detailed asset management planning as the construction of the BEACH progresses. Based on what is known at this point in time, certain assumptions have been made in order to produce this document. The project is currently in the concept stage, with no detailed designs yet completed. As more detail is known about the actual structure to be built, the figures in the LMP will be refined and updated accordingly. Table 6 provides details of the assumptions that have been used within this document.

Table 6 Assumptions

able 6 Assumptions					
Assumption	Details				
Building Type and Component Breakdown	Rawlinson's Australian Construction Handbook, 2016 has been used to determine the component breakdown for the building. The Rawlinson's Australian Construction Handbook is an industry recognised source of Australian construction costs and for a variety of building types.				
Construction Cost	The construction cost is based on the current project figure for the building. This figure has been used as the construction cost for the building and its components.				
Maintenance and Renewal Costs					
Operating Costs	condition for too long. Operating costs are based on industry research of similar facilities and also staff experience. These may vary dependant on the final design and construction of the building and the final makeup of staff and resourcing arrangements.				

Business Case Supporting Document G - BEACH Lifecycle Management Plan

Definitions

Attachment H

Included in Table 7 are the important terminology and their definitions which drive this LMP. These $definitions \ have \ been \ sourced \ from \ the \ International \ Infrastructure \ Management \ Manual \ [IIMM]$ 2015.

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Table 7 Definitions

Meaning			
The time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.			
The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.			
Is defined as works to replace existing assets or facilities with assets or facilities of equivalent capacity or performance capability.			
All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation and renewal.			
Tasks undertaken in response to an event or general wear and tear of the elements.			
Pre-planned activities designed to avoid wea and tear, more expensive structural issues in the future and reduce mobilisation costs through undertaking works in a structured manner.			
The active process of utilising an asset which will consume resources such as manpower, energy, chemicals and materials.			
Encompasses all Asset Management strategies and practices associated with an asset or group			

24 June 2020

Lifecycle Asset Management Activities

Chart 1 outlines all the elements of the asset lifecycle, from conception through to disposal. The costs outlined within this LMP are based on the asset lifecycle from Asset Creation through to Renewal / Rehabilitation. This reflects the timeframe of the LMP which covers the period 2020/21 - 2042/43. Costs associated with the other lifecycle activities are additional to those outlined within this plan.

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Figure 1.3.2: Asset Lifecycle Activities

Chart 1 Lifecycle Asset Management Activities

Source: IIMM 2015 page 1/9

Building Type

Table 8 outlines the building type chosen based on the Rawlinson's Australian Construction Handbook, 2016. This provides to closest match to the anticipated building type of the BEACH.

Table 8 Building Type used for Modelling

Table o ballaling Typ	e asea for ivioaeiiing
Item Number	1.2.4
Name	Civic Centre 500- 750 capacity
	750 capacity
Description	Main Hall, Lesser
	Hall, ante-rooms,
	High standard
	finishes, kitchen
	and bar facilities,
	Air-conditioning

Attachment H

Business Case Supporting Document G - BEACH Lifecycle Management Plan

Timing and Cost of Works

The Beach is to be a cultural hub, hosting performances as well as conferences. Table 9 below, provides a breakdown of the parameters used to determine the timing and cost of maintenance and renewal works within the Plan. The timing is allocated in years and the cost is allocated as a percentage of the estimated construction cost for each item.

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Table 9 Maintenance and Renewal Parameters

lable 9 Maintenan	ce and Renewal				
		Interval	% of Cost	Interval	% of Cost
		(years)		(years)	
Component	Element	Minor -	Minor -	Major -	Major -
		Preventative	Preventative	Preventative	Preventative
		and	and	and Renewal	and Renewal
		Annual	Annual		
		Maintenance	Maintenance		
PRELIMINARIES		Interval	% of Cost	Interval	% of Cost
		(years)		(years)	
SUBSTRUCTURE		100	2.50%	0	0.00%
	Columns (&	15	5.00%	75	100.00%
	upper floor)		5.00%		100.00%
	Roof	15	10.00%	30	100.00%
	External	17		75	
	Walls &		5.00%		100.00%
	Windows				
	External	5	20.000/	45	100.000/
	Doors		20.00%		100.00%
	Internal	5	2.000/	45	0.000/
	Walls		2.00%		0.00%
	Internal	7	20.000/	45	0.000/
	Screens		20.00%		0.00%
	Internal	3	C 000/	50	0.000/
	Doors		6.00%		0.00%
FINISHES					
	Wall	4	15.00%	10	30.00%
	Floor	6	10.00%	20	100.00%
	Ceiling	7	10.00%	18	100.00%
FITTINGS	Ü				
	Fitments	8	30.00%	20	100.00%
	Special	15	5.00%		
SERVICES					
	Plumbing	1	4.00%	18	30.00%
	Mechanical	1	4.00%	20	100.00%
	Fire	1	4.00%	30	80.00%
	Electrical	1	4.00%	20	40.00%
EXTERNAL	2.00011001	1		40	
SERVICES		-	6.00%	40	10.00%
CONTINGENCY		Na	Na	Na	Na
COMMINGENCE		IVG	IVa	ING	Na

Business Case Supporting Document G - BEACH Lifecycle Management Plan

Cost of Components

The current project cost for the BEACH is estimated at \$30.2M. This value has been used in this assessment as the current replacement value of the building. Table 10 below, shows how this value has been attributed to the various components and elements via the Rawlinson's breakdown.

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Table 10 Building Co	mponent Breakdown		
Item Number	1.2.4		
Name	Civic Centre 500-		
	750 capacity		
Description	Main Hall, Lesser		
	Hall, ante-rooms,		
	High standard		
	finishes, kitchen		
	and bar facilities,		
	Air-conditioning		
Component	Element	% Allocation	Apportioned Value \$
PRELIMINARIES		10.50%	3,171,000
SUBSTRUCTURE		6.40%	1,932,800
	Columns (& upper floor)	0.80%	241,600
	Roof	11.60%	3,503,200
	External Walls & Windows	19.90%	6,009,800
	External Doors	1.30%	392,600
	Internal Walls	4.50%	1,359,000
	Internal Screens	0.30%	90,600
	Internal Doors	2.00%	604,000
FINISHES			
	Wall	3.10%	936,200
	Floor	6.00%	1,812,000
	Ceiling	5.20%	1,570,400
FITTINGS			
	Fitments	3.30%	996,600
	Special		0
SERVICES			
	Plumbing	7.70%	2,325,400
	Mechanical	3.70%	1,117,400
	Fire	1.70%	513,400
	Electrical	9.20%	2,778,400
EXTERNAL SERVICES		0.30%	90,600
CONTINGENCY		2.50%	755,000
	Total	100.00%	30,200,000
			,,

Business Case Supporting Document G - BEACH Lifecycle Management Plan

Maintenance and Renewal Funding Plan

The City has included the BEACH in its building funding methodology linking with the 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 works that require a capital budget allocation.

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The ultimate intention of the funding plan is to maintain these buildings at an acceptable standard until such time as they require replacement, refurbishment or significant upgrade. The reserve may have a balance of funds at this point (i.e. from holding off certain works due just before these major works) to contribute, however, first and foremost, the funds should be used as the buildings age in order to maintain them at the required standard. Table 11 shows the funds that are planned to be placed into the BEACH Funding Reserve within the current LTFP 20/21 – 29/30, and those anticipated between 30/31 and 42/43. The table demonstrates the City's ability to fund the anticipated preventative maintenance and renewal for the proposed BEACH.

Table 11 Reserve Funding Measured Against Expenditure Allocations

Year	Component Renewal	Preventative Maintenance	Reserve Allocation	Annual Reserve Balance	Accrued Reserve Balance
2020/21	\$	\$	\$	\$	\$
2020/21			0	0	0
2021/22				0	
2022/23			0	0	175.000
2023/24			175,000	175,000	175,000
2024/25			382,500	382,500	557,500
2025/26		38,414	416,160	377,746	935,246
2026/27		151,664	451,013	299,349	1,234,595
2027/28		116,270	487,094	370,824	1,605,419
2028/29		243,533	524,438	280,906	1,886,325
2029/30		199,682	563,081	363,399	2,249,723
2030/31		509,716	867,258	357,542	2,607,266
2031/32		42,763	884,603	841,840	3,449,105
2032/33	337,032	126,840	902,295	438,423	3,887,528
2033/34			920,341	920,341	4,807,869
2034/35		443,759	938,748	494,989	5,302,858
2035/36			957,523	957,523	6,260,380
2036/37		224,205	976,673	752,468	7,012,848
2037/38		655,642	996,206	340,564	7,353,413
2038/39		580,021	1,016,131	436,109	7,789,522
2039/40		402,657	1,036,453	633,797	8,423,319
2040/41	3,084,507	295,718	1,057,182	-2,323,043	6,100,276
2041/42	. ,		1,078,326	1,078,326	7,178,601
2042/43	7,445,508	147,980	1,099,892	-6,493,596	685,006
Grand Total	10,867,047	4,178,865	15,730,918	685,006	685,006

The accrued balance column provides an updated balance within the Reserve following each year's allocated works. The annual balance in 2040/41 and 2042/43 show that the works for those years outweigh the same years' annual allocations. As the accrued column shows however, there is sufficient funds built up to cover these expenditures. At the conclusion of 2042/43, the Reserve will have an estimated balance of \$685,006.

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> Business Case Supporting Document G - BEACH Lifecycle Management Plan

Conclusion

Attachment H

This LMP outlines how the City plans to fund the ongoing Operating, Maintenance and Renewal works for the BEACH through a combination of 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.

This document is not designed as a full Asset Management Plan, but rather a means of articulating the City's current understanding, at this stage of design development, of the likely cost to operate and maintain the building, based on what is currently known and also assumptions based on research of similar facilities and industry standards. A full Asset Management Plan will be undertaken once detailed designs are completed.

1.1 Attachment H

Business Case Supporting Document G - BEACH Lifecycle Management Plan

Attachments

Attachment A

BEACH LIFECYCLE MANAGEMENT PLAN OVERALL COSTS

ium of Allocation	Column Labels																							
Annual				280,316	285,813	291,309	296,806	302,302	307,798	313,295	318,791	324,288	329,784	335,280	340,777	346,273	351,770	357,266	362,762	368,259	247,253	379,252	166,583	6,305,
Preventative						38,414	151,664	116,270	243,533	199,682	509,716	42,763	126,840		443,759		224,205	655,642	580,021	402,657	295,718		147,980	4,178,
daintenance Total				280,316	285,813	329,724	448,470	418,572	551,331	512,977	828,507	367,051	456,624	135,280	784,536	346,273	575,974	1,012,908	942,784	770,915	542,972	379,252	314,563	10,484
Operating Costs																								
Administration	0	93,500	289,894	295,813	301,859	308,034	314,341	320,784	327,365	334,088	342,440	351,001	359,776	368,770	377,990	387,439	397,125	407,053	417,230	427,661	438,352	449,311	460,544	7,770,
Contractors and Consultants	0	7,875	31,500	32,101	32,712	33,284	33,867	34,459	35,062	35,676	36,568	37,482	38,419	39,379	40,364	41,373	42,407	43,468	44,554	45,668	46,810	47,980	49,180	830,
Employment Expenses	123,500	309,690	1,238,759	1,277,388	1,315,622	1,354,588	1,394,565	1,435,741	1,478,153	1,521,837	1,559,883	1,598,880	1,638,852	1,679,824	1,721,819	1,764,865	1,808,986	1,854,211	1,900,566	1,948,080	1,996,782	2,046,702	2,097,870	35,067
Insurance	0	10,000	40,000	40,700	41,412	42,137	42,874	43,625	44,388	45,165	46,294	47,451	48,638	49,854	51,100	52,377	53,687	55,029	56,405	57,815	59,260	60,742	62,260	1,051,
Marketing and Promotion	50,000	204,636	402,545	409,590	416,757	424,051	431,471	439,022	446,705	454,522	465,886	477,533	489,471	501,708	514,250	527,107	540,284	553,791	567,636	581,827	596,373	611,282	626,564	10,733,
Materials and Contracts	0	1,964	47,855	48,692	49,545	50,412	51,294	52,191	53,105	54,034	55,385	56,770	58,189	59,644	61,135	62,663	64,230	65,835	67,481	69,168	70,897	72,670	74,487	1,247,6
Utilities	0	41,500	166,000	168,905	171,861	174,868	177,929	181,042	184,211	187,434	192,120	196,923	201,846	206,892	212,065	217,366	222,800	228,370	234,080	239,932	245,930	252,078	258,380	4,362,5
Operating Costs Total	173,500	669,165	2,216,553	2,273,188	2,329,767	2,387,373	2,446,341	2,506,865	2,568,989	2,632,757	2,698,576	2,766,040	2,835,191	2,906,071	2,978,723	3,053,191	3,129,520	3,207,758	3,287,952	3,370,151	3,454,405	3,540,765	3,629,284	61,062,1
Renewal																								
Component Renewal													337,032								3,084,507		7,445,508	10,867,0
tenewal Total													337,032								3,084,507		7,445,508	10,867,0
Allocations																								
Depreciation	0	125,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	10,625
Overheads	0	36,844	147,377	149,956	152,580	155,250	157,967	160,732	163,544	166,406	170,566	174,831	179,201	183,681	188,274	192,980	197,805	202,750	207,819	213,014	218,340	220,378	232,813	3,873,
Rocations Total	0	161,844	647,377	619,956	652,580	655,250	657,967	660,732	663,544	666,406	670,566	674,831	679,201	683,681	688,274	692,980	697,805	702,750	707,819	713,014	718,340	720,378	732,813	14,498.
Grand Total	173,500	831,009	2,863,929	3,203,460	3,268,160	3,372,347	3,552,778	3,586,169	3,783,865	3,812,140	4,197,649	3,807,921	4,308,048	3,925,033	4,451,532	4,092,444	4,403,300	4,923,416	4,938,555	4,854,081	7,800,223	4,640,394	12,122,169	96,912,1

Table shows the lifecycle costs for maintenance, operations, renewal and allocations for the period 20/21 - 42/43.

Attachment H

Business Case Supporting Document G - BEACH Lifecycle Management Plan

ATTACHMENT B

BEACH LIFECYCLE MANAGEMENT PLAN OPERATING COSTS

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Administration	a	93.500	289.894	295.813	301,859	308.034	314,341	320,784	327,365	334.088	342,440	351,001	359,776	368,770	377,990	387.439	397,125	407.053	417.230	427.661	438.352	449.311	460,544	7,770,36
Contractors and Consultants	0	7,875	31,500	32,101	32,712	33,284	33,867	34,459	35,062	35,676	36,568	37,482	38,419	39,379	40,364	41,373	42,407	43,468	44,554	45.668	46,810	47,980	49,180	830,18
Employment Expenses	123,500	309,690	1,238,759	1,277,388	1,315,622	1,354,588	1,394,565	1,435,741	1,478,153	1,521,837	1,559,883	1,598,880	1,638,852	1,679,824	1,721,819	1,764,865	1,808,986	1,854,211	1,900,566	1,948,080	1,996,782	2,046,702	2,097,870	35,067,16
Insurance	0	10.000	40,000	40,700	41,412	42,137	42,874	43,625	44,388	45.165	46,294	47.451	48,638	49,854	51,100	52,377	53,687	55,029	56,405	57,815	59,760	60,742	62,260	1,051,21
Marketing and Promotion	50,000	204,636	402,545	409.590	416,757	424.051	431,471	439,022	446,705	454.522	465.886	477.533	489,471	501.708	514,250	527,107	540,284	553,791	567,636	581.827	596,373	611.282	626,564	10,733,01
	0	1.964	47.855	48,692	49,545	50.412	51.294	52,191	53,105	54.034	55.385	56,770	58,189	59,644	61.135	62.663	64.230	65,835	67,481	69,168	70,897	72,670	74,487	1.247.64
Materials and Contracts							177,929	181.042	184.211	187.434	192,120	196,923	201,846	206,892	212.065	217.366	222,800	228,370	234,080	239,932	245,930	252,078	258,380	4,362,51
Materials and Contracts Utilities		41.500	166,000	168,905	171.861	174.868																		

The City has undertaken research of similar facilities in order to estimate Operating costs. This has included facilities in Mandurah, Bunbury and Karratha. The costs are based on knowledge gained to this point in time and also an assumed staffing and resourcing structure. These figures will be reviewed and refined as more is known about the final design for the BEACH and the ongoing staffing and resourcing. Allocations have been based on the City's own internal parameters. Building depreciation has been calculated at 2.5% p.a. over a period of forty years on a straight line basis.

Attachment H Business Case Supporting Document G - BEACH Lifecycle Management Plan

ATTACHMENT C

BEACH LIFECYCLE MANAGEMENT PLAN MAINTENANCE COSTS

Sum of Allocation	Column Labels												7.50								
ow Labels	2023/.	4 2024/2	5 2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	Grand To
Annual																					
EXTERNAL SERVICES																					
EXTERNAL SERVICES	5,5	5 5,65	3 5,762	5,871	5,980	6,088	6,197	6,306	6,414	6,523	6,632	6,741	6,849	6,958	7,067	7,176	7,284	7,393	7,502	7,610	131,5
EXTERNAL SERVICES Total	5,54	5 5,65	3 5,762	5,871	5,980	6,088	6,197	6,306	6,414	6,523	6,632	6,741	6,849	6,958	7,067	7,176	7,284	7,393	7,502	7,610	131,5
SERVICES																					
Electrical	113,3	9 115,58	1 117,804	120,027	122,250	124,472	126,695	128,918	131,140	133,363	135,586	137,809	140,031	142,254	144,477	146,700	148,922	151,145	153,368	0	2,533,9
Fire	20,94	7 21,35	7 21,768	22,179	22,590	23,000	23,411	23,822	24,232	24,643	25,054	25,465	25,875	26,286	26,697	27,108	27,518	27,929	28,340	28,750	496,9
Mechanical	45,5	0 46,48	4 47,378	48,272	49,166	50,060	50,953	51,847	52,741	53,635	54,529	55,423	56,317	57,211	58,105	58,999	59,893	60,787	61,680	0	1,019,0
Plumbing	94,8	6 96,73	7 98,597	100,457	102,318	104,178	106,038	107,899	109,759	111,619	113,480	115,340	117,200	119,060	120,921	122,781	124,641	0	128,362	130,222	2,124,4
SERVICES Total	274,7	2 280,15	9 285,547	290,935	296,322	301,710	307,098	312,485	317,873	323,261	328,648	334,036	339,424	344,812	350,199	355,587	360,975	239,860	371,750	158,973	6,174,4
Annual Total	280,3	6 285,81	3 291,309	296,806	302,302	307,798	313,295	318,791	324,288	329,784	335,280	340,777	346,273	351,770	357,266	362,762	368,259	247,253	379,252	166,583	6,305,97
Preventative																					
FINISHES																					
Ceiling							179,026							201,011							380,0
Floor						202,944						224,688						246,432			674,0
Wall				151,664				162,899				174,133				185,368				0	674,0
FINISHES Total				151,664		202,944	179,026	162,899				398,821		201,011		185,368		246,432		0	1,728,16
FITTINGS																					
Fitments								346,817								394,654					741,47
FITTINGS Total								346,817								394,654					741,47
SUPERSTRUCTURE																					
Columns (& upper floor)															15,704						15,70
External Doors					86,372					94,224					102,076					109,928	392,6
External Walls & Windows																	402,657				402,6
Internal Doors			38,414			40,589			42,763			44,938			47,112			49,286			263,1
Internal Screens							20,657							23,194							43,85
Internal Walls					29,898					32,616					35,334					38,052	135,9
Roof															455,416						455,4
SUPERSTRUCTURE Total			38,414		116,270	40,589	20,657		42,763	126,840		44,938		23,194	655,642		402,657	49,286		147,980	1,709,2
Preventative Total			38,414	151,664	116,270	243,533	199,682	509,716	42,763	126,840		443,759		224,205	655,642	580,021	402,657	295,718		147,980	4,178,86
Maintenance Total	280,3	6_ 285,81	3 329,724	448,470	418,572	551,331	512,977	828,507	367,051	456,624	335,280	784,536	346,273	575,974	1,012,908	942,784	770,915	542,972	379,252	314,563	10,484,84
Grand Total	280,3	6 285,81	3 329,724	448,470	418,572	551,331	512,977	828,507	367,051	456,624	335,280	784,536	346,273	575,974	1,012,908	942,784	770,915	542,972	379,252	314,563	10,484,84

Table outlines both Annual and Preventative maintenance. These are allocated the relevant components and elements to show where the funds are anticipated to be spent. Services such as Electrical, Fire, Mechanical and Plumbing will require annual expenditure. This will include activities such as compliance, testing, servicing and general reactive work. This work will generally be more minor in nature. Preventative is larger in nature and is work that is scheduled ahead of

Attachment H

Business Case Supporting Document G - BEACH Lifecycle Management Plan

ATTACHMENT D

BEACH LIFECYCLE MANAGEMENT PLAN RENEWAL COSTS

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Sum of Allocation	Column	Labels			
	Row Labels	2032/33	2040/41	2042/43	Grand Total
Component Renewal					
FINISHES					
Ceiling			2,135,744		2,135,744
Floor				2,536,800	2,536,800
Wall		337,032		393,204	730,236
FINISHES Total		337,032	2,135,744	2,930,004	5,402,780
FITTINGS					
Fitments				1,395,240	1,395,240
FITTINGS Total				1,395,240	1,395,240
SERVICES					
Electrical				1,555,904	1,555,904
Mechanical				1,564,360	1,564,360
Plumbing			948,763		948,763
SERVICES Total			948,763	3,120,264	4,069,027
Component Renewal Total		337,032	3,084,507	7,445,508	10,867,047
Renewal Total		337,032	3,084,507	7,445,508	10,867,047
Grand Total		337,032	3,084,507	7,445,508	10,867,047

Table shows component renewals. These are larger items that will generally occur at ten plus years following building construction. It is anticipated that these works will be required to renew components such as Finishes, Fittings and Services.

Estimated rates impact of \$7.5M loan over 10 years

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Loan 1												
Remaining Principal	7,500,000	7,162,688	6,476,893	5,775,926	5,059,454	4,327,133	3,578,612	2,813,533	2,031,530	1,232,227	415,244	0
Principal Repaid		337,312	685,796	700,966	716,472	732,321	748,521	765,079	782,003	799,302	816,983	415,244
Interest Paid		82,500	153,828	138,657	123,151	107,302	91,103	74,545	57,620	40,322	22,640	4,568
GG Levy @ 0.7%		50,139	45,338	40,431	35,416	30,290	25,050	19,695	14,221	8,626	2,907	0
Total Payments		469,951	884,962	880,055	875,040	869,913	864,674	859,318	853,844	848,249	842,530	419,812
% of Rates Revenue		0.94%	1.69%	1.60%	1.52%	1.44%	1.36%	1.28%	1.21%	1.14%	1.08%	0.51%

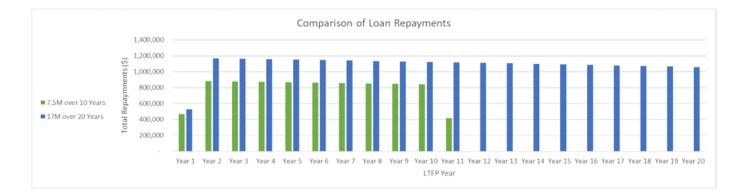
253

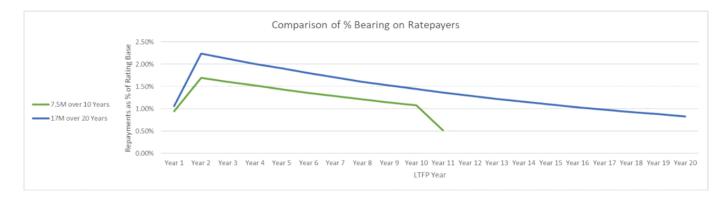
Estimated Rates Impact of Loan

Estimated rates impact of \$17M loan over 20 years

		Year1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Loan 1																					
Remaining Principal	17,000,000	16,659,369	15,966,826	15,258,962	14,535,440	13,795,913	13,040,027	12,267,420	11,477,722	10,670,555	9,845,533	9,002,260	8,140,334	7,259,341	6,358,859	5,438,458	4,497,696	3,536,124	2,553,281	1,548,697	521,890
Principal Repaid		340,631	692,544	707,863	723,522	739,527	755,886	772,607	789,698	807,167	825,022	843,273	861,927	880,993	900,482	920,401	940,761	961,572	982,843	1,004,584	1,026,807
Interest Paid		187,000	362,718	347,398	331,740	315,735	299,375	282,654	265,564	248,095	230,239	211,989	193,335	174,268	154,780	134,860	114,500	93,690	72,419	50,677	28,455
GG Levy @ 0.7%		-	111,768	106,813	101,748	96,571	91,280	85,872	80,344	74,694	68,919	63,016	56,982	50,815	44,512	38,069	31,484	24,753	17,873	10,841	3,653
Total Payments		527,631	1,167,029	1,162,074	1,157,010	1,151,833	1,146,542	1,141,134	1,135,606	1,129,955	1,124,180	1,118,277	1,112,244	1,106,077	1,099,774	1,093,331	1,086,745	1,080,014	1,073,135	1,066,102	1,058,915
% of Rates Revenue		1.06%	2.23%	2.12%	2.01%	1.90%	1.80%	1.70%	1.61%	1.52%	1.44%	1.36%	1.29%	1.22%	1.16%	1.10%	1.04%	0.98%	0.93%	0.88%	0.83%

Attachment I **Estimated Rates Impact of Loan**





	Total Lo	an % costs for capital projects			
	Year	% increase in borrowing costs for new capital projects v rate base	% decrease for expiring loans v ratebase	Total rates impact (net)	
Year 1	2020/21	1.58%	-0.74%	0.84%	1
Year 2	2021/22	1.71%	-0.23%	1.48%	1
Year 3	2022/23	0.60%	-0.07%	0.53%	1
Year 4	2023/24	0.73%	-0.11%	0.62%	1
Year 5	2024/25	1.06%	-0.66%	0.40%	1
Year 6	2025/26	0.62%	2.29%	2.91%	Balloon Payment Lot 40 Vasse Hwy (Approx 880k)
Year 7	2026/27	0.14%	-1.29%	-1.15%	1
Year 8	2027/28	0.62%	-0.95%	-0.33%	1
Year 9	2028/29	0.67%		-0.42%	1
Year 10	2029/30	0.64%	-0.52%	0.12%	1
annuary Dunch LTER Vennian R		8.37%	-3.37%	5.00%	1
scource: Draft LTFP Version B		Loan D	rop offs	1	
		21/22	Harris Street Parking Busselton Bowling Club Geo Bay Tourism Assoc.		
		22/23	GLC Geothermal Airport Jet Refuelling		
		23/24	GLC Extensions	1	
		24/25	Bsn Foreshore #1		
			Bsn Football & Sportsman's Club		
		26/27	Lot 40 Vasse Hwy		
		27/28	Geo Bay Yacht Club		
		28/29	Bsn Foreshore #2 Dunsborough & Districts Country		
			Club Tennis Club #1 Lot 10 Commonage		
		29/30	Airport Freight Hub Tennis Club #2 Barnard Park Foreshore		