
TOWNSVILLE CONCERT HALL DETAILED BUSINESS CASE

DELIVERY OPTIONS ANALYSIS

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EXECUTIVE SUMMARY

The purpose of this report is to consider the various delivery model options that could be employed to deliver a new acoustic-based performing arts facility in Townsville (the Townsville Concert Hall).

This report focuses on identifying how comparable acoustic venues in Australia have been delivered and continue to operate. Based on the outcomes of this research, this report also provides a recommendation for potential future delivery and operation of a new facility in Townsville.

Key findings – Facility Benchmarking:

The following considerations have been identified from an analysis of the delivery, ownership and operation of seven similar facilities in Australia.

- **Asset ownership:** Concert halls are most commonly ultimately owned by state governments, generally in the form of a trust with an independent board and management. State Government-controlled trusts generally manage significant assets in both capital cities and regional centres.
- **Project funding:** Most concert halls are predominantly funded by state governments. Financial contributions from the Australian Government, local councils or other organisations have traditionally been relatively small in comparison to that of the relevant state government.
- **Project construction:** Concert halls are large infrastructure projects and are traditionally overseen by a state government agency and delivered by a private managing contractor.
- **Asset operation:** Concert halls are generally operated independently from the ultimate asset owner (state governments) in one of two ways:
 - A State Government-controlled trust with an independent board and management
 - An operating agreement with the primary user group.
- **Operational funding:** No concert hall facility generates sufficient own-source revenue (from ticket sales for performances and sponsorship) to cover its operating costs.

A significant portion of the revenue received by venue operators to cover the cost of maintaining a concert hall facility and delivering associated services comes from government sources (between 30% to 75% of total revenue). Most funding is provided by state government, with minority contributions from local governments.

Recommended Delivery Model:

The following recommendations are based on the delivery, funding, ownership and operation of similar facilities in Australia. Alternative options for each consideration do exist and are explored in more detail in Chapter 3.

- **Asset ownership:** It is recommended the facility should be owned by the Queensland Government (via the Arts Queensland) – the current owner of the Queensland Performing Arts Centre in Southbank, Brisbane.
- **Project funding:** \$98 million has been provisionally committed to the project by the former Australian Government. Additional funds for construction of the facility are required. The Queensland Government (noting the Queensland Government has already announced its intention to co-fund remaining capital works 50:50 with Townsville City Council, up to a \$50 million contribution). Most facilities of this nature are funded by the respective state/ territory governments, with some (Federation Hall (Hobart) and the Perth Concert Hall (Perth)) minority contribution from their respective local governments.
- **Project construction:** It is recommended the project should be delivered by The Queensland Government Department of Energy and Public Works, though a private managing contractor.
- **Asset operation:** It is recommended the facility should be operated by the Queensland Government, via the Queensland Performing Arts Centre (QPAC). However, a number of alternative and potentially viable options do exist.
- **Operational funding:** It is recommended the facility is likely to require a considerable grant to operate. The required funding should be provided by the Queensland Government, through Arts Queensland.

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1. INTRODUCTION

1.1 Background

Signed in December 2016, the Townsville City Deal is a 15-year commitment between all three tiers of government that aims to support a prosperous economic future for Townsville. The Townsville City Deal aims to deliver a prosperous economic future for the region and to position Townsville as a vibrant, liveable and innovative city, and unlock the potential for business and industry development.

The Townsville City Deal is being delivered through a range of commitments across six key initiatives. One of these commitments includes a focus on establishing Townsville as the capital of North Queensland, including the delivery of new entertainment and cultural facilities that enhance amenity and lifestyle for both residents and visitors.

The Townsville City Deal aims to realise its commitments by consolidating and building on existing research and analysis undertaken by Townsville City Council and the Queensland and Australian Governments. Over the past 20 years, a series of position papers, planning reports and feasibility assessments have been commissioned outlining the need for additional arts facilities in Townsville (including both visual and performing arts). The key findings from work completed to date highlights a need for investment in arts infrastructure, to accommodate the growing demand for performing and visual arts in the Townsville region.

Supported by a \$100 million commitment from the Australian Government, the Townsville City Deal Partners have commissioned a Detailed Business Case (DBC) into the development of a concert hall in Townsville. AEC, AECOM and Blight Rayner have been engaged by the Australian Government (on behalf of the Townsville City Deal Partners) to deliver the DBC.

1.2 PURPOSE OF THIS REPORT

The purpose of this report is to consider the various delivery model options that could be employed to deliver a new acoustic-based performing arts facility in Townsville (the Townsville Concert Hall).

The key delivery parameters assessed in this report include:

- Asset ownership
- Project funding
- Project construction
- Asset operation
- Operational funding.

This report focuses on identifying how comparable acoustic venues in Australia have been delivered and continue to operate and key learnings they have experienced that may be relevant to the Townsville Concert Hall. Based on the outcomes of this research, a recommendation for potential future delivery and operation of a new facility in Townsville is provided.

1.3 APPROACH

The approach taken for this delivery options analysis involved the following elements.

- **Case Study Research (Chapter 2):** Examines how comparable acoustic venues in Australia have been delivered and continue to operate through a combination of desktop research and targeted stakeholder engagement.
- **Recommended Delivery Model (Chapter 3):** Based on the case study research, this chapter identifies the range of options for key delivery parameters and provides a recommendation on the ideal set of parameters to be adopted for the Townsville Concert Hall.

2. CASE STUDY RESEARCH

2.1 APPROACH

The delivery considerations of following venues were profiled:

- Acoustic venues/Concert Halls:
 - Queensland Performing Arts Centre (QPAC), Brisbane
 - Melbourne Recital Centre
 - Geelong Arts Centre
 - Perth Concert Hall
 - City Recital Hall (Angel Place), Sydney
 - Federation Concert Hall, Hobart.
- Other arts/cultural venues (profiling a range of operating options):
 - Queensland Museum Network
 - Redlands Performing Arts Centre
 - Home of the Arts, Gold Coast
 - Empire Theatre, Toowoomba
 - Townsville Entertainment and Convention Centre
 - Townsville Civic Theatre.

Key findings:

- **Asset ownership:** Concert halls are most commonly ultimately owned by state governments, generally in the form of a trust with an independent board and management. State Government-controlled trusts generally manage significant assets in both capital cities and regional centres.
- **Project funding:** Most concert halls are predominantly funded by state governments. Financial contributions from the Australian Government, local councils or other organisations have traditionally been considerably small in comparison to that of the relevant state government.
- **Project construction:** Concert halls are large infrastructure projects and are traditionally overseen by a state government agency and delivered by a private managing contractor.
- **Asset operation:** Concert halls are generally operated independently from the ultimate asset owner (state governments) in one of two ways:
 - A State Government-controlled trust with an independent board and management
 - An operating agreement with the primary user group
- **Operational funding:** No concert hall facility generates sufficient own-source revenue (from ticket sales for performances and sponsorship) to cover its operating costs.

A significant portion of the revenue received by venue operators to cover the cost of maintaining a concert hall facility and delivering associated services comes from government sources (between 30% to 75%). Most funding is provided by state government arts agencies, with smaller contributions, in a limited number of instances, coming from local governments.

2.2 QUEENSLAND PERFORMING ARTS CENTRE (QPAC), BRISBANE

About the facility

The Queensland Performing Arts Centre (QPAC) is a multi-venue performance space based in the Queensland Cultural Centre, Queensland's premier arts and cultural hub in South Bank, Brisbane.

QPAC includes the following venues:

- Lyric Theatre: 2000 seat theatre

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- Concert Hall: 1,800 seat acoustic hall (1,600 in front of stage and 200 in reverse)
- New Performing Arts Venue (NPAV): 1,500 seat theatre (under construction)
- Playhouse: 850 seat theatre
- Cremorne Theatre: 227 seat theatre
- Melbourne Street Garden: Public open space with an open-air stage and tables and seating for the café.
- Cascade Court: Public open space with an open-air stage and tables and seating for the fully licensed bistro.

QPAC is also the performance home to the state performing arts companies – Queensland Theatre, Queensland Symphony Orchestra, Queensland Ballet and Opera Queensland.

Project Construction

The Queensland Cultural Centre was constructed progressively between 1976 and 1988 over the following stages (Queensland Heritage Register, 2023):

- 1 The Queensland Art Gallery (completed in 1982)
- 2 QPAC (completed in 1984)
- 3 Queensland Museum (completed in 1986)
- 4 State Library of Queensland (completed in 1988)

The project was delivered by the Queensland Government Department Public Works utilizing several different Managing Contractors (Barclay Bros Pty Ltd was the Managing Contractor for QPAC).

The NPAV is currently under construction at QPAC in the Queensland Cultural Centre. The project is being delivered by Lendlease as Managing Contractor, for the Queensland Government Department through the Major Projects Delivery team within DEPW on behalf of QPAC and Arts Queensland (Arts Queensland, 2023), (QPAC, 2023).

Project Funding

The total cost of constructing the Queensland Cultural Centre in 1980 was \$175 million (Queensland Heritage Register, 2023), equivalent to \$845.4 million in 2022 dollars, assuming an average annual inflation rate of 3.8% over the 42 years from commencement of construction (RBA, 2023). The total cost of the construction was provided by a grant from the Queensland Government.

The total construction cost for NPAV is \$175 million, funded by a \$150 million grant from the Queensland Government and \$25 million contribution from QPAC (QPAC, 2023).

Asset Ownership

The Queensland Performing Arts Centre (QPAC) is owned by the Queensland Government through Arts Queensland, and is a Statutory Body of the Queensland Government, managed by The Queensland Performing Arts Trust (QPAT), which is constituted under the Queensland Performing Arts Trust Act 1977 and operates QPAC through the governance of a Board of Trustees appointed by the Queensland Government (QPAT, 2023).

Asset Operations

QPAC is managed by an Executive Group, appointed by QPAT. The Executive Group has responsible for the operations and the achievement of the Centre's strategic priorities as set out in their relevant strategic plans.

Operational Funding

QPAC generated \$62.6 million in revenue in FY21-22 (QPAT, 2022), comprised of the following components in Table 2.1.

Table 2.1. QPAC Revenue

| Revenue Item | \$M | % of total |
|-------------------------------|---------------|-------------|
| Operational grants (combined) | \$18.2 | 29% |
| All other income | \$44.4 | 71% |
| Total income | \$62.6 | 100% |

Source: QPAT (2022)

Note: Operational grants include all monies from the Queensland Government

2.3 MELBOURNE RECITAL CENTRE

About the facility

The Melbourne Recital Centre is part of a dual venue performance facility, co-located with the Southbank Theatre.

The venues in Melbourne Recital Centre include:

- Elizabeth Murdoch Hall: 1,000 seat concert hall
- Primrose Potter Salon: 100 seat flexible space

The venues in the Southbank Theatre, include:

- 559 seat theatre
- 150 seat theatre

The Melbourne Recital Centre has a number of presenting partners – Australian Brandenburg Orchestra, Australian Chamber Orchestra, Australian National Academy of Music, Melbourne Chamber Orchestra, Melbourne Symphony Orchestra and Musica Viva Australia.

The Melbourne Recital Centre is located in Melbourne's South Bank, adjacent to:

- The National Gallery of Victoria
- Arts Centre Melbourne, including:
 - State Theatre: 2,000 seat theatre
 - Hamer Hall: 2,500 seat concert hall
 - Playhouse: 884 seat theatre
 - Fairfax Studio: 376 seat theatre
 - Sidney Meyer Music Bowl: 2,000 seats in the grassed amphitheatre and 11,000 seats in adjacent parkland (located in the adjacent Kings Domain)
- Victorian College of Arts (VCA) at the University of Melbourne, including:
 - Ian Potter Southbank Centre: 400 seat concert hall
 - Melba Hall: 340 seat concert hall
 - VCA Artspace
 - VCA Gallery.

Project Construction

The Melbourne Recital Centre and Southbank Theatre project was delivered by Lendlease as Managing Contractor for the project, for the Victorian Government, on behalf of Arts Victoria and Major Projects Victoria (ANCR, 2008).

Project Funding

The construction of the facility cost \$110 million (The Age, 2006), equivalent to \$163.6 million in 2022 dollars, assuming an average annual inflation rate of 2.4% over the 13 years from commencement of construction (RBA, 2023).

The project was funded by grants from the following parties (The Age, 2006):

- Victorian Government: \$82 million
- Melbourne University: \$12 million (contribution to the Southbank Theatre for a new home for the Melbourne Theatre Company)
- Crown Ltd: \$16 million (in lieu of its obligation to construct a new theatre at the casino).

Asset Ownership

The Melbourne Recital Centre is owned by the Melbourne Recital Centre, a public company limited by guarantee with the sole shareholder being the State of Victoria, represented by the Minister for Creative Industries. Melbourne Recital Centre is also deemed to be a public entity under the *Public Administration Act 2004 (Vic)*.

Asset Operations

The Melbourne Recital Centre has a government appointed Board of Directors (appointed by the shareholding Minister for Creative Industries), who appoint a Committee of Management, led by a Chief Executive Officer (CEO).

The CEO and Committee of Management is responsible for the operations and the achievement of the Centre's strategic priorities as set out in their relevant strategic plans.

Operational Funding

The Melbourne Recital Centre generated \$11.1 million in revenue in FY21-22 (MRC, 2022), comprised of the following components in Table 2.2.

Table 2.2. Melbourne Recital Centre Revenue

| Revenue Item | \$M | % of total |
|-------------------------------|---------------|-------------|
| Operational grants (combined) | \$6.3 | 57% |
| All other income | \$4.8 | 43% |
| Total income | \$11.1 | 100% |

Source: MRC (2022)

Note: Operational grants include all monies from the Victorian Government

2.4 GEELONG ARTS CENTRE

About the facility

The Geelong Arts Centre is an integrated performance facility, with the following venues:

- Costa Hall – Deakin University: 1,421 seat concert hall
- The Play House: 764 seat theatre
- The Story House: 550 – 850 flexible seat theatre
- The Open House: 250 seat flexible space
- Studio 1 – 30 seat flexible space
- Studio 2 – 30 seat flexible space
- Studio 3 – 30 seat flexible space
- Studio 4 – 120 seat flexible space

The centre is located adjacent to the Geelong Library and Heritage Centre, Geelong Art Gallery and the City of Geelong's conference and reception centre.

Project Construction

The Geelong Performing Arts Centre was built in 1981 and is currently undergoing a staged redevelopment project, being delivered by Lendlease as the Managing Contractor for the Geelong Arts Centre Trust on behalf of the Victorian Government's Department Victoria (GAC, 2021).

Project Funding

The construction cost of the redevelopment of the Geelong Arts Centre is \$140 million (GAC 2022). The project is wholly funded by a grant from the Victorian Government.

Asset Ownership

The Geelong Arts Centre is owned by the Victorian Government, via The Geelong Performing Arts Centre Trust (GPACT).

Asset Operations

GPACT is constituted under the *Geelong Performing Arts Centre Trust Act 1980 (Vic)* and operates Geelong Performing Arts Centre through the governance of a Board of Trustees appointed by the Victorian Government, through the Department of Jobs, Precincts and Regions (GAC, 2023).

The GPACT Board of Trustees appoint a CEO who is responsible for the day-to-day operations of the facility, as set out in Geelong Arts Centre's relevant strategic plans.

Operational Funding

The Geelong Arts Centre generated \$7.9 million in revenue in FY21-22 (GPACT, 2022), comprised of the following components in Table 2.3.

Table 2.3. Geelong Arts Centre Revenue

| Revenue Item | \$M | % of total |
|-------------------------------|--------------|-------------|
| Operational grants (combined) | \$5.9 | 75% |
| All other income | \$2.0 | 25% |
| Total income | \$7.9 | 100% |

Source: GPACT (2022)

Note: Operational grants include all monies from the Victorian Government

2.5 PERTH CONCERT HALL

About the facility

The Perth Concert Hall is a multi-venue performance facility, with the following venues:

- Main Auditorium: 1,891 seat concert hall (1731 in front of the stage and 160 in reverse)
- Wardle Room: 300 seat flexible space

The facility is located in the Perth CBD and is home for the West Australian Symphony Orchestra.

The facility is about to undergo a substantial modernisation project as part of the Perth City Deal (DLGSC, 2023).

Project Construction

The Perth Concert Hall was built in 1973 by Sabemo on behalf of the City of Perth.

The construction details for the modernisation project are yet to be announced.

Project Funding

The construction cost of the Perth Concert Hall was \$3.2 million (WASO 2023), equivalent to \$33.9 million in 2022 dollars, assuming an average annual inflation rate of 4.9% over the 49 years from commencement of construction (RBA, 2023). The total cost of the construction was provided by a grant from the City of Perth.

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The total cost of the modernisation project is estimated to be \$150 million and will be funded by grants from the following parties (DLGSC, 2023):

- West Australian Government: \$134 million
- Australian Government: \$12 million
- City of Perth: \$4 million

Asset Ownership

The Perth Concert Hall is owned by the Arts and Culture Trust, which also owns a range of other cultural facilities in Western Australia, including:

- His Majesty's Theatre
- Subiaco Arts Centre
- State Theatre Centre of Western Australia
- Albany Entertainment Centre

The Arts and Culture Trust is constituted under *The Arts and Culture Trust Act 2021 (WA)* and operates in the West Australian Government's Culture and Arts, a division of the Department of Local Government, Sport and Cultural Industries. Culture and the Arts provides corporate support to the Trust, including human resources, financial and information system support (Arts and Culture Trust, 2023).

The Arts and Culture Trust has an independent board of trustees, appointed by Minister for Tourism, Culture and the Arts and Heritage.

Asset Operations

The Perth Concert Hall is currently operated by WA Venues & Events Pty Ltd (WAVE), a not-for-profit charity established in 2014 to operate the Perth Concert Hall. WAVE is wholly owned by the West Australian Symphony Orchestra and has an independent board (WAVE, 2022).

Operational Funding

WAVE has generated \$7.9 million in revenue in FY21 (WAVE, 2022), comprised of the following components in Table 2.4.

Table 2.4. Perth Concert Hall Revenue

| Revenue Item | \$M | % of total |
|-------------------------------|--------------|-------------|
| Operational grants (combined) | \$1.0 | 29% |
| All other income | \$2.4 | 71% |
| Total income | \$3.4 | 100% |

Source: (WAVE, 2022).

Note: Operational grants include all monies from the West Australian Government.

2.6 CITY RECITAL HALL (ANGEL PLACE), SYDNEY

About the facility

City Recital Hall is a single venue concert hall with seating for up to 1,238 patrons, located in Sydney's CBD at Angel Place at 123 Pitt Street.

City Recital Hall was the second purpose-built music venue in Sydney after the Sydney Opera House and the following organisations are included as presenting partners: Australian Brandenburg Orchestra, Australian Chamber Orchestra, Musica Viva Australia, and Sydney Symphony Orchestra.

The facility is located in the ground level of a privately owned 30-storey office tower and the commercial tenancies and the recital hall are physically interconnected but are on individual strata titles.

Project Construction

City Recital Hall was built in 1999 by AMP Capital Limited as part of the Development Application to build Angel Place tower.

Project Funding

The cost of constructing Angel Place tower (and City Recital Hall) is unpublished.

Asset Ownership

City Recital Hall is owned privately by AMP Capital.

Asset Operations

City Recital Hall is currently operated by City Recital Hall Limited, a public, not-for-profit company limited by guarantee, which was established in 2015 (City Recital Hall, 2023).

The company was established by the City of Sydney, who select the company's first directors (City Recital Hall, 2019).

There are limits in the company's constitution on the who can be a director of the company. Explicit prohibition exists on councillors, officers and employees of the City of Sydney. All directors must have (City Recital Hall, 2019):

- Knowledge of, or experience in the field of the performing arts
- Experience in business administration, finance, legal, governance, marketing, fundraising or sponsorship
- Experience in any other relevant field determined by the Board from time to time.

Operational Funding

City Recital Hall has generated \$4.7 million in revenue in FY21 (City Recital Hall, 2022), comprised of the following components in Table 2.5.

Table 2.5. City Recital Hall Revenue

| Revenue Item | \$M | % of total |
|-------------------------------------|--------------|-------------|
| Operational grants (City of Sydney) | \$0.7 | 15% |
| Operational grants (NSW Government) | \$0.8 | 17% |
| All other income | \$3.2 | 68% |
| Total income | \$4.7 | 100% |

Source: (City Recital Hall, 2022).

2.7 FEDERATION CONCERT HALL, HOBART

About the facility

Federation Concert Hall is a single venue concert hall with seating for up to 1,100 patrons, located on the waterfront in Hobart's CBD.

Federation Concert Hall is co-located with the Hobart Convention and Exhibition Centre and both facilities are an integrated annex to the Hotel Grand Chancellor. The facility is within short walking distance to the Tasmanian Museum and Art Gallery and Theatre Royal.

Federation Concert Hall is the home of the Tasmanian Symphony Orchestra (TSO).

Project Construction

Federation Concert Hall was built in 2001 by the Hotel Grand Chancellor as part of project approval for expansion of the existing hotel footprint.

Project Funding

The construction cost of the Federation Concert Hall was funded through a Public Private Partnership between the Hotel Grand Chancellor, the Tasmanian Government and the Hobart City Council. The total construction value is known.

Asset Ownership

Federation Concert Hall is owned privately by the Hotel Grand Chancellor.

Asset Operations

Federation Concert Hall is currently operated by the Hotel Grand Chancellor as part of conference and events business. The facility is one of two spaces in Hobart that can accommodate 800+ event delegates.

TSO is a hirer of the facility with a long-term agreement with the Hotel Grand Chancellor. TSO also has a long-term lease on dedicated studio and back of house space that is attached to hall.

Operational Funding

Federation Concert Hall is financed through hiring to various user groups. TSO is able to pay the commercial rates for use from its consolidated revenue, principally though grant funding received from different government agencies.

TSO has generated \$12.1 million in revenue in FY19 (TSO, 2019), comprised of the following components in Table 2.6

Table 2.6. TSO Revenue

| Revenue Item | \$M | % of total |
|--|----------------|-------------|
| Operational grants (Australian Government) | \$6.78 | 56% |
| Operational grants (Tasmanian Government) | \$2.20 | 18% |
| Operational grants (Hobart City Council) | \$0.06 | 0.5% |
| Operational grants (Launceston City Council) | \$0.02 | 0.2% |
| Operational grants (NSW Government) | \$0.80 | 7% |
| All other income | \$2.23 | 18% |
| Total income | \$12.09 | 100% |

Source: (TSO,2019).

Note: Funding revenue comprises grants from the Australian Government's Australia Council and the State Government of Tasmania through Arts Tasmania. This revenue is received under the terms of the Multi-partite Funding Agreement (2019 – 2021) entered into in 2019.

2.8 OTHER ARTS AND CULTURAL VENUES

There are a diverse range of operating considerations that exist across different arts and cultural facilities in Queensland. Some examples include:

- **Queensland Museum Network (QMN):** Similar to QPAC, QMN is a statutory body whose existence, functions and powers are set out in the *Queensland Museum Act 1970 (Qld)*. The QMN Board is selected by the shareholding minister – the Minister for Arts and is responsible for the ownership and governance of multiple institutions across Queensland, including (QMN, 2022):
 - Queensland Museum (South Bank, Brisbane – opened 1986)
 - Museum of Tropical Queensland (Townsville – opened 1987)
 - The Workshops Rail Museum (North Ipswich – opened 2002)
 - Cobb+Co Museum (Toowoomba – opened 1987)
 - Queensland Museum Collections, Research and Loans Centre (Hendra, Brisbane– opened 2002)
- **Redlands Performing Arts Centre (RPAC):** RPAC and Redland Art Gallery are managed and operated within an internal Redlands City Council business unit (Creative Arts Redlands).

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- **Home of the Arts (HOTA), Gold Coast:** Gold Coast City Council formed the Gold Coast Arts Centre Proprietary Company Limited as a separate legal entity. The Gold Coast City Council is the sole shareholder in the company and continues to provide the majority of funding.
- **Empire Theatre, Toowoomba:** Empire Theatre is wholly owned by Toowoomba Regional Council and managed on its behalf by Empire Theatres Pty Ltd, an independent not-for-profit company, with independent trustees (directors) and management, who are responsible for the ongoing operations of the company. Toowoomba Regional Council is the sole shareholder in the company.
- **Townsville Entertainment and Convention Centre (TECC):** The TECC is a jointly owned by the Townsville City Council and Breakwater Island Trust (The Ville Resort-Casino) and has been managed by Breakwater Island Trust (The Ville Resort-Casino) since its opening in February 1993.
- **Townsville Civic Theatre (TCT):** TCT is wholly owned and operated within Townsville City Council.

There are a number of recent examples of regional arts infrastructure delivered under tripartite funding agreements, with local governments retaining operational responsibility for the asset following construction. These include:

- **Rockhampton Museum of Art.** A \$36.5 million project with two large, flexible gallery spaces, tree education spaces and a cafe, supported by the following contributions (Queensland Government, 2022):
 - Rockhampton Regional Council = \$13.475 million
 - Queensland Government = \$15 million
 - Australian Government = \$10 million
- **Cairns Performing Art Centre.** A \$71 million project with a 940-seat theatre, 400 seat black box and outside amphitheatre. The project was delivered with the following contributions (Queensland Government, 2018):
 - Cairns Regional Council = \$46 million
 - Queensland Government = \$15 million
 - Australian Government = \$10 million

It is important to note that in both circumstances, the delivery of these assets replaced existing facilities in both regions and theatres and art galleries are assets commonly owned and operated by local governments, which is dissimilar to concert halls, which are specialist acoustic venues with specialist technical construction requirements (for venue acoustic performance) and more specific programming/operational requirements.

3. RECOMMENDED DELIVERY MODEL

Based on the preceding research, the recommended delivery, funding, ownership and operational structure for the Townsville Concert Hall is outlined below:

- **Asset ownership:** It is recommended that the facility should be owned by the Queensland Government, the current owner of the Queensland Performing Arts Centre in Southbank, Brisbane. This recommendation is consistent with the ownership of major cultural infrastructure across Australia and consistent with the ownership of major museums in Queensland.

An alternative approach could include the Queensland Government establishing a new government-controlled trust to oversee the ownership of the Townsville Concert Hall (similar in function to QPAT). This approach is similar to the management of similar assets in Victoria, where the Geelong Arts Centre and Melbourne Recital Centre are separately operated, however, with duplication would be considered less efficient on an administrative basis than a single entity owning the facility.

A second alternative approach could be private ownership of the facility (this is a viable option if The Hive is the preferred site for the facility). It is important to note that the facility is non-commercial would still require a subsidy to operate (either directly from government or indirectly through a lease with a major user that is supported financially by government). This approach is similar to the ownership of Federation Concert Hall in Hobart.

- **Project funding:** \$98 million has been provisionally committed to the project by the former Australian Government and a proposal for 50:50 funding by Queensland Government and Townsville City Council for remaining costs has been identified by the Queensland Government (up to a total \$50 million contribution from the Queensland Government).

It is recommended that additional funds for construction of the facility (beyond a potential contribution from the Australian Government) should be provided by the Queensland Government.

This recommendation is consistent with the funding of major cultural infrastructure across Australia (in both metro and regional centres), where state governments are the principal proponents of major cultural assets, including in cases where the assets are ultimately privately owned. Most facilities of this nature are funded by the respective state governments, with some (Federation Hall (Hobart) and the Perth Concert Hall (Perth)) having a minority contribution (less than 5%) from their respective local governments.

Funding a significant cultural asset such as a concert hall should not be confused with smaller local facilities (commonly theatres and galleries) that are often co funded between state and local governments.

- **Project construction:** It is recommended that the project should be delivered by The Queensland Government Department of Energy and Public Works, though a private managing contractor. This recommendation is consistent with the delivery of major cultural infrastructure across Australia, where state governments are the principal proponents of major cultural assets.

Pending asset ownership considerations, an alternative approach could see the facility constructed by a private developer, with the requisite experience. If public funding is being contributed to the construction, stringent oversight would be required to ensure achievement of requisite outcomes (such as appropriate acoustic treatment for the concert hall).

- **Asset operation:** It is recommended that the facility should be operated by the Queensland Government, via the Queensland Performing Arts Centre (QPAC). This recommendation is consistent with the operation of major cultural infrastructure across Australia and consistent with the ownership of major museums in Queensland (including the Museum of Tropical North Queensland in Townsville).

Alternative approaches could include:

- A major user assumes operational rights to and responsibilities for the facility (such as the Australian Chamber of Festival Music). This approach is similar to the operation of both the Perth Concert Hall and the Federation Concert Hall, Hobart.

DELIVERY OPTIONS ANALYSIS

- Queensland Government establishes a new government-controlled trust to oversee the operations of the Townsville Concert Hall (similar in function to QPAC). This approach is similar to the management of similar assets in Victoria, where the Geelong Arts Centre and Melbourne Recital Centre are separately operated.
- Townsville City Council establishes an independent not-for-profit company with an independent board to oversee the facility's management. This company could also assume operational responsibility for other cultural assets owned by Townsville City Council. This approach is similar to the City Recital Hall in Sydney.
- **Operational funding:** The facility is likely to require a considerable grant to operate. It is recommended that the required funding should be provided by the Queensland Government, through Arts Queensland.

This recommendation is consistent with the funding of major cultural infrastructure across Australia (in both metro and regional centres).

Alternative approaches could include:

- If the venue is operated by an independent performing arts organisation (such as the AFCM), funding could be sought through the Australia Council (to become Creative Australia from 1 July 2023) for their performance activities. The type of funding sought would be dependent on the activities the organisation undertakes, but could include costs of leasing the facility from the asset owner (on a full time or part time basis).

This approach is likely to be the most appropriate for a facility that is privately owned, as it is the model utilised for Federation Concert Hall in Tasmania.

- If the venue is operated by Townsville City Council (or a controlled entity), funding could be provided by both Townsville City Council and the Queensland Government. It is important to note that there are no similar facilities financially supported solely by a local government authority in Australia (including City Concert Hall, which is owned by the City of Sydney).

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