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Detailed Business Case
Townsville Concert Hall

Prepared for the Australian Government
Department of Infrastructure, Transport, Regional Development, Communications and the Arts

September 2023

AECOM BlightRayner

DOCUMENT CONTROL

Job ID:	J002349
Job Name:	Townsville Concert Hall Detailed Business Case
Client:	Department of Infrastructure, Transport, Regional Development, Communications and the Arts
Client Contact:	John Maxwell
Project Manager:	Jonathan Pavetto
Email:	jonathan.pavetto@aecgroupltd.com
Telephone	07 4771 5550
Document Name:	Townsville Concert Hall DBC - Final
Last Saved:	28/9/2023 4:35 PM

Version	Date	Reviewed	Approved
Draft v1.0	30 June 2023	JP	ARP
Draft v2.0	6 July 2023	JP	ARP
Draft v3.0	1 September 2023	JP	ARP
Final	28 September 2023	JP	JP

EXECUTIVE SUMMARY

BACKGROUND & PURPOSE

Signed in December 2016, the Townsville City Deal is a 15-year commitment between all three tiers of government (the Australian Government, the Queensland Government and Townsville City Council) that aims to support a prosperous economic future for Townsville, 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 initiatives includes a focus on establishing Townsville as the capital of North Queensland and includes commitment to the delivery of new cultural and entertainment infrastructure.

Over the past 20 years, at least 20 position papers, planning reports and feasibility assessments have been produced outlining the need for additional arts facilities in Townsville (including both visual and performing arts). During this time, no new arts facilities have been constructed and the ever growing demand for these facilities has continued to go unsatisfied.

The purpose of this Detailed Business Case (DBC) is to provide a clear and definitive assessment of whether to deliver a new arts facility (and the governance associated with its delivery) for the region. The answer to this question is centred around three core considerations:

1 Is there sufficient demand for a new performing arts facility in Townsville (including advice on the type of facility required to meet demand).

2 Where should such a facility be built in Townsville, to enable a vibrant, liveable city centre that unlocks new business potential.

3 What are the detailed considerations of the proposed facility (reference design, cost estimation [including risk assessment], financial and economic appraisal) to enable a final investment decision to be made.

STRATEGIC ALIGNMENT

The delivery of a new cultural facility in Townsville aligns with a number of other Australian Government, the Queensland Government and Townsville City Council strategies, including:

- **Australian Government:**
  - **The White Paper on Developing Northern Australia**: Focused on identifying and delivering on infrastructure priorities that support population growth.
  - **Our North, Our Future: 2021-2026 Targeted Growth**: Supporting the development of visual and creative arts in Northern Australia.
  - **Australia's National Cultural Policy, *Revive*: a place for every story, a story for every place**: Supporting the development of cultural infrastructure to sustain arts, culture and heritage.
- **Queensland Government:**
  - **The North Queensland Regional Plan**: Realising the vision for North Queensland as a thriving, diverse, liveable and progressive region.
  - **Creative Together 2020-2030**: Growing and amplifying the impact of the arts, culture and creativity and investing in the infrastructure required to transform Queensland communities.
  - **State Infrastructure Strategy**: Delivering new infrastructure that enhances community engagement in cultural experiences, supports artists and creative industries, and delivers economic and social outcomes.
  - **State Infrastructure Plan**: Delivering dedicated infrastructure for indigenous and regional art and culture, as well as infrastructure that elevates Queensland's tourism offering.
  - **Strategy for Social Infrastructure**: Champion place-specific social infrastructure investment in arts, culture, and recreational facilities that provides social benefits to communities.

- **Townsville City Council:**
  - **Townsville Waterfront Priority Development Area**: Aligning land use and infrastructure planning to help transforming Townsville's inner urban area and stimulating economic growth.
  - **Townsville 2021-2026 (TCC Corporate Plan)**: Developing Townsville into a sustainable destination that embraces and participates in the arts, sports, events and recreational activities.
  - **Townsville Arts Strategy 2020-2024**: Investing in the arts to support a vibrant arts scene that is innovative, creative and aligned with good arts practice.

SERVICE NEED ASSESSMENT

Determining the need for a new performing arts facility in Townsville included multiple rounds of comprehensive stakeholder engagement with both local, regional and national arts stakeholders and analysis of event data provided by Townsville City Council (data on both events held and those that could not be held due to inadequate facilities).

The Service Needs Assessment confirmed that:

1 The current performing arts facilities in Townsville were not designed to cater to a local population of nearly 200,000 people, nor a broader regional Northern Queensland population of nearly 400,000 people.

2 Townsville has a lack of suitable venues catering to a full spectrum of performing arts activities, which is a key barrier to growing Townsville's arts and cultural sector. As a result of insufficient capacity at existing performing arts venues and lack of an acoustic venue, 66 performance days (with 37,600 attendances) of unrealised demand was estimated to be lost to the Townsville region in 2022, which is expected to increase to 124 performance days per annum (with 78,500 attendees lost) by 2041.

3 39.6% of performances in Townsville are best suited to an acoustic venue (compared to a theatre), yet Townsville does not have an acoustic-based performance venue. Townsville is also uniquely home to a number of national festivals that would considerably benefit from acoustic facilities (notably the Australian Festival of Chamber Music – AFCM and the Australian Concerto and Vocal Competition – ACVC).

4 There is sufficient demand for performing arts (both theatrical and acoustic performances) to support the construction of a new acoustic venue in Townsville. The construction of a concert hall would also improve capacity for the Townsville Civic Theatre to attract and support new theatrical performances in Townsville.

5 A secondary need was identified for a high quality, purpose-built small and/ or medium-sized performing arts facility to support additional small and medium-sized community based theatrical performance.

Findings Confirmed by Peer Review:

The service need assessment was subject to peer review by PAC Australia (Performing Arts Centres Association – the peak body for performing arts centres, presenters and producers across Australia), which found the Service Need Assessment was "*…a sound rationale for the development of a concert hall at the proposed capacity, particularly in a complementary (not competitive) environment to the existing cultural infrastructure.*" (PAC Australia, 2022)

FACILITY DESIGN

Based on the identified need, Blight Rayner designed a concert hall with the following parameters:

- 1,000 seat concert hall, with stage able to support double woodwind performances, supplementary amplification for non-acoustic performances, recording room and digital screens.
- A flexible space that can be used as two rehearsal rooms or a black box space with retractable seating for up to 300 patrons that can be used for smaller non-acoustic performances.
- Front of house facilities, including independent ticket office, generously sized foyer, and independent bar and café/ kitchen, generous amenities (including double requirement for female and changing places).

- Back of house facilities, including sound locks, green room and dressing rooms and warm up rooms, office space (at least 15 positions throughout facility) and generous storage space.

A sample of the facility designs that were developed for this Detailed Business Case (DBC) are presented in the following figures.

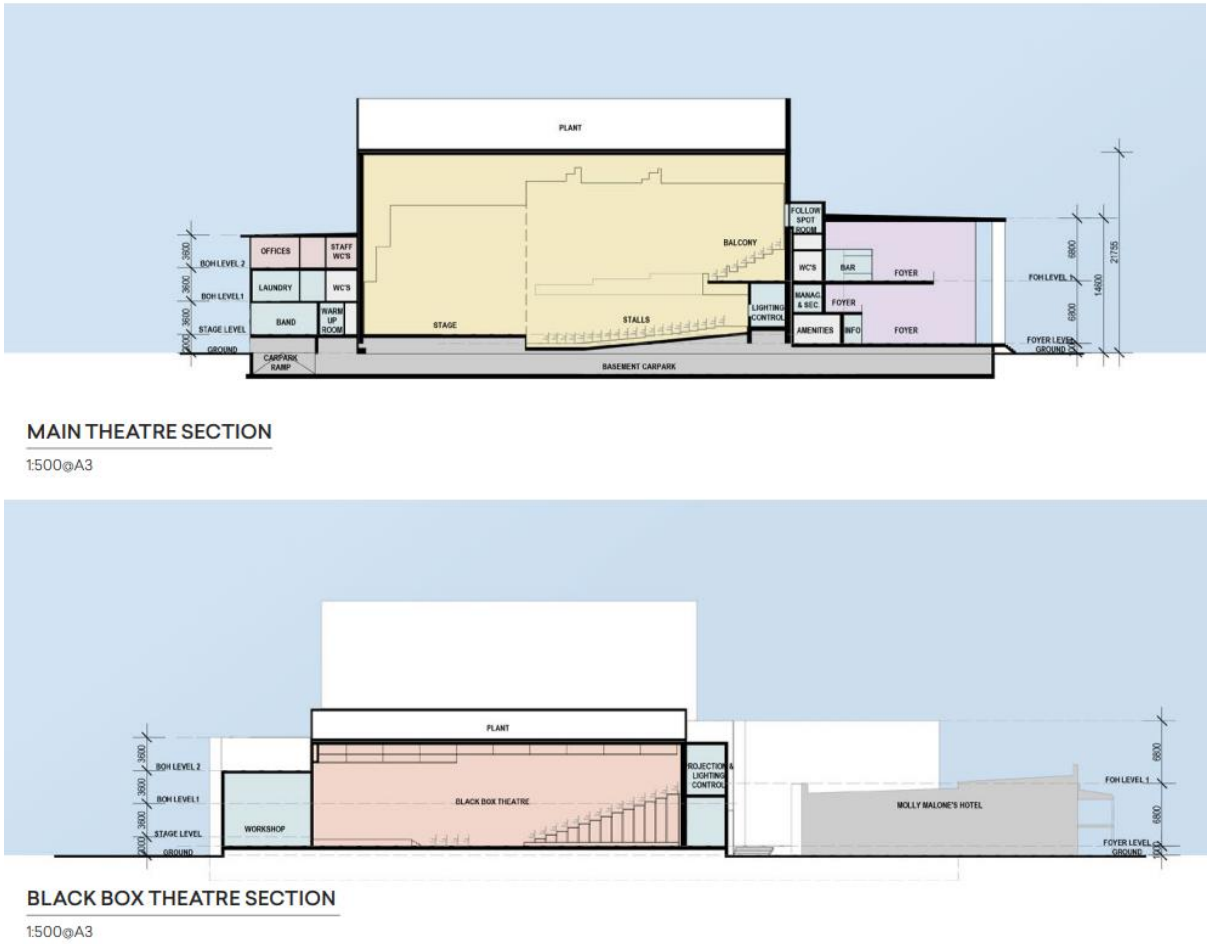
Figure ES.1 Facility Conceptual View (The Hive)

Source: Blight Rayner (2023)

Figure ES.2 Facility Ground Level Plan (The Hive)

Source: Blight Rayner (2023)

Figure ES.3 Facility Diagrammatic Sections (The Hive)



Source: Blight Rayner (2023)

Based on the building design and site-specific construction considerations, AECOM prepared a cost estimate for the facility for each of the development sites that underwent detailed consideration. The outcomes of the cost estimates are included in the Table below and include two options: the full facility (with the Black-Box rehearsal/ theatre space) and a lower capital Without Black-Box rehearsal/ theatre space that includes provision for the Black-Box rehearsal/ theatre space in the design, for provisioning at a later date, but does not include its construction.

Table ES.1. TCH Facility, Estimated Construction Costs breakdown – The Hive ($M)

	Full Facility		Without Black-Box	
Item	**Cost ($)**	**% of cost**	**Cost ($)**	**% of cost**
Construction Costs - Site Enabling	$2.91	1%	$2.57	1%
Construction Costs - Building	$74.67	35%	$66.11	35%
Contractor Preliminaries, Overheads & Margin	$14.58	7%	$12.91	7%
Managing Contractor Fees & Allowances	$38.09	18%	$33.72	18%
Statutory Fees and Charges	$7.54	4%	$7.29	4%
Preliminary Works	$10.66	5%	$9.49	5%
Specialist Consultant Advice	$1.68	1%	$1.68	1%
Other Project Costs	$1.35	1%	$1.35	1%
Risk & Contingency	$28.53	13%	$25.45	14%
Q-Leave	$1.04	0%	$0.92	1%
Escalation Provision	$30.95	15%	$27.61	15%
Total Outturn Cost (Ex GST)	**$212.00**	**100%**	**$189.11**	**100%**

Source: AECOM (2023d), AEC
Notes:

- The costs presented in the table above differ to the total costs presented in the AECOM cost report, due to the exclusion of basement car parking from the project case. For more information on the Project Case(s) please refer to Chapter 8.

- The removal of the small black box facility is not expected to impact on the capacity to support local events in the short term due to liberated capacity in the Civic Theatre due to the construction of the Concert Hall. The black box (or similar small to medium) facility is still required in the medium-long term.
- Escalation is an estimated cost of future economic changes based on Macro and Local economic events, historic trends, market sentiment and the estimator's knowledge of current and future potential projects impacting the construction market's access to labour, materials, and plant. This is usually modelled utilising indices on a cash flow of the forecast project expenditure. Escalation is not a contingency to protect against future risk of cost increases.
- Risk & Contingency is an estimated deterministic or probabilistically modelled cost of all risk to the project, including the risks that the actual economic changes differ from the estimated changes, increasing or decreasing the estimated base escalation.

SITE LOCATION

Selecting the preferred site for the proposed facility was a multi-staged process, which included:

- **Stage 1: SWOT analysis**: Assessing an initial long list of seven potential sites and shortlisting four sites for consideration in the Stage 2 MCA assessment.
- **Stage 2: Multi-Criteria Assessment (MCA)**: Was conducted on the four best performing sites identified in the SWOT analysis and resolved, based on steering committee request to take three of the four sites through to detailed consideration.
- **Stage 3: Detailed Considerations**: The three short listed sites from the MCA underwent detailed technical considerations and assessment.

Stage 1: SWOT Analysis

The SWOT analysis incorporated a range of different considerations and criteria, including:

- Contextual considerations, which included nine assessment themes
- Cultural considerations, which included three assessment themes
- Functional considerations, which included three assessment themes.

Stage 2: Multi Criteria Assessment Findings (MCA)

The MCA assessed a range of technical and contextual considerations (including site accessibility, site ownership and tenure, environmental and Geotech, cost and financial performance and place, culture and community value) and resolved in three sites (The Hive, The Strand and Dean Street) being subject to further detailed consideration following direction from the Project Steering Committee.

Reid Park, the location of the current Civic Theatre, did not proceed to detailed consideration due to its poor performance on a range of development, planning and cultural/city shaping considerations, relative to the other shortlisted sites.

Stage 3: Detailed Considerations Findings

The detailed consideration of the three short listed sites included a range of technical assessments, including separate: reference designs, risk assessments, site enabling infrastructure improvements, cost estimates, planning and approval pathways, financial and economic appraisals and benefit realisation pathways.

Noting that all three sites can achieve the ultimate and intended goals of the development, the Hive was identified as the preferred location for the facility, based on the following considerations:

- **Its superior cityshaping impact:** The Hive site has capacity to make an iconic statement that will transform the CBD.

  The location of the Hive site on Flinders Street, will afford benefits of co-location with immediate access to restaurants and bars in Flinders Street and Palmer Street (pending construction of the Plume Street Pedestrian Bridge over Ross Creek). The site also shares adjacencies to the Museum of Tropical Queensland and the (soon to be redeveloped) Townsville Aquarium.

  The Hive's adjacency to The Strand site also enables future development of complementary cultural facilities on The Strand and cultural activity in its adjacent parkland.

A potential collaborative partnership with the owner of The Hive could also catalyse other complementary development, such as 4+ star accommodation (potentially with additional conference and event facilities) and additional food and beverage outlets. The integrated cultural, accommodation and food and beverage development underpins the iconic potential of the site and ability for a design to support activation of the heritage building and public realm and strengthen linkages to the public open space and visitor attractions in the precinct.

- **Its lower risk:** While The Hive requires a commercially negotiated outcome, development of an integrated design and coordinated construction program, the site has a single owner, and the site tenure is freehold.
- **Its economic performance and activation:** The Hive site generates the best economic outcomes, relative to the other two sites.

  Considering the net impact on the Townsville Civic Theatre, the Benefit Cost Ratio (BCR) of the project on The Hive is 0.85 (Net Present Value (NPV) of -$45.1M), compared to 0.83 on Dean Street (NPV -$50.9M) and 0.83 on The Strand (NPV -$52.3M).

  If the black-box performance space is removed the BCR of The Hive improves to 0.92 (NPV $-21.9M).

While The Hive provides a higher BCR than the other two sites at full development, the economic analysis indicates only minor differences in outcomes between all three short listed sites. Should The Hive not be available for development (potentially due to no agreement reached between the future project proponent and the site owner). The Strand is recommended as a second preferred development location, as it can achieve a similar range of benefits to that of The Hive due to its geographical proximity and the Dean Street as the third preferred location if The Strand is unable to progress. Noting all three sites will achieve the ultimate and intended goals of the development, The Hive was identified as the most desirable site.

Dean Street stands out as having significant potential to be the first piece of major infrastructure in the creation of multiple art and cultural development activities within a broader precinct environment which could transpire over the medium to long term. It is noted that the existing Queensland Country Bank Stadium, located directly opposite Dean Street, and opened in 2020 as part of the City Deal hosts major sporting and music events.

Findings Confirmed by Peer Review:

The peer reviewer, PAC Australia, engaged by the Australian Government to review the service need and facility design and siting considerations, reviewed the suitability of different short-listed sites through the lens of the potential for major performance venues to increase local liveability and vitality of place and provided independent advice on the suitability of short-listed sites, focusing on each site's capacity to achieve cultural and community benefits. The PAC Australia Peer Review Assessment found The Hive achieved the best outcome (90% rating), followed by The Strand (80%), Dean Street (70%).

Reid Park was rated poorly (50%) and justifies the decision to exclude the site from detailed consideration

BENEFITS OF THE PROJECT

There are considerable benefits to be accrued from the development of the proposed facility in Townsville's CBD and to the wider North Queensland region. The benefits examined quantitatively in the assessment include:

- **Increased economic activity**: Construction of the proposed facility (full facility including the Black-Box) is expected to support between $88.3 million and $92.7 million in Gross Regional Product (GRP) during construction (in aggregate between FY2026 and FY2028) and between $16.6 million and $16.8 million annually over 40 years of operations (FY2029 to FY2068). At a 4% discount rate, the TCH is estimated to support a present value contribution to GRP (including direct and flow-on activity) of approximately between $325 million and $330 million at a 4% discount rate. This contribution to GRP is higher than the total present value of initial capital costs, asset renewal costs and operating/ maintenance costs (combined) at a 4% discount rate. This excludes the social utility benefits delivered from use and non-use benefits, which are outlined below.

- **Increased employment**: Construction of the proposed facility is expected to support between 633 and 663 full time equivalent FTE job years in Townsville in aggregate between FY2026 and FY2028, equating to an average of around 210 to 220 FTE jobs each year. Once operational, an average of around 170 to 175 FTE jobs will be supported each year between FY2029 and FY2068.
- **Induced recreational spend**: Patrons of performing arts facilities frequently undertake leisure activities before and/ or after attending performances and events. The activities undertaken are most likely to include spending on retail or food and beverage goods and services.
- **Induced visitor spend (cultural tourism)**: Visitors to Townsville LGA attending performing arts events are estimated to spend $7.6 million in the local economy by FY2026. Visitor spend is expected to double to $15.8 million upon the opening of the concert hall in FY2029, with visitor spend relating to performing arts events expected to continue to increase to $26.8 million by FY2068.
- **Public benefits to patrons**: Patrons of performing arts venues derive significant value from their attendance at a performance, which at a minimum is captured through the price they are willing to pay for a ticket.
- **Economically Desirability**: Sensitivity analysis of key cost and benefit parameters indicates a positive NPV and BCR above 1 can be achieved for all site options, both under the full facility development and excluding black-box scenarios, where assumptions of benefits and costs are more favourable than the base assumptions used in the modelling. Under the full development scenario, the Hive site option returned a positive NPV and BCR above 1 across 20% of the simulations run, with the Strand achieving a positive NPV on 16% of iterations and Dean Street on 17%. Excluding the black box, the Strand returned the highest number of iterations with a positive NPV/ BCR above 1 at 37%, followed by the Hive at 35% and Dean Street at 34%.
- **Non-use benefits**: In addition to the use benefit patrons receive from attending performances, the existence of high quality performing arts facilities in a region generates utility for residents whether or not they use the facilities. The non-use benefit of the facility refers to the benefit to the community of having the option to use the performing arts facilities if they wish, and the pride in place that comes with living in an area with good access to amenities.

Additional benefits were identified and explored through the benefits realisation and included:

- **Development of the arts**: Enhancing the local and regional arts and cultural offering, facilitating the advancement of local arts groups and programs, and developing and increasing participation in local performing arts.
- **Liveable communities**: Improving liveability of the region through provision of a high quality performing arts facility, enhancing community pride and cohesion, health and wellbeing, and acceptance of diversity.
- **Economic growth through additional investment attraction**: Stimulating economic growth through additional investment attraction, expanding local and regional employment and business activity, and growing, supplementing and diversifying the local and regional tourism offering.
- **Revitalising places**: Cultivating the identity and vibrancy of the city, creating a destination and fostering civic pride.

PROJECT GOVERNANCE

The recommended delivery model for the project will depend on the Project Proponent's preferences for a public facility or a collaborative ownership structure – a decision that will incorporate the selection of a preferred site (noting that The Hive is privately owned).

The components of the delivery model and their relative benefits and risks are outlined in the table below.

Table ES.2. Recommended Delivery Considerations

Consideration	Public Facility	Collaborative Ownership
Asset ownership	Queensland Government (Arts Queensland)	Private owner
Project funding	Grant funding be sourced to contribute to the construction cost of the facility.	Grant funding be sourced to contribute to the construction cost of the facility (potentially with a contribution from the landowner if The Hive site is taken forward)
Project construction & oversight	Queensland Government (Department of Energy and Public Works) + Managing Contractor	Private owner + Managing Contractor with oversight from Queensland Government (Department of Energy and Public Works)
Asset operation	Queensland Government (Queensland Performing Arts Centre) + local user advisory board	Long-term lease of facility to new Townsville City Council-led 'Arts Trust', which has an operating agreement with major user (such as AFCM)
Operational funding	Annual operational funding (estimated between $1.5 and $2.6 million per year) be secured by Arts Queensland to the 'Townsville Arts Trust' to sustain the facility	

Following analysis throughout the DBC it needs to be noted that:

- The Queensland Government does not have any current or forecast funding to support the development of the facility as outlined in Table ES.2.
- While the QPAC Board has also neither considered nor endorsed the proposed operating model for the proposed facility, it does have the required expertise and delivery frameworks to do so.
- Although Townsville City Council is one of the larger local government authorities in Australia, local government participation in asset ownership, project funding and project construction of similar facilities is rare and should be judiciously considered before an undertaking be made to lead the project's development.

RECOMMENDATIONS

Based on the considerations undertaken in the DBC, the following recommendations are made to the Australian Government, the Queensland Government and Townsville City Council.

Considering the balance of risks, costs, benefits and broader cityshaping factors, the analysis demonstrates that variances do exist between the sites and subject to commercial outcomes a preferred order for site selection would be the Hive, the Strand and Dean Street. Notwithstanding, the analysis undertaken for the detailed business case shows that each site has potential to competently accommodate a future concert hall facility, albeit with different capacity to deliver city-shaping benefits sought from the project.

It is important to note that there are a range of public and public private partnership delivery and operational options available subject to the commitment of government(s) and/or further investigations/arrangements pursued by the Project Proponent.

Recommendation 1: The project sponsors (the Australian Government, the Queensland Government and Townsville City Council) nominate a Project Proponent to carry the project forward. Consistent with the delivery of similar facilities of this nature across Australia, it is recommended that this proponent is the Queensland Government..

Recommendation 2: The Project Proponent undertake a value-management engineering process (with all relevant parties, including a facility user reference group) to identify opportunities to reduce the total capital cost of the project. This stage should include acoustic engineering to ensure construction quality (facility acoustics) is maintained.

The purpose of this stage is to deliver a facility design that delivers a strong socio-economic benefit to the region. Based on the quantified socio-economic benefits of the project, the cost of construction would need to reduce by approximately 25% to 30% of the current cost range to achieve a positive BCR.

Recommendation 3: The Project Proponent undertake market sounding with a number of potential managing contractors to test the contractor market for willingness, capacity and commitment to a project of this nature, timing and style of delivery and procurement.

Recommendation 4: The Project Proponent commence negotiation with the preferred site owner and a major user group (such as AFCM) to confirm interest in a collaborative ownership model to deliver the proposed Townsville Concert Hall. The core areas requiring agreement include terms relating to ownership, operation and project funding (both construction and ongoing operations).

Recommendation 5: The Queensland Government implement a Ministerial Infrastructure Designation (MID) to facilitate planning approvals for the project.

Recommendation 6: Dependent upon the preferred site selection, the Queensland Government commence efforts to resolve Native Title, if required.[1]

Recommendation 7: The Project Proponent commence early contractor involvement with potential managing contractors (in partnership with the site owner).

Recommendation 8: An independent 'Townsville Arts Trust' (a public, not-for-profit company limited by guarantee with an independent, government appointed skills-based board) be established to take a head lease on the facility.

Recommendation 9: The current position from the Queensland Government is that there is no commitment to ongoing financial support beyond the initial matched funding of $50 million for the construction of the facility. However, consistent with the delivery of similar facilities of this nature across Australia, the DBC findings suggest that due consideration should be given to provide ongoing financial support/ assistance to the proponent to maintain operational viability of the Townsville Concert Hall.

Recommendation 10: The construction cost of the facility be sourced from grant funding (not debt funded) as the DBC shows that facility has no annual surplus from which to fund debt.

NOTE - The recommendations set out above are based on a willingness of government(s) to:

- Establish an independent governance structure to manage the facility (and potentially manage all arts facilities in Townsville on behalf of Townsville City Council).
- Provide annual recurrent funding that is required for ongoing operations.
- Provide the required grant funding for construction.

[1] It is assumed that Native Title is extinguished across the extent of the three sites that will accommodate a concert hall. It is recommended however that specialist advice is sought for clarification and confirmation of this status.

TABLE OF CONTENTS

GLOSSARY

Acronym/ Term	Description
ASS	Acid sulfate soils
BCR	Benefit Cost Ratio
Booking Days	The days in which a venue is booked and comprises the performance days as well as the bump-in bump-out time required
CBA	Cost Benefit Analysis
CLR	Contaminated Land Register
DA Rules	Development Assessment Rules
DAMS	Development Assessment Mapping System
DBC	Detailed Business Case
DCCEEW	Department of Climate Change, Energy, the Environment and Water
DES	Department of Environment and Science
DPAA	Dugong Protection Area - Type A
DSDILP	Department of State Development Infrastructure Local Government and Planning
DTATSIPCA	Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts
ED	Economic Development Act 2012
EMR	Environmental Management Register
EPBC	Environment Protection and Biodiversity Conservation Act 1999
FTE	Full Time Equivalent
FTE Job Year	Equivalent to one person working full time for a period of one year
GRP	Gross Regional Product
ILUA	Indigenous Land Use Agreements
LGIP	Local Government Infrastructure Plan
MID	Ministerial Infrastructure Designation
MLES	Matters of local environmental significance
MNES	Matters of national environmental significance
NNTT	National Native Title Tribunal
NPV	Net Present Value
NT	Native Title Act 1993
PA	Planning Act 2016
PAA	Priority Agricultural Areas
PDA	Priority Development Areas
PLA	Priority Living Areas
Performance Days	The days in which a venue is booked and at least one performance is being held
Performances	The number of performances occurring over the period
PMST	Protected Matters Search Tool
PR	Planning Regulation 2017
PV	Present Value
QPP	Queensland Planning Provisions, version 3.1, June 2014
SARA	State Assessment and Referral Agency
SDAP	State Development Assessment Provisions
SPP	State Planning Policy
SPPIMS	State Planning Policy Interactive Mapping System
TCC	Townsville City Council
TCH	Townsville Concert Hall
TCT	Townsville Civic Theatre
TUA	Townsville Urban Area
UXO	Unexploded ordnance

1. PROJECT BACKGROUND

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, 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 initiatives includes a focus on establishing Townsville as the capital of North Queensland, including a commitment to the delivery of new cultural and entertainment infrastructure.

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. A significant gap in cultural infrastructure has been identified through this past research, with the establishment of a concert hall identified as a need and, potentially, a broader cultural and entertainment precinct.

In response to this identified gap, a Detailed Business Case (DBC) into the development of a concert hall in Townsville was commissioned to allow the evaluation of the proposed development. AEC Group, AECOM and Blight Rayner have been engaged by the Australian Government (on behalf of the steering committee of Australian Government, the Queensland Government and Townsville City Council) to deliver the DBC.

1.2 PURPOSE OF THIS REPORT

The purpose of this document is to support the Australian Government, the Queensland Government and Townsville City Council to come to an investment decision regarding the development of the Townsville Concert Hall (TCH).

This report brings together the findings of a number of preceding technical reports into a single document with additional assessment regarding the specific nature of the proposed TCH and its operational structure.

The purpose of the DBC is to:

- Provide a clear articulation of the service need for a concert hall
- Develop a range of options to consider, based on the confirmed service need
- Undertake detailed consideration of a preferred option
- Deliver an implementation plan to realise the available opportunity.

1.3 APPROACH

The TCH DBC was developed across five key stages. Doing so allowed the Project Steering Committee to progressively review and approve work at key milestones that provided suitable direction to the project team to undertake further technical analysis.

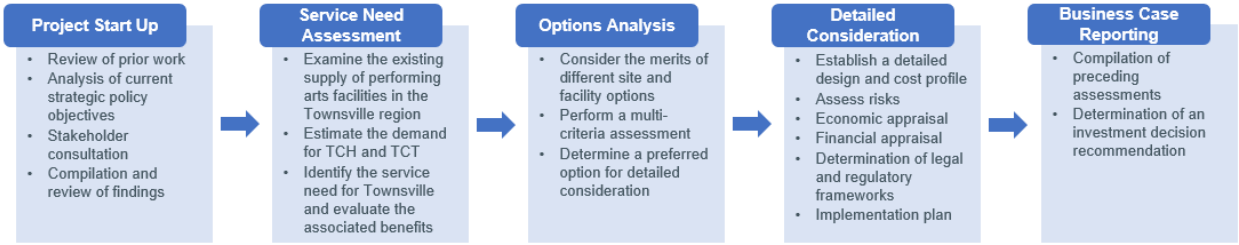
Key stages included:

- Project Start-Up: Included a thorough review of prior work (literature review), an analysis of current strategic policy objectives and stakeholder consultation to ensure all relevant information is gathered and reviewed prior to assessing service needs.
- The Service Need Assessment: Considered both Supply and Demand and was informed by detailed stakeholder consultation.

- The Options Analysis: Examined the relative merits of an initial long list of seven sites to assess the different site and facility options to present through a Multi-Criteria Assessment. The outcome of Stage 3, saw a short listing of three sites for full and detailed consideration.
- Detailed Considerations: Of the preferred option included detailed design, cost profile and risk assessments and a comprehensive economic and financial appraisal to outline the feasibility of the project (these are attached as Supporting (but separate) Technical Report Appendices. Legal and regulatory aspects were determined ahead of the development of a broader implementation plan that outlines how the project will be delivered and the benefits that will flow as a result of successful implementation.
- The Business Case Reporting: Phase saw the compilation of all information and technical components of the Detailed Business Case into a single (this) document.

The Methodology Overview (Section 3) provides further information on how we will deliver on each of the key technical elements of the DBC, starting from Stage 2. A Stakeholder Engagement Plan has already been developed and presented as part of this engagement.

Figure 1.1. Detailed Considerations by Stage of the Townsville Concert Hall DBC



Source: AEC

1.4 SUPPORTING TECHNICAL APPENDICES

The Detailed Business Case is built on and supported by the following technical reports and appendices:

- Appendix A: Peer Review Report (PAC)
- Appendix B: Service Need (AEC)
- Appendix C: Site Options Analysis, SWOT & MCA (AEC & AECOM)
- Appendix D: Car Parking Analysis (AECOM)
- Appendix E: Townsville Concert Hall Siting Planning (Blight Rayner)
- Appendix F: Concept Design Cost Plan Report (AECOM)
- Appendix G: Staged Option Order of Magnitude Capital Cost Advice (AECOM)
- Appendix H: Project Risk Register (AECOM)
- Appendix I: Financial Analysis (AEC)
- Appendix J: Economic Analysis (AEC)
- Appendix K: Legal & Regulatory Approvals Pathway Support Documents (AECOM)
- Appendix L: Approvals Pathway (AECOM)
- Appendix M: Delivery Options (AEC).

2. PROJECT GOVERNANCE

2.1 APPROACH

This section provides an overview of the project governance and assurance controls applied to this DBC. A summary of the key findings of peer reviewer's report has been brought through to this document for brevity, with full detail and context retained in the supporting Technical Appendix A. The Delivery Arrangements (Section 15) presents the proposed governance arrangements during delivery and operations.

2.2 GOVERNANCE

2.2.1 Proposal Owner

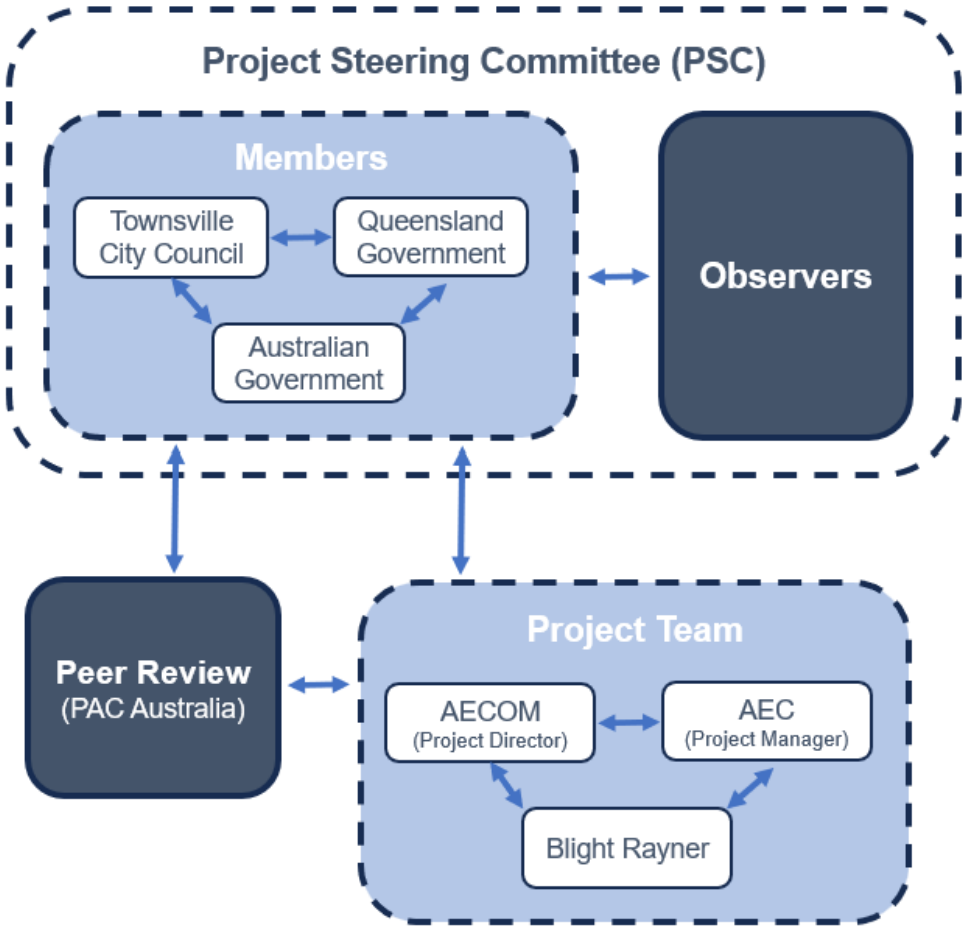
The DBC was funded by the Australian Government on behalf of the Townsville City Deal participants Australian Government, the Queensland Government and Townsville City Council, who is the proponent of the project concept.

It is important to note that while the Australian Government has funded the development of the DBC, the Australian Government is not intending to be the project proponent that delivers or operates the proposed facility (discussed in detail in Section 15).

2.2.2 Governance Structure

The project's governance framework was established by the Australian Government, in partnership with Project Steering Committee members (Australian Government, the Queensland Government and Townsville City Council). Figure 2.1 presents the project governance framework applied to the delivery of the DBC.

Figure 2.1. Governance Structure for the DBC



Source: AEC

2.2.3 Project Steering Committee (PSC)

The Project Steering Committee (PSC) was implemented to guide and inform decision making and to facilitate a high level of transparency between the members, including the Australian Government, the Queensland Government and Townsville City Council.

Membership of the PSC included:

- Australian Government – Department of Infrastructure, Transport, Regional Development, Communications and the Arts (City & Regional Partnerships Branch and Office For The Arts)
- Queensland Government – Department of State Development, Infrastructure, Local Government and Planning (Regional & Spatial Planning)
- Townsville City Council – City Strategy.

Observers to the PSC included:

- Australian Government:
    - Department of Infrastructure, Transport, Regional Development, Communications and the Arts (Office For The Arts)
    - National Indigenous Australians Agency (NIAA)
    - Infrastructure and Project Financing Agency (IPFA)

  Please note the NIAA only attended meetings intermittently and the IPFA only attended the initial meetings.
- Queensland Government:
    - Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts (Arts Queensland)
    - Department of Energy and Public Works (Queensland Major Projects & Public Works)
- Peer Reviewer: PAC Australia (during the peer review phase of the project).

2.2.4 Project Team Roles and Responsibilities

The project team included a multi-disciplinary mix of consultants from AEC, AECOM and Blight Rayner. The primary roles of each team member are presented in Table 2.1 below.

Table 2.1. Project Team Roles and Responsibilities

Consultant	Role and Responsibilities	
AEC	• Overall project management • Lead stakeholder engagement • Review of strategic considerations • Development of project service need • Facility demand assessment	• Financial appraisal • Economic appraisal • Delivery arrangements • Implementation plan
AECOM	• Overall project quality control • Site options assessment • Car parking assessment • Risk analysis • Cost analysis	• Review of environmental factors • Legal and regulatory review (incl planning considerations) • Benefits realisation
Blight Rayner	• Facility design	

Source: AEC

While separate consulting teams had primary responsibility for specific components of the DBC, a high degree of collaboration was achieved between the project team members across virtually all technical aspects of the project as well as the documentation of the DBC.

2.3 ASSURANCE

2.3.1 Assurance Activities

The delivery of the DBC included a range of assurance activities, namely:

- Peer review of the Service Need Assessment and a range of other critical considerations by Katherine Connor, Executive Director of PAC Australia (Performing Arts Centres Association – the peak body for performing arts centres, presenters and producers across Australia). The peer review was commissioned by the Australian Government, with PAC effectively joining the project steering committee as an observer during the period over which the Peer Review component was undertaken.
- Internal quality assurance undertaken within project team members in the delivery of technical reports. All project team members have third party Quality Assurance accredited ISO9001 management systems, which was applied throughout the duration of the project.
- Overall project quality assurance of the DBC between AEC (Project Manager) and AECOM (Project Director)
- Targeted stakeholder engagement was undertaken by project team members with subject matter experts to test and confirm key assumptions across a range of technical components of the DBC.
- Presentation of technical findings to the PSC and incorporation of feedback from relevant government agencies.

2.3.2 Peer Review Outcomes

A peer review report was prepared by PAC Australia (PAC Australia, 2022), to review the appropriateness of the stakeholder engagement undertaken, the findings of the service need assessment and to provide commentary on key building design requirements and the suitability of different short-listed sites through the lens of how potential for major performance venues can increase local liveability and vitality of place. PAC also worked with AEC, AECOM and Blight Rayner to assist with preparation of the MCA and other design and assessment documents.

The PAC Australia report has been included as Technical Appendix A and key findings and conclusions from the report are summarised at relevant stages throughout the DBC (such as service need, facility design and site selection).

3. METHODOLOGY

3.1 APPROACH

This section provides an overview of the methodologies used in the development of each of the technical reports that are appended to this detailed business case. Summaries of the key findings of these technical reports are brought through to this document for brevity, with full detail and context retained in the technical reports.

3.2 SERVICE NEED ASSESSMENT

3.2.1 Overview

The Service Need assessment determined the service need and demand for a new performing arts facility in Townsville. The report examined the service need for the proposed concert hall through a combination of literature reviews, data analysis, consultation and the development of projections of demand. The assessment examined the existing supply of similar facilities in the region with which a concert hall in Townsville may compete, estimated the demand for a concert hall and a theatre in Townsville and identified the service need for Townsville.

Further information regarding the methodology used to determine the service need can be found in the Technical Appendix B Service Need Report (AEC, 2023a).

3.2.2 Supply Assessment

The supply of existing facilities in Townsville was understood primarily through consultation and desktop research. Facilities which were purpose built for performing arts were considered as part of the assessment, with facilities designed for broader use for a range of events and exhibitions excluded. Six primary performing arts facilities were identified in Townsville, including the Townsville Civic Theatre (TCT).

3.2.3 Demand Assessment

3.2.3.1 Current Demand

To examine demand for performing arts facilities in Townsville, a Townsville Event Calendar was developed, including events which are currently held in Townsville and events which are not held in Townsville due to capacity constraints on existing venues or lack of an appropriate acoustic concert hall facility. Current usage of performing arts facilities in Townsville was estimated primarily using data provided by TCT, as the premier performing arts facility in Townsville. Events which are currently held in other venues in Townsville as well as events which were unable to be held in Townsville were identified though desktop research and consultations with local, state, and national organisations.

To understand the demand for different facility types (amplified versus acoustic), each performance on the Townsville Event Calendar was allocated to the most suitable venue between a theatre (amplified) and a concert hall (acoustic). Industry experts were then consulted to verify the venue preference allocations.

Average attendance at each performance was determined through information provided by relevant stakeholders. Where information regarding attendance could not be obtained for a performance, the average attendance of performances of the same type was used.

3.2.3.2 Future Demand

Population growth and attraction of major performance events are the two key factors which drive demand for performing arts. In addition to understanding the attraction of additional events through the desktop research and consultation processes outlined above, population growth rates were used to estimate the growth in demand for performance attendances. This approach assumed rates of use by visitors to Townsville would represent a constant share of total use and would grow at the same rate as the population.

Projected total performance attendances were disaggregated into performances to understand future demand for performance days. Average audience sizes per performance were allowed to increase up to a determined

proportion of the 2022 average. After the audience size limit was reached, it was assumed there was sufficient demand for an additional performance of the same type to be attracted.

3.2.4 Delivery Models

3.2.4.1 Overview

Ownership considerations need to understand the likely potential proponents of the different infrastructure elements being considered for the TCH DBC. Understanding the facility's likely owners and operators is important for informing:

- The project's development pathway, as the proponent will be the entity responsible for securing all relevant development, cultural and environmental approvals, securing the finance with funders and offtake agreements with users, as well as contracting and overseeing the construction of the project.
- The quantum and source of funding required to enable long-term operation of the facility (if the facility cannot operate commercially)

The approach to exploring delivery considerations is two-fold: first, exploring the operating environment for peer cultural facilities and second, outlining the best option to match the environment in which the proposed facility is to be established.

3.2.4.2 Case Study Approach

Case studies were examined to inform the current ownership and operating structure peer facilities and how the facility's construction was funded and delivered. Case studies examined included:

- 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 diverse 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.

3.2.4.3 Considerations

Considerations targeted during the delivery model appraisal and case studies aimed to inform the most desirable approach for the following in relation to TCH:

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

3.3 FINANCIAL APPRAISAL

3.3.1 Overview

The financial analysis estimates the profitability of the project, the projected cashflows and an assessment of the projected return on investment. A project Income Statement and Statement of Cash Flow Statement is provided in the Appendix for each of the five scenarios, with detailed assessment of the anticipated operating revenues and expenditures, capital investments and financing activities.

3.3.2 Financial Model

AEC has utilised our own proprietary project financial feasibility tool to complete the financial analysis and to prepare the Income Statement and Cash Flow Statement.

Modelling drivers used in the assessment are described in the section below. Additional details of this are available in the Financial Analysis supporting Technical Appendix H.

Financial assessment is based upon the following assessment approaches:

- **Project Profitability**: Measures how profitable (applying accounting standards) a project will be for the organisation, estimating the financial gain or loss of a project. The profitability is assessed based on following measures:
    - **Operating Surplus/Deficit** – The net operating surplus/-deficit is calculated by subtracting expenditure for the relevant period from the revenue for the same period (based on an accrual accounting approach) – including depreciation expense. If total revenue exceeds total expenditure, the net effect is an operating surplus.
    - **Earnings Before Interest, Taxation, Depreciation, and Amortisation (EBITDA)** – EBITDA is a measure of the cash profit generated by the operations of the project, excluding consideration of the non-cash depreciation and amortisation expenses as well as taxes and debt costs that are dependent upon the capital structure. EBITDA is useful in comparing the profitability of operations across projects, particularly where the projects have different capital and debt structures, and/or taxation impacts.
    - **Earnings before Interest and Taxation (EBIT):** EBIT is a financial metric that is similar to EBITDA, but it takes into account the impact of depreciation and amortisation expenses. It includes the estimated cost of assets used/ consumed in the project's operations. This is particularly important in asset-intensive operations as it helps assess whether the revenue generated is enough sufficient to cover the cost of the assets being used/ consumed.
- **Project Cashflows**: Refers to the cash flows in and out of an organisation due to the project. There are three cash flow types that are analysed to determine the liquidity and solvency of the project: cash flow from operating activities, cash flow from investing activities and cash flow from financing activities.
- **Return on Investment**: Net present value (NPV) and internal rate of return (IRR) are financial measures used to evaluate and compare investments based on the project's potential to return positive cash flows and whether the return is sufficient to meet required targets (or an organisation's policy) for investment. NPV is the dollar amount difference between the present value of discounted cash inflows less outflows over a specific period of time. If a project's NPV is above zero, then it's considered to be financially worthwhile. IRR estimates the profitability of potential investments using a percentage value rather than a dollar amount. An IRR on a project investment is often accepted if the resulting IRR has a higher value compared to the existing threshold (or hurdle rate) set by the company.

3.3.3 Schedule of Rates

A key input into the cash flow profile is an assumption of rates that can be charged to users of the facility. A schedule of rates was created to provide realistic estimates of rates and charges by undertaking a benchmarking exercise of relevant facilities.

Consideration was given to the specific nature of the benchmarking/ peer facilities and the specific nature of the proposed TCH facility compared to proxy venues. Predominantly the average rate was used, however adjustments to rates were made when alignment to other rates was required.

3.3.4 Land Purchase Estimation

To estimate the approximate land costs for each respective site, analysis was undertaken on a range of development site transactions throughout Townsville City to understand appropriate value metrics based on a rate per square metre of site area and/or maximum permissible gross floor area (GFA).

Ordinarily, development sites are subject to different zonings (which allows for a range of typologies, some more valuable than others), maximum permissible heights and gross floor area/site cover, amongst others. Both the Townsville City Plan (City Plan) and the Townsville Waterfront Priority Development Area Development Scheme (Development Scheme) are silent on maximum site cover and gross floor area that can be achieved for development sites. Generally, the existing planning framework only outlines maximum permissible building height.

As a result, this can make it problematic in applying appropriate value metrics to development sites (on a dollar rate per square metre of permissible GFA basis) when analysing or valuing. Therefore, the most appropriate method of benchmarking is comparing rates per meter square of site area achieved for similarly zoned properties and adjusting for factors including size, shape of site, dimensions, topography, outlook/aspect, and standard of any existing improvements amongst others.

Research of both development site sales evidence and current development sites on the market was conducted and the sales evidence captured to reflect the indicate a representative square meter rate for each site, which was incorporated into the financial analysis.

3.4 ECONOMIC APPRAISAL

3.4.1 Overview

In undertaking the economic appraisal, two assessments were undertaken that built on the demand modelling/ projections, pricing schedule of rates and other values:

- Cost benefit analyses (CBAs) of identified options to assess the net socio-economic benefit (cost) of each option in present value (PV) terms for comparison, measured in Net Present Value (NPV) and Benefit Cost Ratio (BCR).
- An Input-Output assessment of identified options, focusing on long term impacts from operations, to identify the relativity of impacts of options in terms of direct and flow-on contribution to business output, Gross Regional Product (GRP), jobs and incomes over both the construction phase and for enabled activity once the facility is commissioned and is in operations.

Additional information and details relating to the economic analysis methodologies and approach used in the development of the assessment are outlined in the Economic Analysis Technical Appendix I.

3.4.2 Cost Benefit Analysis

The CBA was developed in line with Infrastructure Australia guidelines for economic appraisal (Infrastructure Australia, 2021). Initial CBAs were developed as part of the Options Analysis to assist in the determination of a preferred site option. With three sites proceeding to detailed consideration, CBAs were developed for each of the three sites, and included consideration of the final design, costs and financial appraisal for the preferred option.

In general, the following steps are undertaken as part of a CBA (noting some of the steps indicated in the Infrastructure Australia guidelines are undertaken in other sections of the Detailed Business Case).

3.4.2.1 Step 1: Determine Key Appraisal Parameters

Prior to developing assumptions for benefits and costs, it is important to set the following key parameters to be used in the economic appraisal.

Discount Rates

In a CBA, costs and benefits are specified over time and these streams of benefits and costs are converted to present value terms. The present value concept is based on the time value of money – the idea that a dollar received today is worth more than a dollar to be received in the future. The present value of a cash flow is the equivalent value of the future cashflow should the entire cashflow be received today. The time value of money is determined by the given discount rate to enable the comparison of options by a common measure.

The selection of appropriate discount rates is of particular importance because they apply to much of the decision criteria and consequently the interpretation of results. The higher the discount rate, the less weight or importance is placed on future cash flows.

A base discount rate of 7% is commonly used to represent the minimum rate of return, in line with Australian Government and State Government guidelines. As all values used in the CBA are in real terms, the discount rate does not incorporate inflation (i.e., it is a real discount rate, as opposed to a nominal discount rate).

For this study, a 4% discount rate has been used as the primary discount rate, in consideration of the non-commercial nature of the infrastructure and the longer term social/ community benefits the TCH will deliver. To assess the sensitivity of the project to the discount rate used, discount rates of 7% and 10% were also examined.

Appraisal Period

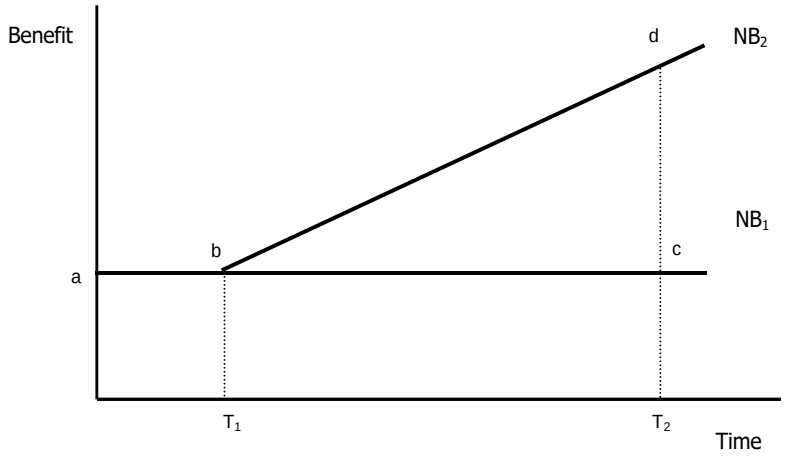
The length of the appraisal period determines the period of time over which costs and benefits are discounted to present value terms. It is important then that the appraisal period matches the anticipated timeframes for which costs and benefits will be generated by the project. The appraisal period will therefore be set based on the anticipated economic life/ design life of the project, plus the construction period.

3.4.2.2 Step 2: Define the Base Case and Project Case Options

To enable a robust determination of the net benefits of undertaking a given project, it is necessary to specify base case and alternative case scenarios. The base case scenario represents the 'without project' scenario and the alternative or 'with project' scenario examines the impact with the project in place.

The base case (without) scenario is represented by line NB_1 (bc) over time T_1 to T_2 in the figure below. The investment in the project at time T_1 is likely to generate a benefit, which is represented by line NB_2 (bd). Therefore the net benefit flowing from investment in the project is identified by calculating the area (bcd) between NB_1 and NB_2.

Figure 3.1. With and Without Scenarios



Source: AEC

Specifying the base case and project case, the DBC will consider the following:

- The service(s) being delivered in the region currently and in the future with and without the project, including consideration of use/ demand and pricing.

- Current and future expected maintenance and capital works for delivery of these services in the region with and without the project.
- Current and future projected demand for services with and without the project (noting that demand projections will be developed as part of the Service Need Assessment). This will include consideration of:
    - How other potential developments/ events may affect demand.
    - Key constraints/ issues of existing and planned future services in the base case that may constrain demand without the project.
    - Potential pricing implications with and without the project.

3.4.2.3 Step 3: Identify Costs and Benefits

A comprehensive quantitative specification of the benefits and costs included in the evaluation and their various timings is required and includes a clear outline of all major underlying assumptions. These impacts, both positive and negative, are then tabulated and where possible valued in dollar terms.

Some impacts may not be quantifiable. Where this occurs the impacts and their respective magnitudes will be examined qualitatively for consideration in the overall analysis.

Financing costs are not included in a CBA. As a method of project appraisal, CBA examines a project's profitability independently of the terms on which debt finance is arranged. This does not mean, however, that the cost of capital is not considered in CBA, as the capital expenses are included in the year in which the transaction occurs, and the discount rate (discussed below in Step 5) should be selected to provide a good indication of the opportunity cost of funds, as determined by the capital market.

3.4.2.4 Step 4: Quantify and Value Costs and Benefits

CBA attempts to measure the value of all costs and benefits that are expected to result from the activity in economic terms. It includes estimating costs and benefits that are 'unpriced' and not the subject of normal market transactions but which nevertheless entail the use of real resources. These attributes are referred to as 'non-market' goods or impacts. In each of these cases, quantification of the effects in money terms is an important part of the evaluation.

However, projects frequently have non-market impacts that are difficult to quantify. Where the impact does not have a readily identifiable dollar value, proxies and other measures should be developed as these issues represent real costs and benefits.

One commonly used method of approximating values for non-market impacts is 'benefit transfer'. Benefit transfer (BT) means taking already calculated values from previously conducted studies and applying them to different study sites and situations. In light of the significant costs and technical skills needed in using the methodologies outlined in the table above, for many policy makers utilising BT techniques can provide an adequate solution.

Context is extremely important when deciding which values to transfer and from where. Factors such as population, number of households, and regional characteristics should be considered when undertaking benefit transfer. For example, as population density increases over time, individual households may value nearby open space and parks more highly. Other factors to be considered include, depending on the location of the original study, utilising foreign exchange rates, demographic data, and respective inflation rates.

Benefit transfer should only be regarded as an approximation. Transferring values from similar regions with similar markets is important, and results can be misleading if values are transferred between countries that have starkly different economies (for example a benefit transfer from the Solomon Islands to Vancouver would likely have only limited applicability). However, sometimes only an indicative value for environmental assets is all that is required.

3.4.2.5 Step 5: Tabulate Annual Costs and Benefits

All identified and quantified benefits and costs are tabulated to identify where and how often they occur. Tabulation provides an easy method for checking that all the issues and outcomes identified have been addressed and provides a picture of the flow of costs, benefits and their sources.

3.4.2.6 Step 6: Calculate the Net Benefit in Dollar Terms

Using the discount rates set in Step 1, calculate the present value of costs and benefits.

The formula for determining the present value is:

$$PV = \frac{FV_n}{(1+r)^n}$$

Where:

PV = present value today

FV = future value n periods from now

r = discount rate per period

n = number of periods

Extending this to a series of cash flows the present value is calculated as:

$$PV = \frac{FV_1}{(1+r)^1} + \frac{FV_2}{(1+r)^2} + \cdots + \frac{FV_n}{(1+r)^n}$$

Once the stream of costs and benefits have been reduced to their present values the Net Present Value (NPV) can be calculated as the difference between the present value of benefits and present value of costs. If the present value of benefits is greater than the present value of costs then the option or project would have a net economic benefit.

In addition to the NPV, the benefit-cost ratio (BCR) can provide useful information regarding the attractiveness of a project.

3.4.2.7 Step 7: Sensitivity Analysis

Sensitivity analysis allows for the testing of the key assumptions and the identification of the critical variables within the analysis to gain greater insight into the drivers to the case being examined.

A series of Monte Carlo analyses has been conducted in order to test the sensitivity of the model outputs to changes in key variables. Monte Carlo simulation is a computerised technique that provides decision-makers with a range of possible outcomes and the probabilities they will occur for any choice of action. Monte Carlo simulation works by building models of possible results by substituting a range of values – the probability distribution – for any factor that has inherent uncertainty. It then calculates results over and over, each time using a different set of random values from the probability functions. The outputs from Monte Carlo simulation are distributions of possible outcome values.

During a Monte Carlo simulation, values are sampled at random from the input probability distributions. Each set of samples is called an iteration, and the resulting outcome from that sample is recorded. Monte Carlo simulation does this hundreds or thousands of times, and the result is a probability distribution of possible outcomes. In this way, Monte Carlo simulation provides a comprehensive view of what may happen. It describes what could happen and how likely it is to happen.

3.4.3 Input-Output Modelling

Input-Output analysis demonstrates inter-industry relationships in an economy, depicting how the output of one industry is purchased by other industries, households, the government and external parties (i.e. exports), as well as expenditure on other factors of production such as labour, capital and imports. Input-Output analysis shows the direct and indirect (flow-on) effects of one sector on other sectors and the general economy. As such, Input-Output modelling can be used to demonstrate the economic contribution of a sector on the overall economy and how much the economy relies on this sector or to examine a change in final demand of any one sector and the resultant change in activity of its supporting sectors.

The economic contribution can be traced through the economic system via:

- **Initial stimulus (direct) impacts**, which represent the economic activity of the industry directly experiencing the stimulus.
- **Flow-on impacts**, which are disaggregated to:
    - **Production induced effects (type I flow-on)**, which comprise the effects from:
        - Direct expenditure on goods and services by the industry experiencing the stimulus (direct suppliers to the industry), known as the first round or direct requirements effects.
        - The second and subsequent round effects of increased purchases by suppliers in response to increased sales, known as the industry support effects.
    - **Household consumption effects (type II flow-on)**, which represent the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries being paid within the economic system.

These effects can be identified through the examination of four types of impacts:

- **Output**: Refers to the gross value of goods and services transacted, including the costs of goods and services used in the development and provision of the final product. Output typically overstates the economic impacts as it counts all goods and services used in one stage of production as an input to later stages of production, hence counting their contribution more than once.
- **Gross product**: Refers to the value of output after deducting the cost of goods and services inputs in the production process. Gross product (e.g., Gross Regional Product) defines a true net economic contribution and is subsequently the preferred measure for assessing economic impacts.
- **Income**: Measures the level of wages and salaries paid to employees of the industry under consideration and to other industries benefiting from the project.
- **Employment**: Refers to the part-time and full-time employment positions generated by the economic shock, both directly and indirectly through flow-on activity, and is expressed in terms of full time equivalent (FTE) job years (where one FTE job year is equivalent to one person working full time for a period of one year).

Input-Output multipliers can be derived from open (Type I) Input-Output models or closed (Type II) models. Open models show the direct effects of spending in a particular industry as well as the indirect or flow-on (industrial support) effects of additional activities undertaken by industries increasing their activity in response to the direct spending.

Closed models re-circulate the labour income earned as a result of the initial spending through other industry and commodity groups to estimate consumption induced effects (or impacts from increased household consumption).

3.5 BUILDING DESIGN

The building design is undertaken over two key stages, of concept design and detailed design. The concept design stage provided detailed appreciation of the:

- Size and form of the facility
- Facility requirements (such as stage, side stages, orchestra pit, green room and dressing rooms and flexibility modes)
- Format of front-of-house spaces including main and subsidiary foyers, and service facilities (bar/s, cloak room, ticketing office, merchandise, etc.)
- Technical back-of-house facilities.
- Administration and ancillary spaces.
- Loading dock and associated service spaces/workshops.

The Detailed Design Phase proposes strategies for site spaces beyond the facility's building envelope which could include provision for other facilities, landscape realms, outdoor uses, and events.

Outputs of this phase comprise plans at each level, sections, elevations, and 3D visualisations. The work facilitated the elemental costing of the facility and will accommodate value management studies to tailor project cost to the financial and economic feasibility analyses.

3.6 COST ESTIMATION

3.6.1 Overview

The development of the DBC Cost Estimates was an interactive process within the design team. AECOM reviewed the developed documentation to gain a detailed understanding of proposed facilities to identify and immediately address any adverse budget and design issues.

AECOM developed the Cost Planning and Cost Management components by measuring quantities utilising appropriate software on the following parameters:

- By estimate stage – to allow comparison and reconciliation between estimates.
- By functional area – to allow comparison with the project budget and compile detailed functional area cost statistics, useful for this and other projects.
- By element – in accordance with the Australian Cost Management Manual and standard practice.

All cost estimates are presented to enable a like-for-like comparison between project phases. The output are high-level estimates, commensurate with the level of design, including all budgetary items such as (but not limited to):

- Acquisition costs
- Site-wide services, roads and infrastructure, external infrastructure upgrades and contributions
- Builders' overheads and margins
- Consultant fees, statutory fees, FF&E, ICT, Project management, decanting
- Risk-adjusted contingencies and escalation.

AECOM based the Quantity take-offs on the Australian Institute of Quantity Surveyors (AIQS) guidelines.

3.6.2 Construction Risk Adjusted Cost Estimation

Construction cost estimates produced for the Townsville Concert Hall were based on the design documentation and each of the possible sites for the construction, providing both P50 and P90 quotes. P50 and P90 are terms commonly used in project management, particularly in the context of estimating costs and schedules for various activities or projects. These terms refer to different levels of confidence associated with the estimates.

- P50 (or 50th percentile): P50 represents the median or the point of maximum likelihood for a given estimate. In other words, there is a 50% probability that the actual cost or schedule will be higher or lower than the P50 estimate. The P50 quote is considered the most likely or "best guess" estimate.
- P90 (or 90th percentile): P90 represents a higher level of confidence compared to P50. It indicates that there is a 90% probability that the actual cost or schedule will be equal to or lower than the P90 estimate. In other words, the P90 quote is more conservative and considers a higher range of potential risks, uncertainties, or contingencies that may impact the project.

P50, P90 or other confidence level adopt and apply Risk Adjusted Contingencies utilising Pallisade @Risk software modelled through a rigorous risk analysis process, drawing on the project risk registers, cost planner's experience and consultation with the wider project team.

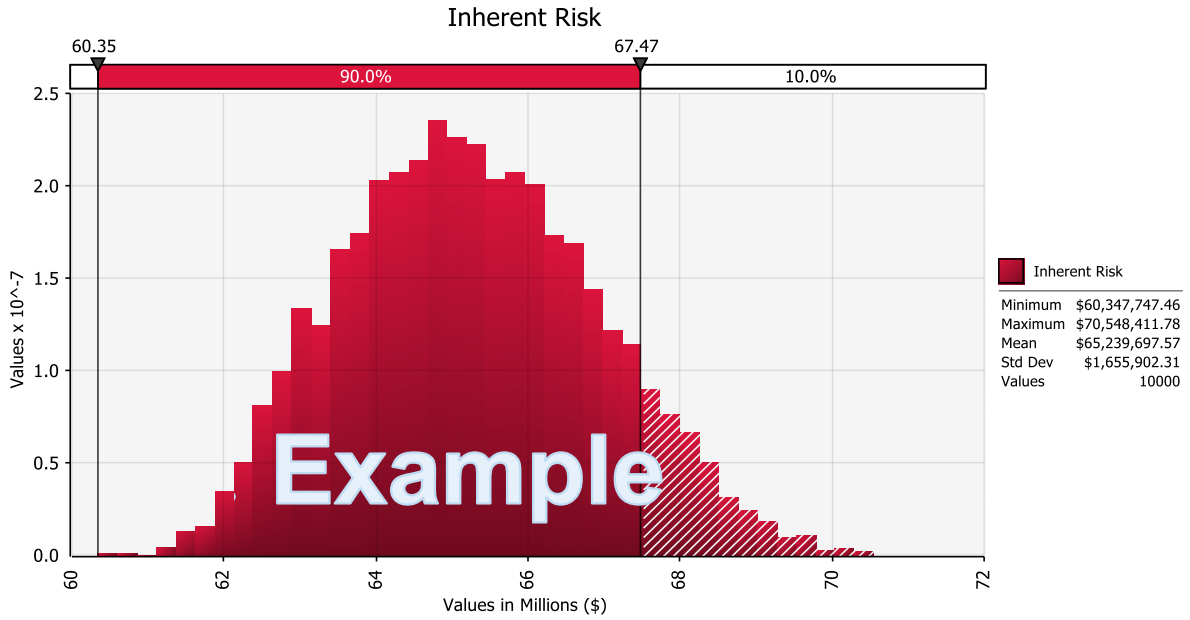
The P90 construction cost estimates have been used for the financial feasibility analysis.

3.6.3 Contingency Estimation

The risk simulation exercise utilised software @Risk. It involves the incorporation of the inherent risk ranges on the estimate and the risk register information, assessing the likely 'actual' impacts on time and/or additional cost for the project. This results in the calculation of a contingency amount, which was considered in association with the base estimate to provide a risk based "out turn cost". During the simulation exercise, areas of the project that are particularly sensitive to cost variance were identified. This allows mitigation measures to be developed and applied to control the effects of these risks as the project develops.

The output from the probabilistic cost estimation process is not a single cost estimate value as normally provided for projects, but a range of values accompanied by associated probabilities in a project cost risk profile, as provided in the example figure below, which shows the P90 point where 90% of the time we would expect the final project cost to fall in the darker red zone to the left of, or less than, the total project modelled value at the vertical line.

Figure 3.2. Risk Probability



The resulting project risk profile, cut at the required level of confidence, i.e., P90 provides the probability exceedance cost, and this value less the base estimate value determines the contingency required to be added to the base estimate to achieve the level of confidence required.

This total contingency is distributed across design, construction, and project contingency buckets to assist future management of project costs against budget.

3.6.4 Whole of Life Costs

The Whole of Life cost reports include Capital replacement costs, maintenance costs, mid-life refreshes and churn, grounds maintenance and cleaning, cash flowed for the duration of the selected analysis period, typically 30 years in escalated or current day costs and are risk adjusted as required and agreed with the Commercial Advisors.

AECOM have developed bespoke WOL Costing Software to ensure great outcomes from earliest design stages, even prior to the design team documenting material, plant, and equipment selections by using parametric benchmark modelling.

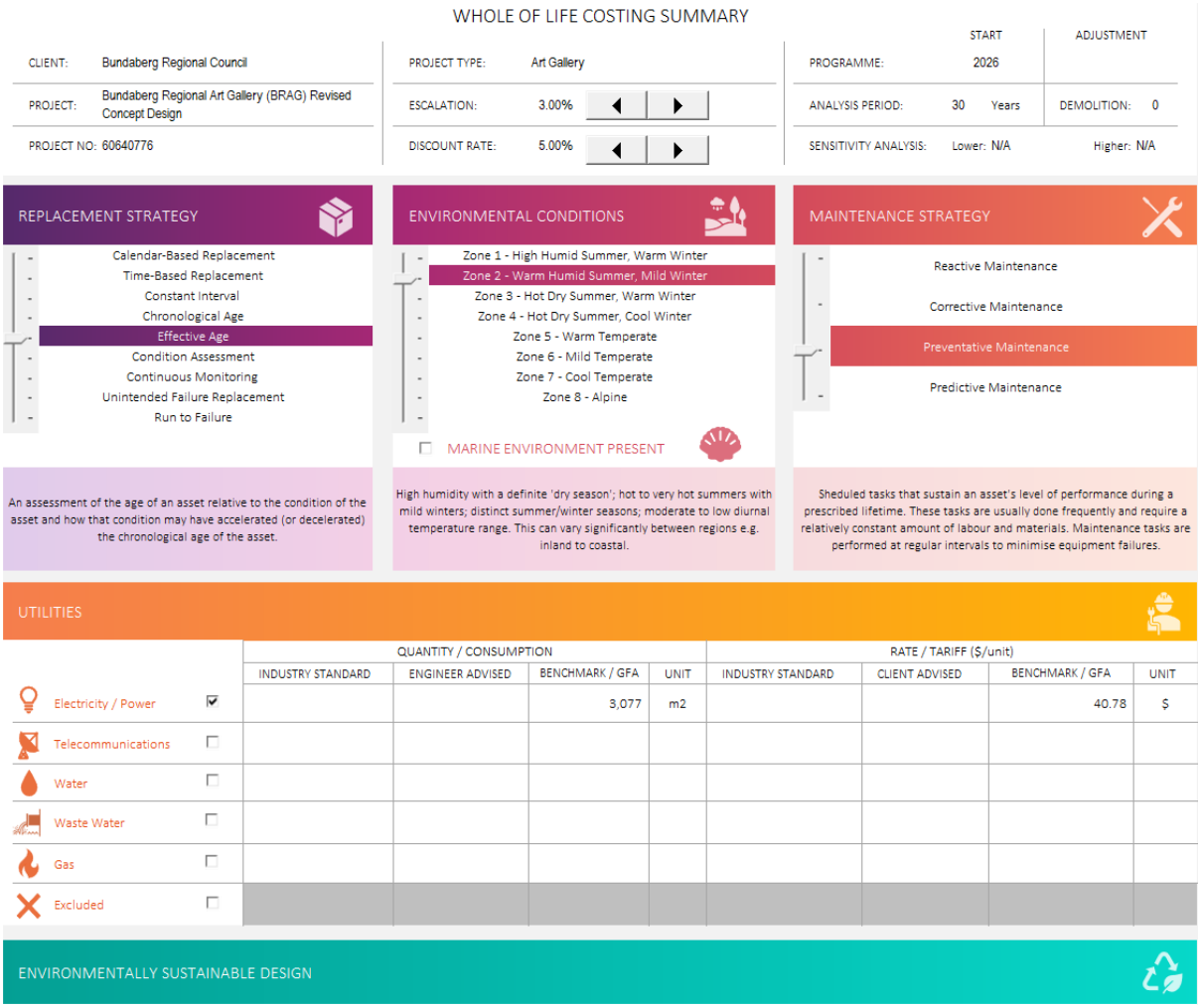
AECOM utilise WOL methodologies, as defined by the Finance in Resource Management Guide (RMG) and Australian Standards, to provide a financial mechanism to enable the comparison of potential outcomes and to provide a 'road-map' of potential future expenditure over the life of the assets.

The WOL forms a key component of Business Case studies in terms of providing the financial inputs. AECOM utilise our in-house Whole of Life Cost Modelling software tool to provide well considered WOL cashflows and

forecasts for consideration in the business case and investment approval process. Refer to the figure overleaf (Whole of Life Costing Summary) for a screenshot of the software tool controls screen.

Our software can utilise cost estimates from concept design through to Pre-Tender Estimates through the use of parametric modelling and high-level design team inputs. We can quickly analyse multiple options and provide sensitivity analyses for input into the business case economic models.

Figure 3.3. Whole of Life Costing Summary



Source: AECOM

3.7 RISK ANALYSIS

3.7.1 Overview

Probabilistic cost estimating is aimed at providing robust estimates. Robust estimates require, not only correctly identifying quantities and associated rates, but also must be consistent with the level of risk associated with the components of the project. This is not the same as applying a nominal contingency over the top of a cost estimate. A robust estimate should also be directly linked to actual construction methodologies and constraints associated with the project. The preparation of probabilistic estimates would typically be carried out using a process developed from the AS/NZS 4360 Risk Management Standards. This process would involve input from all stakeholders on the project to identify areas of the project which are perceived as a risk either to the financial performance or delivery of the project. The process undertaken looks at both inherent and contingent risks, as outlined in the sections below.

AECOM's Cost and Risk team developed develop risk adjusted contingencies through "Monte Carlo" simulation modelling in @Risk software. Key tasks included:

- Risk range analysis on the cost estimate
- A risk workshop to identify other project risks. Risks identified that may have consequences other than cost implications to the construction of the project to be utilised by AEC to refine analysis.
- A model was developed to analyse both the Inherent Risk in the cost plan (Quantity and Cost rate certainty) and Contingent Risk (register of risks that may or may not occur, e.g., natural events causing loss of power or access to the project site, etc).
- The resulting project cost risk profile was cut at the required level of confidence, i.e., P90 and this value less the base estimate value determines the contingency required to be added to the base estimate to achieve the level of confidence required.

3.7.2 Inherent Risks

Inherent risks relate to the potential variability in the quantities and rates used in an estimate due to design growth, minor omissions, and changes in detailed functional requirements (but not project design criteria). This is modelled from the cost estimate at a detailed level with a confidence range applied to each quantity and each rate depending on the reliability of the source information (e.g., measured from Schematic Design drawings or an allowance only).

As the quantity surveyors responsible for the material take offs and rate analysis in the estimates are best placed to understand the level of certainty or risk in the quantities and rates, they are required to range these components.

To ensure consistent risk ranging, our quantity surveyors use data tables similar to Figure 9.1, to code up the estimate for the risk modelling team.

Figure 3.4. Inherent Risk Assessment

Cost Basis 6	Cost Basis 5	Cost Basis 4	Cost Basis 3	Cost Basis 2	Cost Basis 1					MIN	INHERENT RISK ANALYSIS TOOLKIT	MAX							Cost Basis 1	Cost Basis 2	Cost Basis 3	Cost Basis 4	Cost Basis 5	Cost Basis 6
80%	90%	95%	97%	98%	100%	6	Cost Basis	80%	Allowance	130%							100%	103%	105%	107%	115%	130%
						5		90%	Historical Data	115%												
						4		95%	Budget Quotation	107%												
						3		97%	Fixed Quotation	105%												
						2		98%	Tendered	103%												
						1		100%	Supply Agreement	100%												
80%	90%	95%	97%	98%	100%	A	Quantity Basis	100%	Fixed Quantity	100%							100%	103%	105%	107%	115%	130%
79%	89%	94%	96%	97%	99%	B		99%	Take off IFC Drawings	102%							102%	105%	107%	109%	117%	133%
78%	88%	93%	95%	96%	98%	C		98%	Take off Detailed Design Drawings	107%							107%	110%	112%	114%	123%	139%
78%	87%	92%	94%	95%	97%	D		97%	Take off Schematic Design Drawings	113%							113%	116%	119%	121%	130%	147%
76%	86%	90%	92%	93%	95%	E		95%	Take off Conceptual Design Drawings	120%							120%	124%	126%	128%	138%	156%
72%	81%	86%	87%	88%	90%	F		90%	Take off from Plans, GA, PFD, Previous Projects	135%							135%	139%	142%	144%	155%	176%
68%	77%	81%	82%	83%	85%	G		85%	Factored or Percentage Based Cost	150%							150%	155%	158%	161%	173%	195%
64%	72%	76%	78%	78%	80%	H		80%	Allowance	175%							175%	180%	184%	187%	201%	228%

This coding allows the risk team to determine a minimum, most likely and maximum value for each line item in the estimate and these resulting inherent risk ranges are incorporated into the risk models.

3.7.3 Contingent Risks

Contingent risks that may or may not occur (e.g., natural events causing loss of power or access to the project site, industrial issues, unavailability of trained construction resources, contamination removal, external influences etc), which have been excluded from the estimate. These are extracted from the project risk register and modelled on the likelihood of occurrence for each risk.

A Risk Workshop and Risk Register workshop was held to understand and document project risks. This involved project team members from the project team technical specialists including designers, cost planners, project managers, commercial advisors, and other specialists.

Probabilities and consequences of each risk identified were assessed where practicable, and a register of the resulting risks prepared and consequences in time and or cost established.

3.8 REVIEW OF ENVIRONMENTAL FACTORS

3.8.1 Overview

The approach taken for the review of environmental factors is a strategic assessment based upon a desktop analysis considering:

- **Flood immunity** – flooding has been considered for each of the sites in order to understand the extent of inundation and potential remediation that might be required to create flood resilience for any future facility. Townsville City Council's (TCC) TownsvilleMAPS – Flooding was used to assess flood risk. The State Planning Policy (SPP) requirements for flood are triggered by the flood mapping contained in local government planning schemes.
- **Storm surge inundation** – storm surge has been considered for each of the sites in order to understand the extent of inundation and potential remediation that might be required to create storm surge resilience for any future facility. The State Planning Policy Interactive Mapping System (SPPIMS) was used to assess storm surge risk. The 2017 SPP interests have not been incorporated into the Townsville City Plan.
- **Geotech** – analysis of geotechnical matters across the sites provides an indication of any subsurface and soil contaminants or encumbrances that might directly impact the future development of the facility. The specific parameters examined, and range of sources used for analysis include:
    - Acid sulfate soils (ASS) – TCC's TownsvilleMAPS – Townsville City Plan – ASS;
    - Contaminated land – searches of the Environmental Management Register (EMR) and Contaminated Land Register (CLR);
    - Erosion – SPPIMS – erosion prone areas;
    - Geology – Queensland Globe – detailed surface geology; and
    - Unexploded ordnance (UXO) – Development Assessment Mapping System (DAMS) and Department of Defence UXO Mapping Application.
- **Cultural heritage** – the cultural heritage significance of heritage places and heritage areas, including places of Aboriginal and Torres Strait Islander cultural heritage, has been considered for each of the sites in order to understand where development may need to support long-term conservation. TCC's TownsvilleMAPS – Cultural Heritage, which is consistent with the State mapping but also includes local heritage significance, was used to identify where cultural heritage places and areas occur. A search of the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DTATSIPCA) Aboriginal and Torres Strait Islander Cultural Heritage Database and Register was also undertaken to identify any registered sites within proximity of the sites.
- **Native Title** – consideration has been given to Native Title requirements through a search of the National Native Title Tribunal (NNTT) National Native Title Register, Register of Native Title Claims, and Register of Indigenous Land Use Agreements (ILUA). Advice would need to be sought from Native Title experts / relevant legal representatives to determine if Native Title has been extinguished over the sites or if there are certain obligations that need to be carried out to enable development of the TCH.
- **Environmental** – matters of local environmental significance (MLES), matters of state environmental significance (MSES) and matters of national environmental significance (MNES) have been considered to understand any issues that might require addressing in terms of areas of non-development and/or requirement for permitting and approvals. TCC's TownsvilleMAPS – Natural Assets, SPPIMS – biodiversity, and

Department of Climate Change, Energy, the Environment and Water (DCCEEW) Protected Matters Search Tool (PMST) were used to assess environmental matters.

- **Airport environs** – airport environs overlay codes from the Townsville City Plan have been considered to understand any development issues that might require addressing in terms of ensuring the safe and efficient operations of the airport and aviation facilities in Townsville.

The Legal, Regulatory and Approvals Pathway section documents the legal and regulatory considerations pertaining to the environmental factors for each site.

3.8.2 Environmental and Planning Approvals

Identify relevant town planning and environmental approvals required to develop a concert hall and supporting enabling works, included the preparation of an approvals register and pathway to clearly set out the potential planning and environmental approvals that may be required to be obtained for development on that selected site.

The approvals strategy has considered all the applicable Commonwealth, State and local government planning and approvals provisions that need to be taken into consideration, including:

- EPBC Act 1999
- Native Title Act 1993
- State Planning Act 2016 and subordinate legislation
- Planning Regulation 2017
- Ministerial Infrastructure Designation process
- Economic Development Act 2012
- State Planning Policy 2017
- State Development Assessment Provisions
- North Queensland Reginal Plan 2020
- Townsville City Plan, defined use, strategic framework, zone, overlays and categories of development, LGIP
- Townsville City Waterfront Development Area Development Scheme.

An approvals strategy has been prepared to inform the development on each site, the risks and approval triggers, an indicative timeframe and cost to achieve all approvals.

4. STRATEGIC CONSIDERATIONS

Key Findings:

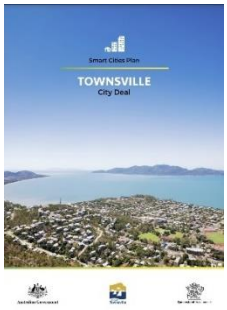
- The delivery of jobs, infrastructure and an entertainment/ cultural facility though the development of the facility will meet several objectives of the Townsville City Deal and will contribute to the success of the strategy.
- The development of cultural and arts infrastructure in a regional area, and the subsequent encouragement of increased arts and cultural activity and awareness, will provide social benefit to Northern Queensland communities and will contribute to the success of several Australian Government and Queensland Strategies.
- Several Australian Government and Queensland Government strategies seek to ensure regional Australia has sufficient infrastructure to facilitate and encourage population growth, prosperity, connectivity and liveability. The TCH represents a significant piece of infrastructure for Northern Queensland, which will lift the level of infrastructure in the region and by increasing the cultural opportunities available to residents and visitors may encourage population and tourism growth and improve the connectivity and liveability of the region.
- Supporting the economic objectives of the Queensland Government, the TCH will provide jobs through its construction and operation and will catalyse economic growth through increased visitation and the increased spending associated with attending shows.
- The TCH supports several objectives of the Townsville City Council including the revitalisation of the CBD and, for the LGA more broadly, activation of economic growth, increased arts and cultural amenities, increased connectivity and activity, and improved liveability.

4.1 APPROACH

This section provides a summary review of known current Townsville City Council, Queensland Government and Australian Government strategic documents that outline the priorities for both infrastructure and cultural development, and how the TCH can assist in delivering the objectives in each strategy.

The alignment of the TCH with existing Australian Government, Queensland Government and Townsville City Council strategic policy was assessed by identifying relevant strategies published by each level of government, reviewing each strategy, and assessing how the proposed TCH aligns with, and progresses, the objectives of each strategy.

4.2 TOWNSVILLE CITY DEAL



Townsville City Deal

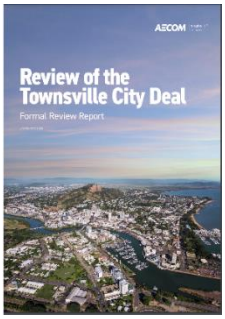
The Townsville City Deal is a 15-year commitment between the federal and state governments and the Townsville City Council that is focused on the future economic prosperity of the Townsville and broader North Queensland regions (Townsville City Council, 2016). The City Deal highlights several initiatives to enhance lifestyle, create local jobs and attract more people to the city.

The Townsville City Deal highlights unlocking the potential of the region and encouraging business and industry development. The goals of the Townsville City Deal include:

- Creation of sustainable jobs to support a transitioning community and economy, including boosting indigenous employment opportunities
- Delivery of catalytic infrastructure to drive private sector investment, support existing and emerging economies and sustainable jobs
- Delivery of new transit, entertainment and cultural facilities that enhance amenity and lifestyle.

Under the Capital of North Queensland initiative, the Queensland Country Bank Stadium (opened in 2020).

A new concert hall would contribute to and achieve the outcomes sought in the City Deal in Townsville.



Formal Review of the Townsville City Deal

On behalf of the Australian and Queensland Governments and Townsville City Council, AECOM (2020) conducted a formal review of the first three years of the Townsville City Deal. The review was informed by interviews with government and non-government stakeholders, publicly available data, and information provided by the Australian and Queensland Governments and Townsville City Council. The review aimed to highlight the achievements to date and identify the opportunities for improvement.

Success gained under the Townsville City Deal at the time of writing were as follows:

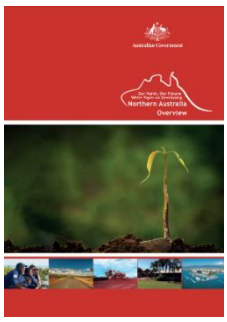
- $942.6 million of funding allocated to projects
- Key projects under the Townsville City Deal have contributed to the local economy through 12.2% Aboriginal and Torres Strait islander workforce participation, employing 121 apprentices, letting 69.3% of trade packages to local subcontractors and suppliers, 83.4% of construction hours being performed by local subcontractors and more than 1,000 direct and indirect jobs created.
- Funding mechanisms for projects were simple and quickly initiated
- Projects that were previously well developed were identified and funded, allowing for quick project success
- Projects are driving additional investment and employment in Townsville
- Stakeholders interviewed through the review were highly satisfied

The key findings of the review include:

- The initially established milestones of The Townsville City Deal were identified as having been achieved.
- The functioning of the Townsville City Deal could be improved by further understanding the links between commitments by which one commitment can catalyse additional initiatives.
- The three levels of government involved have been able to bring together a range of government stakeholders as well as funding, networks and the level of required commitment to the Townsville City Deal.
- The formal reporting of the Townsville City Deal, particularly through the Annual Progress Report, provides an update of the commitments but should further report on the broader benefits of the achievements.

The Townsville City Deal was overall considered to drive development in Townsville and while improvements can be made to the processes associated with the Deal its objectives are mostly being met.

4.3 AUSTRALIAN GOVERNMENT



White Paper on Developing Northern Australia

The Developing Northern Australia White Paper, written in 2015, is described as an essential part of Australian Government's plan to build a strong, prosperous economy and a safe, secure Australia (Department of Premier and Cabinet (DPMC), 2015). It highlights the importance of northern Australia to the national economy, and the contribution that over one million people who live in the north make to the prosperity of the country.

It notes that by making the right regulations and infrastructure investments, the government can encourage jobs growth in northern Australia and tackle the costs of living far from major cities.

The vision of the White Paper is for government-facilitated, rather than government-led growth. It states that business is far better placed to understand the risks and rewards from northern economic development, but government action is still required to remove impediments to growth.

The Commonwealth Government will address challenges to development by:

- Making it easier to use natural assets, in close consultation with, and the support of, Indigenous communities
- Providing a more welcoming investment environment
- Investing in infrastructure to lower business and household costs
- Reducing barriers to employing people
- Improving governance.

The Australian Government is committed to ensuring northern Australia has the appropriate infrastructure to support economic and population growth. To do this, the Government will continue to work with state and territory governments to identify the north's infrastructure needs and priorities, provide targeted funding for priority projects and establish a new financing mechanism to encourage increased private sector investment.

This is evidenced in the funding contributions made as part of the Townsville City Deal, that is enabling the Townsville Concert Hall proposal to progress.

Our North, Our Future: 2021-2026 Targeted Growth

Over the five years from 2021 to 2026, the Government is committed to investing in transformational and enabling project through a whole-of-government approach. The Government has identified six national priorities, supporting future investment in the sectors of:

- Energy and minerals
- Water infrastructure
- Food and fibre
- Supply chains
- Community amenities
- Tourism.

One of the national priorities is tourism and supporting a tourism bounce back after the implications of the COVID19 pandemic. The plan highlights that "Australia's visual and creative arts are world-famous, and bring a myriad of economic opportunities to the north – from tourism to direct employment." (Australian Government p. 29, 2021).

The Townsville Concert Hall will directly support the development of the region (and northern Australia), creating a dedicated infrastructure for regional art and culture. The Townsville Concert Hall will encourage opportunities for tourism performances and support visitation to the region.

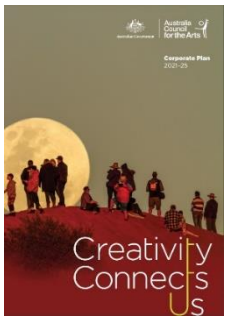
Australia's National Cultural Policy, Revive: a place for every story, a story for every place

The Australian Government's National Cultural Policy is a five-year plan focused on reviving the arts in Australia. The policy is structured around five interconnected pillars, setting out Government's strategic objectives:

- First Nations First – Recognising and respecting the crucial place of First Nations stories at the centre of Australia's arts and culture.
- A Place for Every Story – Reflecting the breadth of our stories and the contribution of all Australians as the creators of culture.
- Centrality of the Artist – Supporting the artist as worker and celebrating artists as creators.
- Strong Cultural Infrastructure – Providing support across the spectrum of institutions which sustain our arts, culture and heritage.
- Engaging the audience – Making sure our stories connect with people at home and abroad.

The policy was developed to guide government investment to deliver a "…better future for our creative workers and organisations, while expanding economic opportunities…" (Australian Government, p. 5, 2023). The policy

also states that "Artists need strong infrastructure that provides training, development and space to share new works" (Australian Government, p. 6, 2023). The Townsville Concert Hall provides a place where "…all people can be storytellers, and that all audiences can experience their stories" …" (Australian Government, p. 38, 2023).



Australia Council for the Arts: Corporate Plan 2021-25

The Australian Council for the Arts is the principal arts investment, development and advisory body for the Australian Government. The corporate plan identified five strategic objectives and subsequent goals, including (Australia Council for the Arts, 2019):

- Australians are transformed by arts and creativity: support engaging arts experiences, expand access to arts experiences, support the digital mobility of Australian arts and creativity and promote arts experiences in everyday life.
- Our arts reflect us: enable activity that connects communities, support creative work that reflects contemporary Australia, support increased diversity in our creative workforce and promote diversity across all Australian Council activities.
- First Nations arts and culture are cherished: strengthen and embed First Nations arts and culture, grow experiences of First Nations arts and culture, support First Nations young people's artistic and cultural expression and uphold First Nations arts and cultural practitioners' cultural rights.
- Arts and creativity are thriving: support viable creative careers and business models, enable risk taking and experimentation in the realisation of new works, develop partnerships to strengthen our cultural and creative industries and promote wellbeing and a safe environment for people working in the arts.
- Arts and creativity are valued: advocate for the public value of arts and creativity, advise on arts matters to inform government policy development, lead public discussion about matters relating to arts and creativity and develop evidence that increases understanding of the cultural and creative industries.

The Townsville Concert Hall aligns with several key strategies identified in the report, which have been outlined to achieve the goals listed above. The Townsville Concert Hall specifically aligns to delivering "…targeted investment to best support presentation of creative works in regional areas through government initiatives and frameworks" and "invest in diverse, high quality creative activities that provide a point of focus of creative celebration for their communities" (Australia Council for the Arts, p. 20, 2019).

More broadly, the Townsville Concert Hall aligns to the corporate plan by strengthening the presence of arts in the region and providing an increase in opportunities to access and participate in cultural activity.

4.4 QUEENSLAND GOVERNMENT

North Queensland Regional Plan

The North Queensland Regional Plan is a 25-year strategic, statutory planning document for the Townsville Statistical Area 4 (including the Local Government Areas of Townsville, Burdekin, Hinchinbrook, Palm Island and Charters Towers) (Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP), 2020). This report focuses on supporting industries and infrastructure planning to accommodate a growing and aging population.

Key goals in the plan include:

- North Queensland as a leading economy in regional Australia
- A rich and healthy natural environment
- Liveable, sustainable and resilient communities that promote living in the tropics
- A safe, connected and efficient North Queensland.

The vision of the regional plan is to position North Queensland as a thriving, diverse, liveable and progressive region which is set around the emerging capital of northern Australia. The development of the Townsville Concert

Hall will support liveability in the Townsville region by providing infrastructure for the strong arts and cultural community in the region.

Creative Together 2020-2030

The Creative Together report was released in October 2020 and was developed to provide a clear vision to renew and transform Queensland through creativity over the next 10 years (Arts Queensland, 2020). The report is a vision for the arts, culture and creativity with an action plan to sustain (short term), grow (medium term) and support a thriving industry (long term). The report focuses on five key priorities including:

- Elevate First Nations arts
- Activate Queensland's local places and global digital spaces
- Drive social change across the state
- Strengthen Queensland communities
- Share our stories and celebrate our storytellers.

The Creative Together is being delivered through three action plans. The first action plan, sustain 2020-22, focuses on the impacts of the COVID-19 pandemic and the industries immediate support to recover from the impacts. The second action plan, grow 2022-26, focuses on growing and amplifying the impact of the arts, culture and creativity. The thirst action plan, thrive 2026-30, focuses on building a thriving industry that transforms Queensland communities. The report highlights a number of arts infrastructure investments including the: new theatre at Queensland Performing Arts Centre, the redevelopment of the Thomas Dixon Centre, the Queensland Ballet Academy, Rockhampton Museum of Art and the Bulmba-ja Arts Centre in Cairns.

The Townsville Concert Hall aligns with the strategic intent of the Creative Together report as it aims to retain and grow the local creative talent within Townsville and subsequently the broader state of Queensland. A key priority of the report is to activate "Queensland's places and spaces with arts and culture enhances the vibrancy of local communities, strengthening their attractiveness and providing more opportunities for Queenslanders to engage in arts, culture and creativity" (Arts Queensland, p. 16, 2020). The Townsville Concert Hall will provide a physical location to allow artists to "develop and present quality content that audiences can engage with" (Arts Queensland, p. 16, 2020).

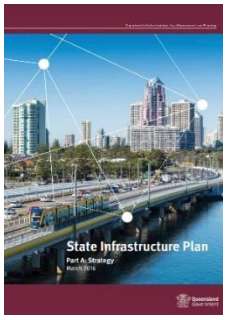
State Infrastructure Strategy – Arts, Culture, Recreation and Tourism

The State Infrastructure Strategy focuses on a number of industries, presenting a clear vision for infrastructure requirements of the Queensland Government over the next two decades (Department of State Development, Infrastructure, Local Government and Planning (DSDILGP), 2023). The plan focuses on infrastructure classes including digital and innovation, transport, energy, water, health, education and training, justice and public safety, social and affordable housing, and arts, culture, recreation and tourism. For the purposes of this strategic alignment, the focus is on the arts, culture, recreation and tourism infrastructure class.

The strategy highlights 21 key priority actions for supporting the arts, culture, recreation and tourism over the next two decades. The Townsville Concert Hall specifically aligns to the following priority actions:

- Partnering with communities and all levels of government to support new cultural infrastructure "…that enhances community engagement in cultural experiences, supports artists and creative industries, and delivers economic and social outcomes for communities across the state" (DSDLIP, p. 108, 2023).
- Valuing arts, cultural and recreation infrastructure investments by recognising and growing the economic, social and community benefits.
- Promoting cultural tourism through the opportunity to provide more events and performances in the region.

The State Infrastructure Strategy is focused around four key pillars including encouraging jobs, growth and productivity; enhancing sustainability and resilience; developing regions, places and precincts; and adopting smarter approaches. The Townsville Concert Hall will support the development of the region, creating a cultural precinct and encouraging opportunities for both local and touring performances.



State Infrastructure Plan (Part A: Strategy)

The State Infrastructure Plan outlines the government strategic direction for the prioritisation and delivery of infrastructure that support growth, enables economic development and creates jobs (Department of Infrastructure, Local Government and Planning (DILGP), 2016).

The infrastructure developments in Queensland aim to improve the quality of life for a number of communities, encourage investment and support job growth by leveraging technology. The strategy highlights that the government will prioritise infrastructure that improves prosperity and liveability, leads and support growth and productivity, connects communities and markets and improves sustainability and resilience.

Across the arts, culture and recreation infrastructure class, the following provides strategic direction for the Queensland Government will focus on:

- Delivering the Commonwealth Games legacy infrastructure program
- Working with industry to deliver infrastructure that drives visitor expenditure
- Protecting the state's most treasured collections
- Delivering dedicated infrastructure for indigenous and regional art and culture
- Promoting a coordinated approach to supporting infrastructure that elevates Queensland's tourism offering and delivers an exceptional journey for every visitor.

The Townsville Concert Hall will deliver dedicated infrastructure for regional art and culture, while increasing liveability of the local community.

Strategy for Social Infrastructure

The Queensland Government's Strategy for Social Infrastructure, 2019, seeks to identify the success factors, which underline successful social infrastructure (DSDMIP, 2019).

The strategy also identifies six key implementation actions to help achieve healthier outcomes in the future planning, design and provision of social infrastructure:

- Champion place-specific social infrastructure investment
- Establish a Social Infrastructure Ministerial Committee to prioritise social infrastructure investment
- Strengthen place-specific social infrastructure planning in priority areas
- Investigate a more coordinated approach to land acquisition and management to support more efficient capital investment
- Strengthen the delivery role of Community Hubs and Partnerships
- Pilot the success factors identified in the Best Practice Guide for Social Infrastructure.

The strategy notes that while all infrastructure can provide a social benefit, this strategy is focused on physical facilities and spaces which include arts, culture, and recreational facilities. This strategy has clearly provided an impetus for the Queensland Government work collaboratively with Townsville City Council and the Australian government to develop social infrastructure in Townsville.

The Townsville Concert Hall directly aligns with the objectives of this strategy and its implementation actions. By increasing the cultural infrastructure offering in Townsville the Townsville Concert Hall will provide social benefit to the community.

4.5 TOWNSVILLE CITY COUNCIL

Townsville Waterfront Priority Development Area

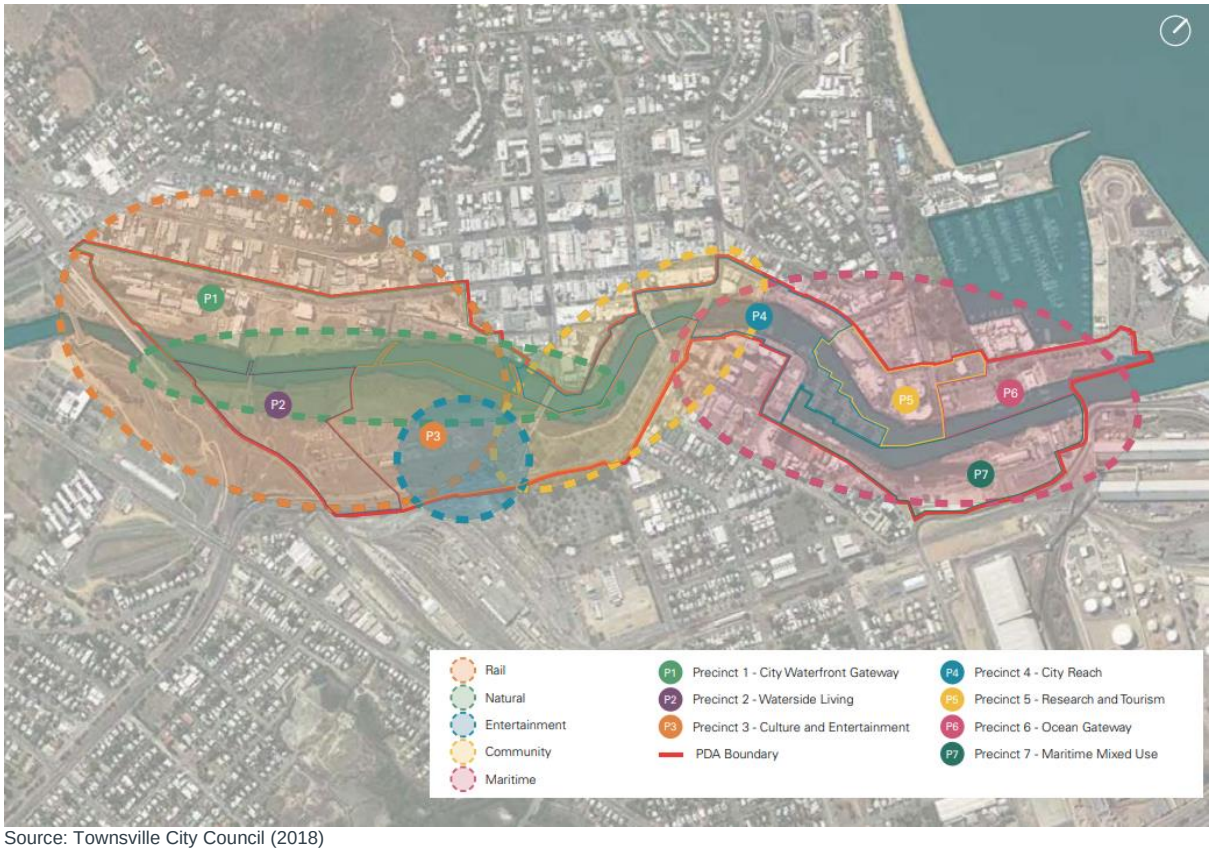
The Townsville City Waterfront Priority Development Area (PDA) was declared in 2014, with the scheme being adopted by the state government in 2015 (Townsville City Council, 2015). The Waterfront PDA is a partnership between the Queensland Government, the Port of Townsville and the Townsville City Council.

The scheme entails a land use plan, an infrastructure plan and an implementation strategy to help revitalise the CBD and stimulate economic growth. The scheme breaks down the Waterfront PDA into seven precincts: City Waterfront Gateway, Waterside Living, City Reach, Ocean Gateway, Culture and Entertainment, Research and Tourism and Maritime Mixed Use.

Within the Culture and Entertainment Precinct, it is specifically stated that the preferred land use will include community activities such as an art gallery, concert hall and performance spaces in Central Park. More broadly, the plan is about increasing liveability within Townsville's CBD by transforming Townsville's inner urban area. The plan focuses on the facilitation of mixed-use development in the CBD, a number of public open spaces and cycle paths along the Ross Creek to increase connectivity within the inner city.

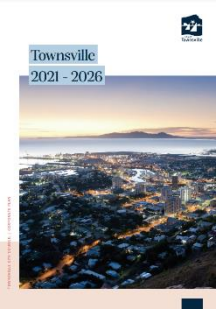
The development of Townsville Concert Hall specifically aligns with the preferred land use of Central Park and more broadly aligns with the revitalisation of Townsville's CBD by increasing connectivity, liveability and activity.

Figure 4.1. Waterfront Priority Development Area



Source: Townsville City Council (2018)

Townsville 2021-2026 – Townsville City Council Corporate Plan



The Townsville City Council Corporate Plan has the vision for Townsville to become a globally connected community driven by lifestyle and nature. The mission is to add 6,400 new jobs over the five years from 2021 to 2026, with a purpose of growing the region.

There are five key goals that are highlighted in the Corporate Plan, including

- A city that connects you to what you need at the time you choose
- A circular economy that advances business and moves towards zero waste
- The hub for modern industry
- A sustainable destination that embraces and participates in the arts, sports, events and recreational activities
- A leading centre of education, training and research commercialisation.

The Townsville Concert Hall directly aligns with goal four and in particular "developing home-grown entertainment and arts culture supported by world class visual and performing arts facilities" (TCC, p. 17, 2021). A key goal of Townsville City Council by 2026 is to "upgrade existing facilities or construct new facilities to meet modern small and medium scale exhibition and performance needs" (TCC, p. 17, 2021).

The Townsville Concert Hall will provide a dedicated space to support the performance needs of the local community and touring performances to support the continued development of the arts in Townsville.

Local Government Infrastructure Plan

The Local Government Infrastructure Plan (Townsville City Council, 2017a) was developed as part of the Townsville City Plan. The Townsville City Plan was prepared as a framework to manage development in the planning scheme area (shown below) over the next 25 years in a way that advances the *Sustainable Planning Act 2009.* State and regional strategies, including state planning policies, are sought to be advanced in the plan, taking into account the local context.

The Local Government Infrastructure Plan aims to:

- Integrate infrastructure planning with the land use planning identified in the Townsville City Plan
- Provide transparency in regard to a local government's trunk infrastructure development intentions
- Assist a local government with it's long-term financial planning by enabling it to estimate the cost of infrastructure provision
- Ensure trunk infrastructure is planned and provided in an efficient and orderly manner
- Provide a basis for the imposition of infrastructure conditions on development approvals.

The Townsville Concert Hall aligns with the broader strategic intent of the Townsville City Plan through its aims of Shaping Townsville and creating a Strong and Connected Community. One of the five guiding principles in Shaping Townsville is to create a *lively, diverse and well-connected city center* in which Townsville's CBD will be *bustling with activity and creativity*. One of the seven guiding principles in creating a Strong and Connected Community is to *develop a vibrant arts lifestyle* by *embracing the richness and talent of the arts community*.

The Townsville Concert Hall will facilitate the advancement of both of these goals by expanding live entertainment in the city, strengthening the arts presence in the city, and providing opportunities for performing artists to work.

Townsville City Council Arts Strategy 2020-2024

The Arts Strategy developed by Townsville City Council was prepared to support future artistic and cultural development and growth within the region (Townsville City Council, 2020). The strategy highlights the strong arts and cultural community within the Townsville and broader North Queensland region, identifying that by 2024, Townsville will become the centre of the arts in Northern Australia.

Council have identified four key themes and goals for the strategy, including (Townsville City Council, p. 10-11, 2020):

- Council as investor: Council's investment in the arts supports a vibrant arts scene that is innovative, creative and aligned with good arts practice
- Council as creator: In Townsville the arts enrich daily life and inspire wider understanding of themes in contemporary society
- Council as champion: Townsville is known for its great art and arts practitioners
- Council as advocate: The arts experience extends outside our public building to activate community spaces, to grow audiences and foster collaborative relationships and business acumen.

In developing the Arts Strategy, Council undertook community engagement to identify priorities and opportunities for the broader arts community in Townsville. A key priority identified from stakeholder consultation was arts infrastructure, and specifically a concert hall and a new regional art gallery. Additional priorities identified included, programs, indigenous arts practice, arts collections, marking of programs and services, support for arts practitioners and practice development, youth arts practice and availability of local tertiary studies in the arts and the affordability of the theatre (from a hirer's perspective and the patron's).

The Townsville Concert Hall directly aligns with infrastructure as a priority identified in the stakeholder engagement.

Tourism Think Tank – The Strategic Vision and Repositioning of Townsville

Tourism Think Tank is a specialist market intelligence, strategic positioning, and brand development firm. In 2017, Townsville City Council engaged Tourism Think Tank to help develop an entirely new strategic positioning and public narrative to become the long-term foundation and guide for implementing Council's planned major transformation of Townsville (Tourism Think Tank, 2017).

The report outlines three key focus areas to enable Townsville's transformation:

- Creating an entirely new, easy to grasp, strategic positioning that becomes the long-term underpinning foundation of what the reinvented city's 'brand' primarily stands for.
- Developing and motivating a public narrative of the repositioning.
- Embedding the transformation with permanent marketing, publicity and promotion campaign, on a sufficient scale to significantly raise local and national awareness of the totally transformed city/ destination.

Enablers to this strategic vision, as outlined in the report, are the experiences that residents and visitors can enjoy, which include the arts and the cultural facilities that support the arts. Although the report does not specifically mention any particular arts facilities in Townsville, it draws a strong connection between a city's attractiveness as a tourism destination with the quality and attractiveness of facilities for events and supporting infrastructure to attract and retain visitors for regional activation.

Community consultation conducted as part of the engagement revealed a public perception that there was a serious lack of appropriate spaces and quality venues to hold performances and events, along with transport solutions to service these locations.

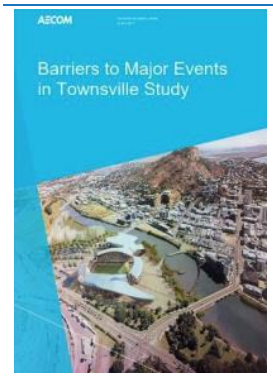
There was also identified to be a level of under-appreciation of the imperative role that arts and culture play in defining a city's identity, and their intrinsic appeal to local, global and tourist audiences alike.

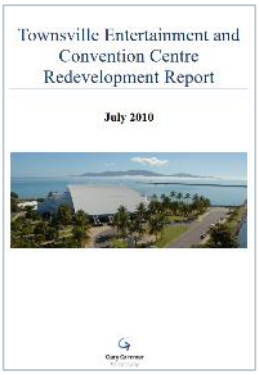
The development of the Townsville Concert Hall would progress the strategic vision for Townsville by expanding the range of experiences that residents can enjoy and addressing the community's concern regarding a shortage of performance and event spaces.

4.6 SUMMARY OF OTHER RELEVANT LITERATURE

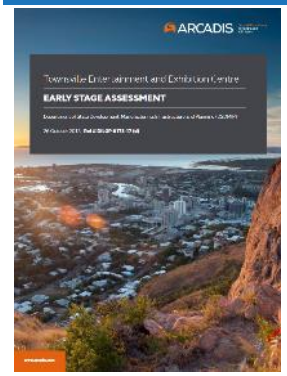
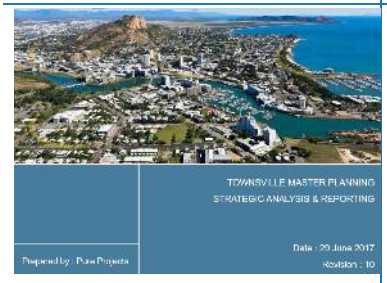
Table 5.1 below includes an overview of additional literature relevant to the development of related cultural activities in Townsville. A more detailed review of the summarised literature is included as a supporting appendix within the Service Need Assessment Technical Appendix B.

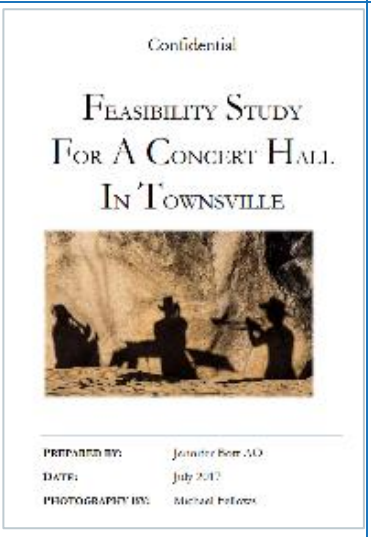
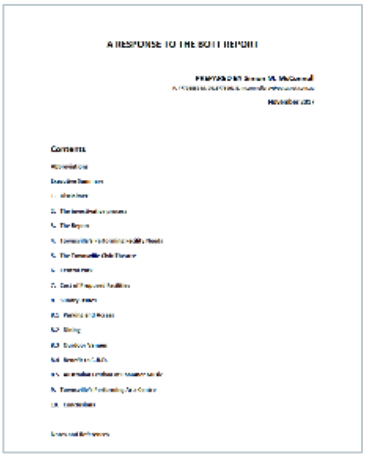
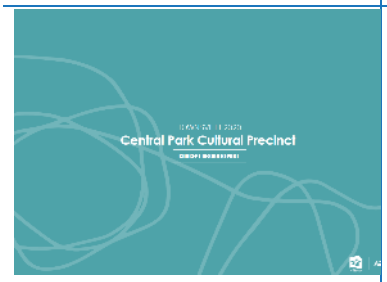
Table 4.1. Summary of Other Relevant Literature

Report / Paper	Overview & Key Findings
	**A Cultural Plan for Townsville (Positive Solutions, 1999)** Townsville City Council engaged Positive Solutions (1999) to produce a Cultural Planning Document for the city of Townsville in collaboration with the Council's Community and Cultural Development Department. The report found: • Sufficient demand for a new performing arts space, smaller than the current Townsville Civic Theatre • The proposed facility would be between 800m^2 and 1,200m^2 • The proposed facility would cost between $2 million and $3.6 million to construct • A subsidy of between $125,000 and $150,000 is likely to be required to operate the establishment.
	**Barriers to Major Events in Townsville Study (AECOM, 2016)** Townsville Enterprise Limited (TEL) appointed ACEOM (2016) to undertake an assessment of the barriers to major events in Townsville. Through desktop research and stakeholder engagement, the report identified the following key barriers to major events in Townsville: • Weather • Event profitability • Event logistics • Existing venue options • Lack of support
	**Townsville Entertainment and Convention Centre (Cox Rayner, 2010)** Council commissioned Cox Rayner (2010) to perform a preliminary comparative site analysis of six potential locations for a new Townsville Entertainment and Convention Centre (TECC). The report considered a new TECC which would meet the requirements of a 5,200-seat arena, a 3,000m^2 exhibition space, a ballroom or banquet capacity of 1,800 people and 12 meeting rooms. The report recommended for the 'Dean Street' location to be progressed in future planning for a new TECC due to: • Its close proximity to the CBD and hotel and restaurant amenities, • Its accessibility via public and private transport, • Its capacity to accommodate the current needs of the TECC as well as potential future development, • The potential of the site to accommodate a high visibility, iconic building.

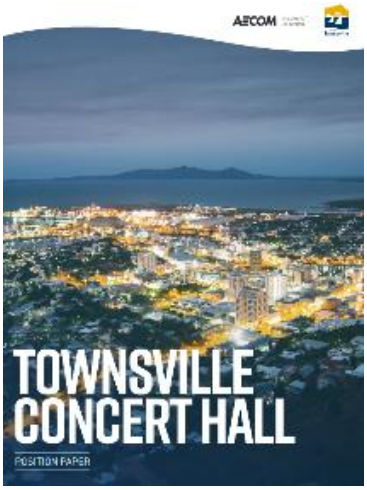
Report / Paper	Overview & Key Findings
	**Townsville Entertainment and Convention Centre Redevelopment Plan (Grimer & Co, 2010)** Gary Grimmer & Company (2010) was commissioned by the TECC to assess the need to refurbish or expand the existing venue and provide recommendations for its future development. The report recommended: • The demolition of the existing TECC to construct a new multi-purpose facility on Dean Street • The new venue to be 22,663m^2, including a 5,200-seat arena and 12 meeting rooms • The new venue to accommodate business, sporting and entertainment events in a more central location • The new venue was expected to generate an average economic benefit of $96.5 million per year over 20 years.
	**Feasibility Study for a New Sport, Entertainment and Convention Facility in Townsville (KPMG, 2013)** KPMG (2013) was engaged by Townsville City Council to develop a feasibility study and concept design for new or redeveloped sporting, entertainment and convention centre facilities in light of Townsville's two primary sporting and entertainment venues, TECC and Willow Sports Complex, nearing the end of their economic useful lives. The report recommended: • The demolition of the Willow Sport Complex and the TECC • The development of an integrated stadium (30,000 capacity) and flexible entertainment centre (6,000 capacity). • The development to be located on the Dean Street site at an estimated cost of $316.0 M • Full public financing.

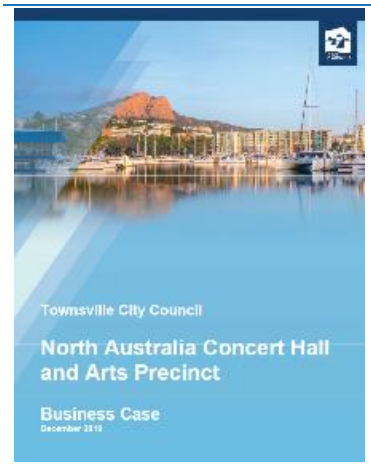
	**North Queensland Arts and Cultural Centre: Scoping Report (TCC, 2017b)**
	
	In this report, Townsville City Council (2017b) considered the minimum facility requirements for a North Queensland Cultural Centre and expanded cultural precinct located in Central Park. The North Queensland Cultural Centre was required to include an art gallery, concert hall and library.
	
	The report found:
	
	• The demand for performance spaces in Townsville far exceeds supply
	• Strong social benefits of investing in Townsville's cultural and creative sectors, through:
	  ○ Strengthening the underlying values of inclusiveness, openness and democratic practice in the community
	  ○ Increased social capital in the community by means of enhancing residents' sense of place in the city, defining the local identity and integrating Indigenous heritage into the collective identity.
	• Strong economic benefits of investing in Townsville's cultural and creative sectors, through:
	  ○ Job creation
	  ○ Attracting skilled professionals to Townsville by increasing its 'liveability'
	  ○ Increased visitation.

Report / Paper	Overview & Key Findings
	**Townsville Entertainment and Exhibition Centre: Early-Stage Assessment (Arcadis, 2018)** In April 2018, the Department of State Development, Manufacturing, Infrastructure and Planning commissioned Arcadis (2018) to undertake an Early-Stage Assessment of the Townsville Entertainment, Exhibition and Convention Centre. Included in this assessment was a needs analysis and a preliminary evaluation assessment. The report found: • Townsville is in "desperate need" of a more modern and suited facility for art, culture, community, and youth events. • The current size of the facility, even with upgrades, would not meet capacity requirements after 2028. • The current facility additionally cannot meet the functionality requirements of modern events and will become increasingly ineffective in terms of operational expenditure. The report recommended: • A new facility located near the central business district • The facility was recommended to be a minimum of 5,000m2 for exhibition or other space with an auditorium capacity of 8,000 to 10,000 people. • The facility should be able to accommodate developing technologies and growth in population and tourism with flexibility to increase capacity to 10,000 to 13,000 people. • The facility as a catalyst for cultural and economic change in the region, particularly in regard to promoting and supporting Townville's Indigenous culture and tourism activities. • In the long-term, an iconic and functional multi-use Entertainment and Convention Centre would be required. This research was delivered as part of Commitment 2 under the Townsville City Deal.
	**Townsville Master Planning Strategic Analysis & Reporting (Pure Projects, 2017)** Council commissioned Pure Projects (2017) to provide a review of the existing CBD and the designated Priority Development Areas. • The report found: • Strong community engagement in cultural activities and an undersupply of suitable performing spaces. • The need for a new concert hall with approximately 1,000 seat capacity located either within the proposed Hive Development or Central Park Arts and Cultural Centre.
	**Townsville Performing Arts Centre (Troppo Architects, 2017)** Townsville Community Music Centre commissioned Troppo Architects (2017) to produce detailed conceptual plans and costings for a Townsville Performing Arts Centre (TPAC). The proposed TPAC will include: • The Civic Theatre and its extension building • A small theatre of approximately 200 seats, • A medium sized theatre in concert hall structure of approximately 800 seats (600 stall seats and 200 balcony seats) • A larger foyer which can be used as a flat floor venue • The possibility of integrating an outdoor performance venue with a capacity of 2,000 people.

Report / Paper	Overview & Key Findings
	• The total cost of the development was estimated to be $74.4 million, with the Concert Hall representing the largest portion of the costs.
	**Feasibility Study For a Concert Hall in Townsville (Jennifer Bott AO, 2017)** Jennifer Bott AO (2017) was engaged by Council to undertake a scoping study for a concert hall in Townsville (note: despite its name, the report did not examine the feasibility of the opportunity). Bott found that an additional cultural facility is "desperately needed" due to the demand for cultural facilities in Townsville not being met by the supply. The report recommended: • The development of concert hall and a surrounding cultural complex. • The concert hall to have capacity for 800 to 1,000 seats and a stage. • The surrounding cultural complex to include a small multi-use gallery, a 250-seat black box studio space/theatre, a large foyer, storage space and a bar/café/restaurant. • The Hive or Central Park as the preferred locations for the cultural complex due to their proximity to the CBD and other relevant amenities. • The governance and management of the concert hall should be independent from the Council but responsible to it for the delivery of financial and performance obligations.
	**A Response To The Bott Report (Simon McConnell, 2017)** In a critical response to Bott's Feasibility Study for a Concert Hall in Townsville, Simon McConnell (2017) claimed the report failed to address Townsville's most urgent needs. McConnell believed Townsville's greatest need to be firstly for a small and a medium sized theatre and subsequently for an outdoor theatre. McConnell found the concert hall proposed by Bott to be larger than what was required for Townsville, preferring a smaller and more flexible venue which could accommodate multiple uses. McConnell ultimately advocated for the progression of the TPAC proposal, citing its strong economic and logistical performance and its potential to become an iconic venue.
	**Townsville Central Park Cultural Precinct (AECOM, 2018)** AECOM (2018) was engaged by Council to produce a concept design for the Townsville Central Park Cultural Precinct located at Central Park and Dean Street Carpark. The design was intended to guide Council in their goal of creating a key public open space on the Townsville Waterfront CBD where entertainment and culture would be celebrated. The report found: • Sufficient demand within Townsville for a 1,000-seat concert hall • Sufficient demand for an Indigenous cultural centre

Report / Paper	Overview & Key Findings

	**Townsville Concert Hall (AECOM, 2019)**
	
	AECOM (2019) was commissioned by Townsville City Council to evaluate the rationale for a 1,000-seat concert hall in the Townsville City Centre.
	
	The report found:
	
	• Economic benefits to Townsville Local Government Area of:
	  ○ $86.9 million worth of additional output (including $36.8 million directly) and 272 full time equivalent (FTE) jobs (105 directly) during the construction phase
	  ○ $10.8 million worth of additional output on an annual basis (including $4.8 million directly) and 55 FTE jobs (including 33 directly) in the operational phase
	• A range of socio-economic benefits to the Townsville community, including:
	  ○ An increase in visitation
	  ○ The provision of high-quality events
	  ○ Enhancing Townsville's inner-city profile
	  ○ Boosting local and regional resident's pride and sense of importance
	  ○ Supporting local artists and performers and providing opportunities for their artistic growth
	  ○ Increased opportunities for volunteerism
	  ○ Meeting the current demand for an additional cultural facility
	  ○ Expansion of friendship groups and sense of belonging in the community

	**North Australia Concert Hall and Arts Precinct (Townsville City Council, 2019)**
	
	To address the well-established shortage of cultural facilities in Townsville, Council in 2019 proposed the North Australia Concert Hall and Arts Precinct (NACHAP) and produced an associated Business Case.
	
	The precinct was proposed to include:
	
	• A 1,000-seat concert hall
	• A conservatorium of music comprising of:
	  ○ A 400-seat performance and rehearsal space,
	  ○ Teaching rooms, and
	  ○ Office and support services
	• A flexible, multi-use visual arts gallery with a storage area for the Townsville Art Collection, workshop areas and office and administrative spaces.
	
	To support this development Council sought $80 million in funding from State and Federal Governments across three financial years. The investment was expected to generate:
	
	• $175 million of additional output (including $64 million directly) and 671 FTE jobs (including 195 directly) during construction.
	• $12 million of additional output and 83 FTE jobs during the operation phase.

	**Townsville Exhibition Centre (AEC, 2019)** In 2019, AEC Group was commissioned to develop a conceptual design for the Townsville Exhibition Centre, designed to host expos, instead of conferences, which is a gap in the regional Queensland market. The proposed design included: • Three exhibition halls totalling 9,000m^2, • A 2,250m^2 foyer, • 2,200m^2 of office or meeting spaces and • 600m^2 of amenities

Report / Paper	Overview & Key Findings
	• The development was estimated to cost a total of $40.1 million.
	**Townsville Entertainment & Exhibition Centre: Concept Proposal Draft (Cox, 2021)** In 2021, Cox was commissioned to develop a concept proposal for a Townsville Entertainment and Exhibition Centre located at the Dean Street Carpark site. The proposed Townsville Entertainment and Exhibition Centre comprised the following elements: • A 6,000-seat sport arena • A 5,200-seat entertainment arena • A 1,000-seat concert hall and performing arts space • A 3,200m2 exhibition space • A 1,600-person ballroom and banquet facility • 10 meeting or breakout rooms • A carpark of approximately 500 spaces • Large vehicle access and loading facilities
	**Northern Australia Cultural Precinct (TaskforceNQ, 2021)** TaskforceNQ published an advocacy paper for a cultural precinct in Townsville City. The proposed development, referred to as the North Australia Cultural Precinct would include: • A 1,000-seat concert hall, • A conservatorium of music, • A 6,000-seat entertainment and exhibition centre and • A multi-use art gallery. The total required investment for the development was estimated to be $292 million. In additional to the range of unrealized social benefits, TaskforceNQ estimated the lack of cultural infrastructure in Townsville to have cost the region $12 million in missed opportunities and 51 ongoing jobs.
	**North Australia Concert Hall and Arts Precinct (TEL, 2021)** Townsville Enterprise Limited (TEL) (2021) published a paper in collaboration with the Council advocating for the progression of the North Australia Concert Hall and Arts Precinct as a key commitment under the Townsville City Deal. In addition to a range of socio-economic benefits, the precinct was estimated to deliver 934 construction jobs, 55 ongoing jobs and 2,242 indirect jobs. With the paper, TEL sought the rapid delivery of a detailed business case for the Concert Hall with a $98 million commitment subject to the outcomes of the business case and a further $220 million to deliver the entire Arts Precinct.

Report / Paper	Overview & Key Findings
	**Townsville Performing Arts Centre (TPAC, 2021)** TPAC (2021) developed a report advocating for the progression of the initial concept designs that were developed for the centre in 2017. The report found: • Insufficient demand for a stand-alone concert hall, proposing instead a recital hall with the same acoustics as a concert hall but with the layout of a drama theatre. • The co-location of the proposed theatres in the NACHAP proposal with art galleries to be problematic. • Cost savings by pursuing the TPAC development as opposed to other proposals as a result of utilising the existing Townsville Civic Theatre and by minimising the required supporting amenities. TPAC would require a capital investment of $75 million and would operate at an annual deficit of $0.5 million
	**The Hive Concert Hall and Playhouse Theatre (Gleeson Group, 2022)** In 2022, Gleeson Group (2022) developed a summary paper on the recent developments and proposals for a concert hall and playhouse theatre at the Hive. In 2018, Council granted the Hive preliminary development approval for a 1,000-seat concert hall and a 350-seat playhouse theatre with an accompanying parking facility. The concert hall would be a multi-use venue with facilities to accommodate a wide range of performances, conventions and other events.

Source: AEC

5. STAKEHOLDER CONSIDERATIONS

Key Findings:

- Townsville's current cultural infrastructure is limiting the development of the performing arts industry in Townsville. Consultations with local, state and national performance groups indicated a broad interest in performing in Townsville. Capacity constraints of existing facilities and the lack of an acoustic facility represents a significant barrier to performing in Townsville and has prevented a number of groups from visiting, including during regional tours.
- The most significant gap in the city's performing arts facilities identified though stakeholder engagement to be a large venue suitable for acoustic performances (a concert hall). A dedicated acoustic concert hall would enable visitation from performance groups who require venues designed for acoustic use and would improve the quality of acoustic-based performances currently held in Townsville to the benefit of performers and audiences.
- A secondary smaller performance space to support additional local or smaller touring productions was identified as a secondary requirement and highly desirable component. Stakeholders identified co-location with the concert hall to be optimal to provide a rehearsal/warm-up space ancillary to the main hall. Consultation indicated that while this space would be considered highly beneficial for users, it was not required to support the functioning of the main concert hall and could potentially be delivered at a later stage.
- Any new performing arts facility should be located within Townsville's CBD (or CBD Fringe) to allow the facility to become a community hub and act as a catalyst for economic growth. The facility has the potential to activate the Townsville city centre and support the Townsville City Deal's aim to deliver a prosperous economic future for the region and to position Townsville as a vibrant, liveable and innovative city.
- Governance was a core focus of many stakeholders, with a strong preference for the establishment of an independent, skills-based board to manage current and future arts assets (and associated programming) in Townsville.

5.1 APPROACH

Stakeholder engagement was undertaken across three rounds with distinct purposes and stakeholder cohorts. Each consultation round is described in detail below.

5.2 ROUND ONE

5.2.1 Stakeholder Engagement

The first round of consultation was undertaken to understand key stakeholder perspectives on challenges and opportunities for delivering arts and cultural services to Townsville (including infrastructure and policy/ non-infrastructure barriers). The information provided by stakeholders served as preliminary information to inform the:

- Service Need Assessment
- Site Options Analysis
- Financial Appraisal
- Economic Assessment
- Delivery Arrangements.

Specifically, the objective of the engagement was to:

- Inform stakeholders of the proposed additional performing arts facility and provide stakeholders with the opportunity to provide feedback as to the type of facility required

- Introduce and gain support for the DBC from stakeholders
- Gather preliminary information regarding the demand for an additional performing arts facility
- Understand gaps in existing cultural infrastructure in Townsville
- Understand potential market for additional cultural infrastructure in Townsville
- Understand specifications required for the potential venue
- Gather stakeholder views on the socio-cultural impacts of the development of arts in Townsville
- Gather information regarding the suitability of potential sites and the associated planning considerations.

A broad range of local, state and national stakeholders and industry organisations were included in the first round of consultation. The final list of participating stakeholders is detailed in Table 5.1 below.

Table 5.1. Round One Stakeholder Consultation Cohort

Organisation	Organisation Type	Date Consulted
Local Organisations/ Groups		
Althea Projects	Community Organisation	March 18, 2022
Australian Concert and Vocal Competition	Festival	March 24, 2022
Australian Festival of Chamber Music	Festival	March 21, 2022
Barrier Reef Orchestra	Orchestra	March 23, 2022
Big Eye Theatre	Theatre Company	April 1, 2022
Dancenorth	Dance Company	March 29, 2022
Eisteddfod	Festival	April 6, 2022
Friends of the Theatre Townsville	Theatre Organisation	March 31, 2022
Full Throttle Theatre	Theatre Company	March 22, 2023
Ignatius Park College	School	April 6, 2022
Local Councilor Division 3 & Chair Arts & Culture Advisory Committee	Local Council	April 1, 2022
Local Councilor Division 9	Local Council	March 25, 2022
North Australia Festival of the Arts Townsville City Council	Festival	March 25, 2022
North Queensland Opera and Music Theatre	Music Company	March 31, 2022
Professional Arts North Queensland (PANQ)	Arts Organisation	March 22, 2022
TheatreiNQ	Theatre Company	March 23,2022
Townsville Chamber of Commerce	Community Organisation	March 29, 2022
Townsville Choral Society	Music Company	March 30, 2022
Townsville City Council – Mayor	Local Council	March 22, 2022
Townsville Civic Theatre	Performing Arts Venue	March 23, 2022
Townsville Community Music Centre	Music Organisation	March 24, 2022
Townsville Enterprise	Community Organisation	March 23, 2022
Townsville Little Theatre	Theatre Company	April 8, 2022
Townsville Performing Arts Centre (TPAC)	Theatre Organisation	March 31, 2022
Wulgurukaba	Traditional Owners	April 1, 2022
State Organisations/ Groups		
Camerata	Orchestra	April 7, 2022
Melbourne Cultural Precinct	Performing Arts Venue	April 5, 2022
Member for Herbert	House of Representatives	April 1, 2022
Member for Mundingburra	Queensland Legislative Assembly	March 23, 2022
Member for Thuringowa	Queensland Legislative Assembly	March 24, 2022
Member for Townsville	Queensland Legislative Assembly	March 25, 2022
Qmusic	Music Organisation	March 31, 2922
Queensland Ballet	Dance Company	March 23, 2022

Organisation	Organisation Type	Date Consulted
Queensland Music Festival Pty Ltd	Festival Organisation	March 22, 2022
Queensland Performing Arts Centre (QPAC)	Performing Arts Venue	March 29, 2022
Queensland Symphony Orchestra	Orchestra	March 29, 2022
Queensland Theatre Company	Theatre Company	March 25, 2022
Stage Queensland	Theatre Organisation	March 23, 2022
Ukaria	Performing Arts Venue	April 1, 2022
National Organisations/ Groups		
Circa	National Circus Organisation	March 18, 2022
Musica Viva	National Music Organisation	April 1, 2022
Senator for Queensland, Special Envoy for Northern Australia	Australian Government	
Urban Development Institute of Australia	Urban Development Organisation	March 18, 2022

5.2.2 Information Provided by Local Stakeholders

During this stage, information was also provided by local industry experts from TCT and the Australian Festival of Performing Arts (AFCM).

Representatives of the TCT provided unpublished information to assist with the development of the demand assessment. As the premier performing arts facility in the Townsville region, understanding the current demand for the TCT was key to understanding the demand for the proposed concert hall. The information provided by Townsville Civic Theatre included:

- The current booking schedule of the theatre (2022 calendar)
- A list of regular annual bookings
- Missed bookings over the past year due to lack of availability
- Insight into the anticipated venue preferences of each performance genre (e.g. comedy, opera, cabaret, etc)
- Information regarding ticket pricing and anticipated audience size.

The AFCM provided extensive information in contribution to the development of the demand assessment. As a prominent annual user of event spaces in Townsville, information provided by the AFCM was key in understanding current and future demand for event spaces in the region. In addition to participating in consultations (as detailed below), information provided by AFCM included:

- The current (2022) event schedule
- The venue of each performance
- Actual and target box office sales for each performance
- Various internal research reports which provided additional information on the AFCM, it's audience and its outlook.

5.3 ROUND TWO

Round Two of consultations were undertaken to understand the potential future demand for venues spaces in Townsville. Key local, state and national organisations were engaged, which were determined to be potentially able to increase performances in Townsville should a concert hall be available in Townsville. The specific engagement objectives were to understand:

- The venue requirements of different organisations and their level of desirability/ criticality on using the facility
- What barriers have prevented the organisation from performing (or performing more often) in Townsville
- The propensity of each organisation to increase performances in Townsville under the scenario in which Townsville has a concert hall that meets their requirements

- The external factors, beyond the facility itself, that would be required for each organisation to perform in Townsville
- The current, or most common, venue hire structure used by the organisation
- The ticket pricing structure for regional audiences
- Each organisation's revenue generation model
- The expected hire fee for a venue (such as a concert hall) in Townsville
- Anticipated audience size and composition of local or visiting attendees.

The consultations involved 12 organisations, including five local, four state and three national organisations. The final list of participating organisations for Round Two of consultation is provided below.

Table 5.2. Round Two Stakeholder Consultation Cohort

Organisation	Organisation Type	Date Consulted
Local Organisations		
Australian Festival of Chamber Music	Festival	June 3, 2022
Barrier Reef Orchestra	Orchestra	June 7, 2022
Dancenorth	Dance Company	June 9, 2022
Townsville Choral Society	Local Music Company	June 10, 2022
Townsville Eisteddfod	Festival	June 10, 2022
Australian Concerto and Vocal Competition	Festival	July 15, 2022
State Organisations		
Queensland Youth Orchestra	Orchestra	June 3, 2022
Queensland Symphony Orchestra	Orchestra	June 7, 2022
Opera Queensland	Opera	June 17, 2022
Queensland Ballet	Dance Company	June 17, 2022
National Organisations		
Australian Romantic and Classical Orchestra	Orchestra	June 10, 2022
Australian String Quartet	Classical Music Company	June 22, 2022
Australian Brandenburg Orchestra	Orchestra	June 23, 2022

Industry experts were also consulted to identify the preferred facility type of different genres of performance. Performances genres could be allocated to a concert hall, flexible acoustic facility (acoustic and amplified sound), or a theatre. This process is discussed in more detail with results in the Service Need Assessment.

5.4 ROUND THREE

Round Three of consultation was undertaken to establish benchmarks for financial operations, revenue and expenditure as well as attendee characteristics and spending behaviour for the financial and economic appraisal. Venues were engaged, which were considered to be similar to the proposed TCH in key aspects. The specific goals of the engagement were to understand:

- Venue operation models
- Venue features
- Event organisation/ venue hire models
- Staff requirements
- Annual revenue and the primary sources
- Annual expenses and the primary sources
- Audience characteristics and behaviour.

The consultations involved five venues in Queensland and Victoria, including one concert hall and four theatres. The final list of participating venues is provided below.

Table 5.3. Round Three Stakeholder Consultation Cohort

Organisation	Location	Venue Type	Date Consulted
Redlands Performing Arts Centre	Redlands	Concert Hall	August 11, 2022
The Empire Theatre	Toowoomba	Theatre	August 30, 2022
Home of The Arts	Gold Coast	Theatre	September 12, 2022
Geelong Arts Centre	Geelong	Theatre	September 14, 2022
Townsville Civic Theatre	Townsville	Theatre	September 15, 2022
Tasmanian Symphony Orchestra	Hobart	Concert Hall	May 04, 2023
Gleeson Group	Townsville	Site Owner - former (The Hive)	April 06, 2022 July 26, 2022 April 5, 2023
Centurion Global Developments	Townsville	Site Owner - current (the Hive)	April 12, 2023 May 9, 2023

Where possible, publicly available financial statements from the above venues were also used to inform the development of benchmarks.

5.5 FIRST NATIONS STAKEHOLDERS

Multiple points of engagement were made with First Nations stakeholders. Engagement was tailored to both understanding the opportunity to enhance Indigenous arts through the new facility, while also understanding any undocumented cultural sensitivities associated with site selection.

Specific engagement, with the support of the National Indigenous Australians Agency, included representatives of First Nations arts companies (Big Eye Theatre and Wulgurukuba Walkabout)

More than 10 attempts were made to engage with different identified representatives of the Wulgurukuba People (the local Traditional Owners of all shortlisted sites) to identify the cultural significance of any of the short listed sites considered (including site use as either a formal or informal meeting place), beyond the publicly available information contained in cultural heritage searches.

Engagement with the neighbouring Bindal People did not generate feedback that could inform facility design and feedback sought on the potential cultural significance of different locations were deferred to representatives of the Wulgurukuba People.

5.6 PEER REVIEW OUTCOMES

5.6.1 Stakeholder Engagement

PAC Australia (the peer reviewer appointed by the Australian Government) found engagement undertaken:

- With local community based organisations was comprehensive (both for this project and for multiple previous assessments on different infrastructure options)
- Delivered a clear expression of gaps in service delivery, venue format and potential usage.

PAC Australia recommended:

- Further engagement be undertaken with First Nations, particularly relating to site of proposed venue
- Further engagement with venue managers, non-performance based users and commercial users (principally to reinforce the findings of the service need assessment).

5.6.2 Implementation of Peer Review Recommendations

Following the delivery of the peer review recommendations, the Project Team addressed the feedback received and incorporated findings into the research. Specific actions included:

- Additional engagement with First Nations stakeholders, specifically relating to potential cultural significance of different sites
- Additional engagement with venue managers and other user groups to inform and refine the demand assessment and economic and financial appraisals.

6. SERVICE NEED ASSESSMENT

Key Findings:

- The most significant gap in the city's performing arts facilities was identified to be a large venue suitable for acoustic performances (a concert hall). The TCH is recommended to be designed to cater to an audience of up to (but not more than) around 1,000 patrons to ensure its ability to accommodate the culturally significant acoustic-based events with large audiences that the facility is expected to attract.
- A secondary service need was identified for a small black-box performance space of approximately 300 seats to support additional productions and serve as a rehearsal/ warm up space for the TCH, which was identified as being strongly desired through consultation with performance groups.
- There is expected to be significant demand for a concert hall in Townsville, which will strongly enhance the cultural landscape, increase the quality of acoustic performances and stimulate economic growth. Including performance days demanded for existing facilities and foregone demand for performances which require an acoustic facility, there is estimated to have been sufficient demand for 137 performance days (176 booking days) in a concert hall in 2022 and 173 performance days (223 booking days) in 2041.
- With the addition of the TCH, TCT will remain a premier theatre performance facility in Townsville with many performance types being best suited to a theatre venue. Where demand for acoustic performances are accommodated by the TCH, usage of the TCT will be optimised with additional capacity to host more performances which are better suited to a theatre venue and more performances that are currently unable to be scheduled as far in advance as is necessary. Of the 297 performance days demanded for existing venues in Townsville in 2022, 194 performance days (251 booking days) are estimated to be best suited to a theatre venue, which is expected to increase to 236 performance days (305 booking days) in 2041.
- By 2041, 79.8% of concert hall-based performances in Townsville are expected to attract audience sizes of between 300 and 700 attendees, with 15.5% expected to provide sufficient demand for audiences of more than 700 attendees. The Townsville Concert Hall is recommended to be designed to cater to an audience of up to 1,000 to ensure its ability to accommodate the small number of culturally significant acoustic-based events with large audiences that the facility is expected to attract, while retaining an intimate performance atmosphere for the majority of performances which will be in the 300 to 700 audience range.
- As Townsville has already begun missing opportunities for performing arts events and cultural development, the need for additional cultural infrastructure and a solution to the identified service need is immediate. In 2022, Townsville is estimated to have foregone demand for 34 performance days as a result of not having an acoustic facility and 32 performance days due to capacity constraints of existing venues (totalling 66 missed performance days); this is expected to increase to a total of 124 missed performance days by 2041.
- The service need assessment was subject to peer review by PAC Australia (Performing Arts Centres Association – the peak body for performing arts centres, presenters and producers across Australia), which found the Service Need Assessment was "*…a sound rationale for the development of a concert hall at the proposed capacity, particularly in a complementary (not competitive) environment to the existing cultural infrastructure.*" (PAC Australia, 2022).

6.1 APPROACH

Analysis of the service need for a concert hall was undertaken and reported as a Technical Appendix (AEC, 2023a) and developed based on desktop literature review, comprehensive consultation with a number of performing arts companies (both local and touring) and venue operators (both in Townsville and in capital cities), as well as development of projections of demand for theatre and concert facilities in the Townsville region.

The quantification of prevailing and projected demand for performance spaces in Townsville relies on measures of booking days, performance days and performances, defined as:

- **Performance days** refer to the days in which a venue is booked and at least one performance is held. Where multiple performances are held by an organisation on a single day these are considered one performance day.

- **Booking days** refer to the days in which a venue is booked and comprises the performance days as well as the bump-in bump-out time required, thereby making the facility unavailable for other activities.
- **Performances** refer to the number of performances occurring over the period. Where multiple performances are held by an organisation on a single day each performance is counted separately.

Booking days and performance days are used to measure the occupancy of a venue and provide an accurate representation of the calendar of events in Townsville, while audience sizes are measured in terms of performances.

Further information regarding the methodology used to determine the service need can be found in Section 3.2 with detail provided in the Service Need Report (AEC, 2023a).

6.2 CURRENT STATE OF PERFORMING ARTS

The Service Need Assessment (AEC, 2023a) identified a clear need for additional cultural infrastructure in Townsville and that Townsville's current cultural infrastructure is limiting the development of the local performing arts industry in Townsville. The current performing arts facilities in Townsville were not designed to cater to a local population of nearly 200,000 people, nor a broader regional population of nearly 400,000 people.

Townsville's main performing arts venues are owned and operated by Townsville City Council, with the premier performing arts facility in the region being the TCT, a 1,066-seat proscenium arch theatre located in Reid Park which was built in 1978. Despite its age, a number of significant refurbishments since its initial construction (including most recently in 2017/18) means the TCT remains a high-quality theatre venue and the only purpose-built, large-scale performing arts venue in Townsville. In addition to the primary theatre space, the TCT also has a black-box style performance space – C2 theatre (an adjunct to the Townsville Civic Theatre – 240 seat capacity), which is the only black-box performance space in Townsville.

While other facilities are available in Townsville that are suitable for performing arts, these facilities are generally of smaller scale and not purpose-built for performing arts, limiting their attractiveness (in particular for large scale productions). These are therefore not considered as material competitors to the proposed new concert hall facility.

The shortage of appropriate supply is a key factor in the TCT currently being heavily over-subscribed. Both literature review and consultation identified the TCT is commonly booked out at least two years in advance, primarily by community groups, whose activities are planned well in advance with a predictable calendar and can secure bookings years into the future, limiting the opportunity for other events and performances with a shorter lead time. Consultation revealed that community arts organisations are often forced to find alternative sub-optimal venues such as school halls which, rightly or wrongly, is perceived locally to show a lack of support from government for the arts.

The Service Needs Assessment also identified a lack of suitable venues catering to a full spectrum of performing arts activities, which is a key barrier to growing Townsville's arts and cultural sector. In particular, it was identified that there is a gap in provision of acoustic-based venues (i.e., a concert hall). A secondary need was identified for a high quality, purpose-built small and/ or medium-sized performing arts facility to support the TCT, this may be in the form of a black-box/ rehearsal space at the TCH.

As a result of this supply shortage, a number of potential bookings are missed each year, including touring companies and major events, due to a lack of available dates at the TCT to meet potential booking times and a lack of suitable alternative venues in Townsville.

6.3 DRIVERS FOR DEMAND

There are a number of factors that drive demand for performance arts facilities within a community, including:

- Demand from the local population to attend and experience performance arts in an appropriate setting.
- Demand from local performance groups for facilities that meet their needs.
- Population size, interest in and capacity to pay to attract major performance arts events and performances.
- Awareness of major performance artists/ groups of the community's interest/ demand, and capacity to schedule performances in the community.

The above factors can be distilled into two key drivers:

- Population growth
- Attraction of major performance events.

Of these demand drivers, it should be noted that meeting the demands of local population and performance groups will primarily support local amenity, while the attraction of major performances/ events will support both local amenity and attraction of visitors to the region and will stimulate additional socio-economic activity.

6.4 DEMAND FOR PERFORMING ARTS

Baseline demand for existing performing arts venues in Townsville is expected to increase steadily over the 20 years from 2022 to 2041. Including both performances, which were held in Townsville in 2022 as well as performance opportunities missed (due to a lack of available capacity at existing facilities), but excluding those potential opportunities missed due to a lack of an acoustic facility. The baseline demand assessment identified demand for 297 performance days (384 booking days) in Townsville in 2022. By 2041, this is expected to grow to 364 performance days (471 booking days), representing an average annual increase of 1.1% on the 2022 demand. This will put increasing pressure on the already strained facilities and result in increasing missed opportunities for Townsville, highlighting a gap in facilities.

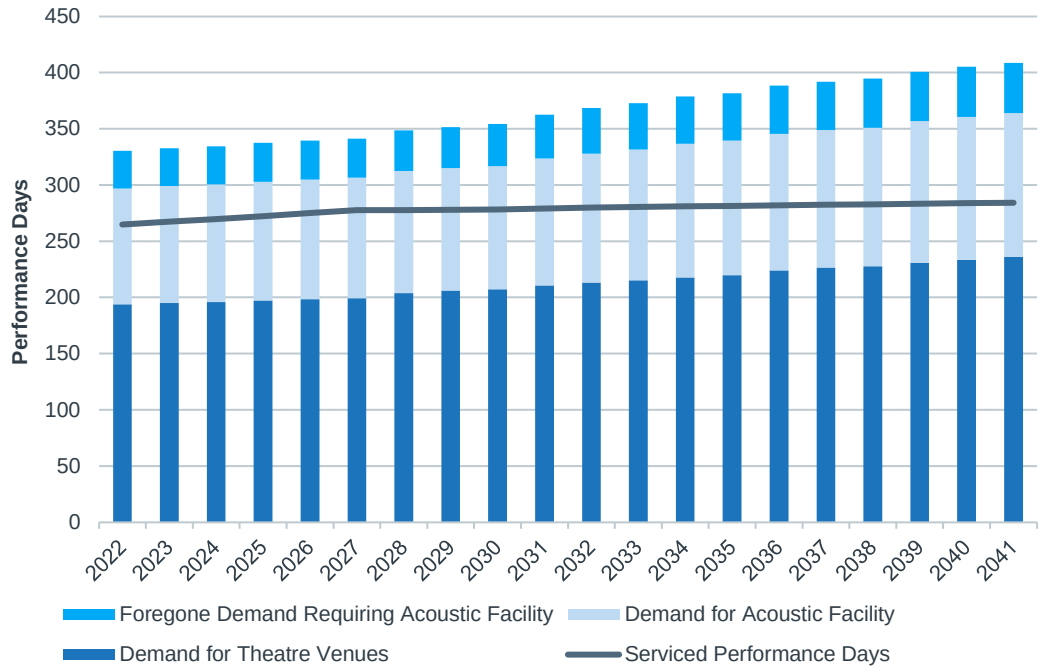
While the majority of the demand for existing performing arts venues in Townsville is best suited to a theatre venue, a substantial portion would prefer to be hosted at an acoustic venue. Of the 297 performance days demanded for existing venues, 103 performance days (34.6%) would be better suited to an acoustic venue in 2022, increasing to 128 performance days (35.2%) by 2041. The remaining performance days are best suited to a theatre venue.

The development of the TCH will alleviate the demand on the TCT and will facilitate the optimisation of the TCT events calendar to one which is best suited to a theatre venue. Where demand for acoustic performances which currently perform at the TCT is accommodated by the TCH, the TCT will have additional capacity to host more performances which are better suited to a theatre venue and more performances that are currently unable to be scheduled as far in advance as is necessary.

Not captured in the baseline demand described above is Townsville's foregone demand from events, which require an acoustic venue to perform and would come to Townsville if there was such an appropriate venue. In 2022, Townsville is estimated to have foregone demand for 34 performance days (44 booking days) due to the lack of an appropriate acoustic facility. This is expected to increase by 1.5% per annum to reach 45 performance days (58 booking days) by 2041. With this foregone demand and the demand for existing venues which would be better suited to an acoustic facility, Townsville is expected to have significant demand for an acoustic facility at 137 performance days (176 booking days) in 2022 and 173 performance days (223 booking days) in 2041.

Figure 6.1 illustrates the estimated number of performance days which are able to be serviced by the existing facilities in Townsville. Townsville is estimated to have missed out on 32 performance days demanded for existing facilities due to capacity constraints, in addition to the 34 performance days foregone as a result of not having an acoustic venue in 2022. By 2041, with the current supply of performing arts infrastructure, Townsville is expected to miss out on 80 performance days demanded for existing facilities in addition to the 45 performance days foregone as a result of not having an acoustic venue, meaning that by 2041 an estimated 125 performance days will be forgone should appropriate infrastructure not be developed.

Figure 6.1. Projected Annual Performance Day Demand, Townsville, 2022 to 2041



Source: ABS (2019, 2021a), QGSO (2022), TCT (unpublished), AFCM (unpublished), AEC

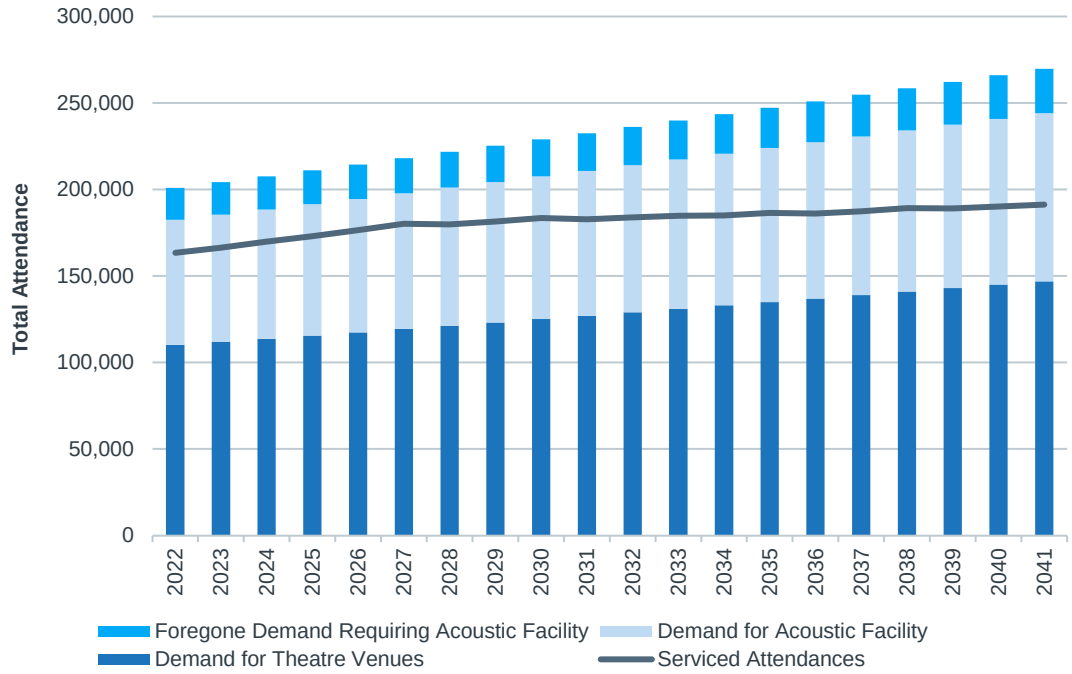
The number of Townsville residents and visitors looking to attend performances will increase as population and visitation grows. For the 297 performance days demanded at existing venues in Townsville in 2022, there is estimated to be demand for approximately 182,500 attendances, increasing to 244,200 attendances by 2041.

A substantial proportion of the attendances demanded for existing performing arts venues in Townsville are for performances, which would be better suited to an acoustic venue, with 72,200 attendances demanded in 2022 (39.6%) and 97,200 by 2041 (39.8%). This indicates a substantial number of performing arts attendees at Townsville venues would benefit from the increased performance quality and performance capacity afforded by an additional acoustic venue. The remaining attendances are expected to be attracted to theatre-based performances, indicating there will be sufficient demand to maintain high, and optimal, usage of TCT under the scenario in which Townsville has an additional acoustic facility.

Additionally, Townsville is estimated to have foregone demand for 18,500 attendances in 2022 from performances which would be held in Townsville if there was an appropriate acoustic facility but are unable to use existing facilities, increasing to 25,500 attendances by 2041. This indicates a substantial missed opportunity for social and economic benefit to the Townsville region.

Figure 6.2 illustrates the estimated number of attendances enabled by the existing facilities in Townsville and those missed due to insufficient infrastructure. Townsville is estimated to have missed out on approximately 19,100 performance attendances demanded at existing facilities in 2022 due to capacity constraints as well as the 18,500 attendances foregone as a result of not having an acoustic venue. By 2041, Townsville is expected to miss out on around 53,000 attendances demanded for existing facilities as well as the 25,500 attendances foregone as a result of not having an acoustic venue totalling 78,500 attendances foregone by 2041 due to having insufficient cultural and performance arts infrastructure.

Figure 6.2. Projected Annual Performance Attendance Demand, Townsville, 2022 to 2041



Source: ABS (2019, 2021a), QGSO (2022), TCT (unpublished), AFCM (unpublished), AEC (unpublished)

6.5 PERFORMANCE SIZES

Over the 20 year assessment period, performances attracting 500 to 850 attendees are expected to comprise the largest proportion of performances preferring theatre venues, 49.7% in 2022 and 61.0% by 2041.

In 2022, the majority of performances preferring an acoustic venue are expected to attract between 300 and 700 attendees at 91.0% of performances. By 2041, the size of performances preferring an acoustic venue are expected to increase. While the majority of performances are still expected to attract audiences of between 300 and 700 attendees (79.8% of performances), the proportion of performances preferring an acoustic venue attracting over 700 attendees is expected to increase to 15.5%.

The performances preferring an acoustic venue, which are expected to attract more than 700 attendees are considered to be of regional significance for Townsville and will contribute to the solidification of Townsville as the Capital of North Queensland and as a cultural and entertainment hub for the north. The AFCM represents all performances attracting more than 850 attendees. Without a venue capable of accommodating the large audiences for the AFCM's major events the performances would have to compromise on quality or reduce the number of tickets available. Performances preferring an acoustic venue which are expected to attract between 700 and 850 attendees of significance to Townsville are also expected to include major independent acts and state orchestras. Therefore, it is considered to be important to have a facility which will attract such performances and accommodate the large audience.

Table 6.1. Estimated Audience Size of Performances Demanded in 2022 and 2041, Townsville

Audience Size	Number of Performances 2022	Proportion of Performances 2022	Number of Performances 2041	Proportion of Performances 2041
Theatre Venue				
Less than 300	48	22.8%	55	21.3%
300 to 500	43	20.4%	27	10.3%
500 to 700	63	29.6%	68	26.4%
700 to 850	43	20.1%	89	34.6%
Greater than 850	15	7.0%	19	7.3%
Total	**211**	**100.0%**	**257**	**100.0%**
Acoustic Venue				
Less than 300	6	3.5%	11	4.7%
300 to 500	112	61.4%	79	34.4%
500 to 700	54	29.6%	104	45.4%
700 to 850	4	2.2%	26	11.5%
Greater than 850	6	3.3%	9	3.9%
Total	**183**	**100.0%**	**229**	**100.0%**
Total Combined	**394**	**100.0%**	**486**	**100.0%**

Note[1]: This refers to all performances demanded under the scenario in which Townsville has an acoustic facility. Performances were allocated their preferred facility type.
Note[2]: The total number of performances may be impacted by rounding.
Source: AEC

6.6 CONFIRMATION OF SERVICE NEED

The most significant gap in the city's performing arts facilities was identified to be a venue suitable for large acoustic performances (a concert hall). The TCH is recommended to be designed to cater to an audience of up to around 1,000 patrons to ensure its ability to accommodate the culturally significant acoustic-based events with large audiences that the facility is expected to attract. The facility is recommended to not exceed a seating capacity of 1,000 to retain an intimate performance atmosphere for the majority of performances, which will be in the 300 to 700 audience range. The TCH will also require ancillary features including front and back of house facilities. These are considered in detail in the option and design stages of the DBC.

As a result of insufficient capacity at existing performing arts venues and lack of an acoustic venue, 66 performance days (with 37,600 attendances) of unrealised demand is being lost to the Townsville region per annum, which is expected to increase to 124 performance days per annum (with 78,500 attendees) by 2041.

A smaller performance space of approximately 300 seats was identified as a secondary service need to support additional local or smaller touring productions and serve as a rehearsal/ warm up space for the TCH. This facility was identified as being strongly desired through consultation with performance groups.

6.7 PEER REVIEW OUTCOMES

PAC Australia (the peer reviewer appointed by the Australian Government) found that the Service Need Assessment provides:

- High quality representation of the findings of the literature review and stakeholder engagement.
- A sufficient analysis regarding the gaps in provision and potential future usage, making a clear case for the proposed capacity based on the needs of local user and funded touring companies.
- A sound rationale for the development of a concert hall at the proposed capacity, particularly in a complementary (not competitive) environment to the existing cultural infrastructure.
- Independent confirmation that demand for current facilities in Townsville is higher than both state and national averages and the lack of facilities is hindering the development of the arts industry in Townsville

PAC Australia recommended:

- Reviewing the classification of events and performance venue type, noting additional performance types could utilise a concert hall format (such as pop and rock style music)
- Further identifying foregone users who would deliver additional usage days
- Considering the financial implications of performance redistribution between the venues (Civic Theatre and Concert Hall)
- Consider the capacity of different stakeholder groups to pay for access to the venue
- Considering the specific opportunity area of cultural tourism
- Considering the outcomes for audiences in the benefits of the project
- Further articulating the impact of not proceeding, considering the age of the Civic Theatre and the economic and social cost of foregone activity.

6.8 IMPLEMENTATION OF PEER REVIEW RECOMMENDATIONS

Following the delivery of the peer review recommendations, the Project Team addressed the feedback received and incorporated findings into the research. Specific actions included:

- Incorporation of feedback provided into building design brief
- Assessment of the economic and financial impacts of the new facility on both facilities independently and as a combined assessment
- Benchmarking various fees and charges across a range of existing facilities as the basis of user capacity to pay for the financial appraisal
- Quantifying the range of benefits identified in the peer review report (including value of cultural tourism and public benefit to patrons/audiences).

7. SITE OPTIONS ANALYSIS

Key Findings:

- Of the seven potential sites initially included for consideration in the long list three potential sites (The Breakwater Marina, The CBD Railyards Site and The Riverway Site) were excluded following the SWOT analysis as they were largely unable to functionally cater for the facility and meet the outcomes sought from the facility.
- Four were then examined in more detail (The Strand, The Hive, Dean Street and Reid Park) through a detailed, but largely qualitative Multi Criteria Assessment (MCA) process. Based on the outcome of the MCA, three sites were taken forward to be considered in greater detail including Dean Street, the Hive and the Strand.
- Against the MCA criteria, the Strand performed as well as the Hive on cultural criteria and stronger on a range of planning and development considerations to Dean Street and Reid Park, which identified all but Reid Park as being of strong promise to meet the needs, outcomes and goals desired of the facility.
- The Strand, The Hive and The Dean Street site options were then all taken through the detailed assessment phase, which included the following technical analyses: risk, financial and economics, legal and regulatory approvals, benefits realisation, Review of Environmental Factors and potential delivery arrangements.
- Recommended next steps (implementation planning) is to be provided for the recommended site, based on detailed consideration.
- The peer reviewer, PAC Australia, reviewed the suitability of different short-listed sites through the lens of the potential for major performance venues can increase local liability and vitality of place and provided independent advice on the suitability of short-listed sites, focusing on each site's capacity to achieve cultural and community benefits.
- PAC Australia found The Hive achieved the best outcome (90% rating), followed by The Strand (80%), Dean Street (70%).

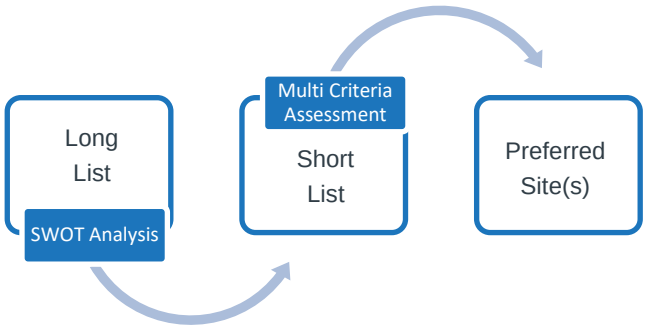
7.1 APPROACH

The purpose of this section is to outline the process used to select a preferred site for a new concert hall facility in Townsville, based on the identified service need. This section provides an overview of the work prepared in the site options analysis found in supporting Technical Appendix C. The appendix provides the detailed consideration in each of the criteria assessed in both the Strengths Weaknesses Opportunities and Threats (SWOT) analysis and the Multi-Criteria Assessment (MCA) used in the site selection and prioritisation process.

Identifying the preferred site(s) for the project included a high-level SWOT analysis on the long list of site options to produce a short list and a more rigorous Multi-Criteria Assessment (MCA) on the resulting short list to identify a preferred site location.

The process used to select a preferred site is outlined in Figure 7.1 below.

Figure 7.1. Approach to Site Selection



Source: AEC.

7.2 LONG LIST SITE OPTIONS CONSIDERED

7.2.1 Options Considered

A long list of seven potential sites was prepared, based on known parcels that may be suitable for development of cultural facilities that are co-located with other major cultural facilities in Townsville. The sites were identified by the consulting team (AEC and AECOM) and agreed by the Project Steering Committee. The long list of options are profiled from Figure 7.2 – Figure 7.8.

Figure 7.2. Breakwater Marina Precinct Site Extent

Source: AEC.

Figure 7.3. The Strand Site Extent (Initial)

Source: AEC.

Figure 7.4. The Hive Site (Initial)

Source: AEC.

Figure 7.5. Dean Street Car Park Site Extent (Initial)

Source: AEC.

Figure 7.6. The CBD (Railyards site) Site Extent

Source: AEC.

Figure 7.7. Reid Park Site Extent

Source: AEC.

Figure 7.8. Riverway Site Extent

Source: AEC.

7.2.2 SWOT Considerations

A Strengths Weaknesses Opportunities Threats (SWOT) analysis (AECOM, 2022 and included as supporting Technical Appendix C) was undertaken on each site to understand the relative development potential of each site.

The SWOT analysis incorporated a range of different criteria, including:

- Contextual considerations:
  - Connectivity with adjoining sites (including nearby accommodation)
  - Capacity to accommodate complementarity cultural infrastructure
  - Capacity for car parking provision (on-site, off-site etc)
  - Public transport provision and proximity
  - Active transit provision (walking and cycling)
  - Key vehicular access routes (and any potential conflicts) and network impacts
  - Surrounding land uses (reverse amenity issues)
  - Surrounding land uses (pre and post event activation opportunities)
  - Environmental and geotech conditions at site.
- Cultural considerations:
  - First Nations significance
  - Public/civic realm interface
  - Capacity to accommodate tropical design character and form.
- Functional considerations:
  - Capacity to accommodate 1000 seat concert hall and facilities (including tenure considerations)
  - Capacity to accommodate multiple formats (raked seating and multi-tier facility)
  - Visual prominence and setting of site.

In conducting the SWOT analysis for each site, each criteria was scored for performance against each site's relative strengths, weaknesses, opportunities and threats. Scoring was applied as 1 (unfavourable), 2 (neutral), 3 (favourable). The full SWOT can be found in the site options analysis in supporting Technical Appendix C.

The sum total of the scores was then used to compare each site and select the short list of options.

7.2.3 Long List Site Assessment Outcomes

Based on the outcomes of the SWOT analysis included in Table 7.1. The top scoring sites were short listed for assessment by the MCA, as agreed by the Project Steering Committee.

Importantly, none of the shortlisted sites presented unsurmountable development challenges, such as lack of capacity to accommodate the proposed facility footprint or unsurmountable development costs.

Table 7.1. SWOT Analysis Outcomes

Site	Contextual	Cultural	Functional	Totals
Dean Street	68	22	33	**123**
The Strand	69	20	30	**119**
The Hive	68	20	30	**118**
Reid Park	57	13	30	**110**
Riverway	52	15	30	**97**
Breakwater Marina	53	14	17	**84**
CBD (Railyards)	54	9	15	**78**

Note: in addition to the scoring, the underperforming sites also had a number of critical constraints, such as availability of vacant land for development.
Source: AECOM

7.3 SHORT LIST SITE OPTIONS

7.3.1 Options Considered

On the bases of the SWOT analysis, the top four sites were carried through to the next stage of analysis:

- Dean Street
- The Strand
- The Hive
- Reid Park.

7.3.2 MCA Consideration

To confirm a preferred site for the proposed Townsville Concert Hall, an MCA was used to assess the performance of each of the short-listed sites in accordance with a range of place making, planning, development cost and economic considerations.

The technical assessment used six (6) themes which guided the detailed consideration of each site.

- Site Accessibility – the degree to which the site can accommodate general vehicle movement, parking and public transport accessibility. These measures are important to enable facility use.
- Site Ownership and Tenure – the ease and ability of the site to be transferred and developed.
- Environment and Geotech – The capacity of the site to have a minimal environmental impact, and storm surge and flood resilience.
- Cost and Financial Performance – The extent to which the future development of the site is impacted by costs.
- Site and Spatial Fit – The size, siting and complementarity with surrounding uses.
- Place, Culture and Community Value – The level to which the project enhances placemaking values, catalyses cultural development and creates public benefit (including economic activation of surrounding precincts).

The technical assessment also considered a number of other criteria which were excluded from the MCA, due to a lack of differentiation between the sites, including:

- Legal and tenure restrictions
- Flood impacts
- Unexploded ordinances

- Acid sulfate soils
- Geology
- Erosion risk
- Matters of State Environmental Significance
- Capacity to support building footprint
- Cultural heritage (DSDSATSIP)

In conducting the MCA for each site, each criteria was scored in a range of 0, 1 or 2 for performance against each site's characteristics. The measurement scale has been defined in the assessment of each criteria.

A full detailed analysis of each of the shortlisted sites can be found in the site options analysis in Technical Appendix C.

Specific additional assessment of car parking availability for each site was undertaken by AECOM and is presented in Appendix D.

7.3.3 MCA Consideration Outcomes

Each of the short listed sites were assessed as part of the MCA, assessing each site's performance across the 6 themes outlines above. The outcome of the MCA is presented in Table 7.2 below.

Table 7.2. Summary of MCA Assessment Outcomes

Criteria	The Strand	The Hive	Dean Street	Reid Park
Public transit accessibility at/near site	2	2	2	1
Active Transport Network	2	2	2	1
Local Road Network	1	1	2	2
Storm Surge Immunity	1	1	0	0
Geotech Issues	2	1	1	1
Development Costs	1	1	2	1
Future Operation and Maintenance Costs	1	1	1	2
Reverse Amenity Impacts	1	1	1	2
Concurrent Operation with Other Major Events	1	1	1	0
Complementary Development Opportunity	2	2	1	1
Cultural Catalysing Impacts	2	2	2	1
Community Benefits Outcome	2	2	1	1
Proximity to Accommodation/Food and Beverage Services	2	2	2	1
Placemaking and Cityshaping Impact	2	2	1	0
Total	**22**	**21**	**19**	**14**
	79%	**75%**	**68%**	**50%**

Source: AECOM, AEC

Based on the outcome of the MCA, the recommended site to take forward to the detailed assessment phase was the Strand.

Against the MCA criteria, the Strand performed as well as the Hive on cultural criteria and stronger on a range of planning and development considerations to Dean Street and Reid Park.

7.4 PEER REVIEW OUTCOMES

PAC Australia (the peer reviewer appointed by the Australian Government) reviewed the suitability of different short-listed sites through the lens of the potential for major performance venues can increase local liability and vitality of place. The following six considerations were highlighted as the most important considerations:

- Proximity to suitable accommodation for touring parties (equally as important as proximity to accommodation for audiences visiting the region)

- Impact of major events on capacity of the facility to operate (such as the closure of the Civic Theatre during use of the V8 circuit)
- Potential for curfews and noise restrictions in residential areas
- Co-location with sufficient space for outdoor performance activations and performer/audience overflow from facility
- Sufficient pick up and drop off space (especially for multiple busses for group bookings, school excursions and major events)
- Maximising street frontage, particularly for ticketing services and viability of commercial elements through day trade.

The peer review assessment undertaken by PAC Australia provided an independent assessment of the suitability of short-listed sites, focusing on each site's capacity to achieve cultural and community benefits:

- The Hive = 90%
- The Strand = 80%
- Dean Street = 70%
- Reid Park = 50%.

7.5 SITE(S) SELECTED FOR DETAILED CONSIDERATION

Following advice from the Project Steering Committee it was determined that the top three sites should be taken forward for detailed analysis rather than a single site. This has included the assessment of the site to host a concert hall facility and catalyse precinct style outcomes that promote cultural and cityshaping outcomes. Hence, the Strand, the Hive and Dean Street were examined in the detailed considerations phase of the project, including consideration of:

- Risk
- Financial & commercial analysis
- Economic analysis
- Legal and regulatory approval pathways
- Review of social and environmental factors
- Benefits realisation
- Delivery arrangements.

Recommended next steps (implementation planning) are to be provided for the recommended site, based on detailed consideration.

8. DEFINING THE BASE & PROJECT CASES

8.1 APPROACH

This section presents a summary of the Base Case and Project Case and the key economic and financial drivers within each scenario. For further detail regarding the drivers see:

- Technical Appendix E: *Concept Design Cost Plan Report, Townsville Concert Hall* (AECOM, 2023c).
- Technical Appendix: F: *Concept Design Cost Plan Report* (AECOM 2023c)
- Technical Appendix G: *Staged Option Order of Magnitude Capital Cost Advice* (AECOM 2023d).
- Technical Appendix H: *Townsville Concert Hall Detailed Business Case: Financial Appraisal* (AEC, 2023c).
- Technical Appendix I: *Townsville Concert Hall Detailed Business Case: Economic Analysis* (AEC, 2023b)

8.2 BASE CASE

8.2.1 Overview

The Base Case refers the scenario in which the Project does not proceed and the existing performing arts infrastructure in Townsville is maintained with no additional facilities developed. As a result, the existing issues of capacity constraints and insufficient acoustic quality for some performance types are assumed to continue, constraining future activity.

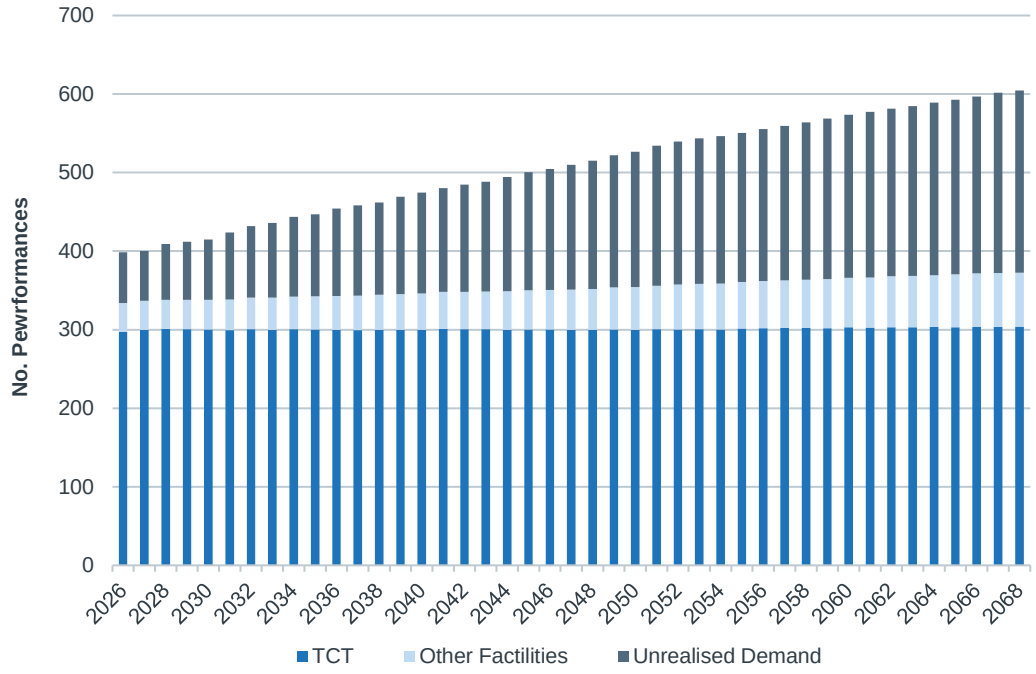
8.2.2 Facility Demand

Under the Base Case, the limited capacity for additional performances at TCT is expected to lead to low growth in the number of performances held in Townsville, thereby also limiting the number of attendances.

Without additional performing arts facilities, Townsville is expected to host approximately 334 performances in the financial year ending (FY) 2026, of which TCT is expected to host 298 (89.1%) and other venues in Townsville are expected to host the remaining 37 performances (10.9%). The number of performances in Townsville is expected to increase slightly to reach 373 performances in FY2068, of which 304 (81.5%) are expected to be held in TCT and 69 (18.5%) are expected to be held in other venues in Townsville.

As a result of capacity constraints on existing facilities and lack of an acoustic venue, Townsville is expected to miss out on 64 performances in FY2026 which would otherwise visit Townsville. This is expected to escalate to 232 performances by FY2068.

Figure 8.1. Base Case Performance Demand, FY2026 to FY2068

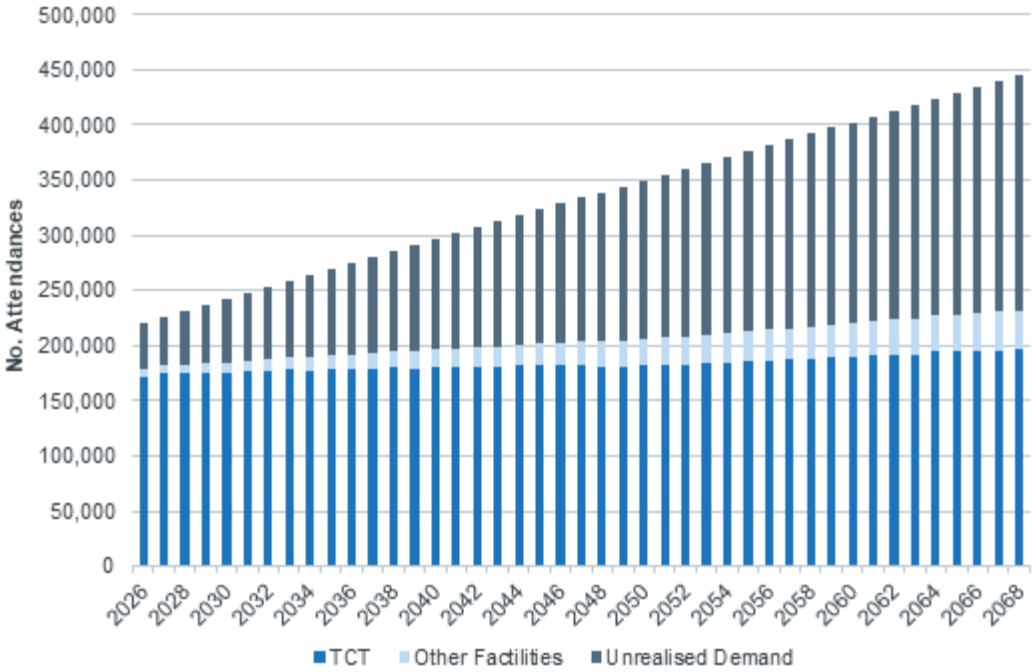


Source: AEC

In FY2026, Townsville is expected to host approximately 176,500 event attendances with the existing level of performing arts infrastructure. By FY2068, this is expected increase to 216,200 event attendances. The TCT is expected to reach its booking day capacity in FY2027 causing the number of attendances at the venue to largely stagnate with slight year-to-year increases in total attendance due to increased audience size at each performance and the mix of performances each year, with some years attracting performances with higher audience attraction.

As a result of capacity constraints on existing facilities and lack of an acoustic venue, Townsville is expected to forego 37,900 attendances for performing arts in in FY2026. By FY2068, this is expected to increase to 148,700.

Figure 8.2. Base Case Performing Arts Event Attendance, FY2026 to FY2068



Source: AEC

8.2.3 Operating Costs

TCT operating activity was estimated based on historic (FY2023) estimates of operating revenue and costs for the facility provided by TCT (unpublished b). This process is detailed in the *Townsville Concert Hall Detailed Business Case: Financial Appraisal* (AEC, 2023c).

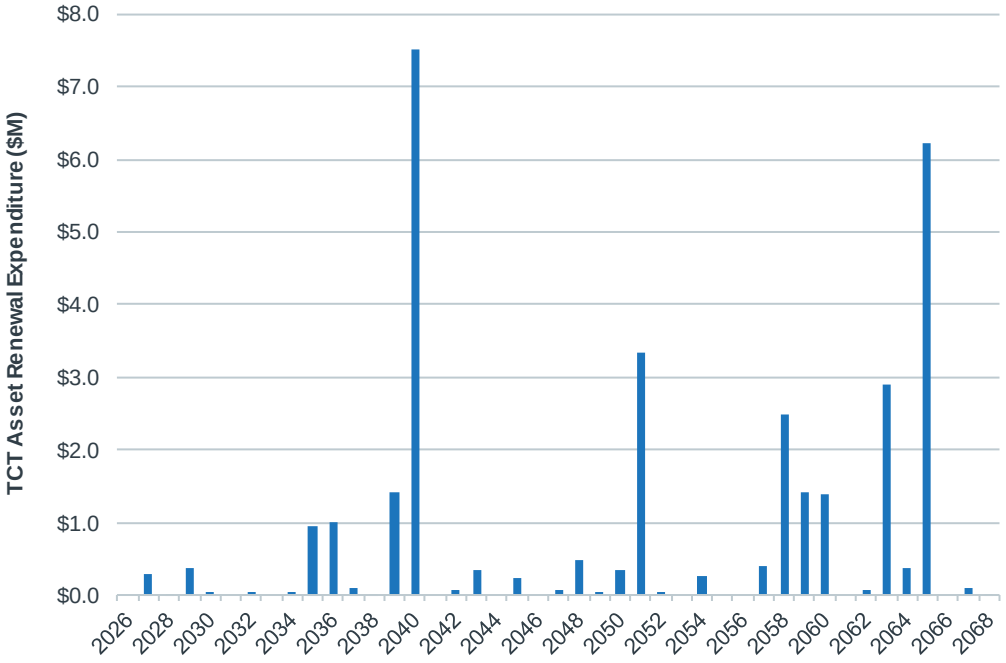
As the TCT is expected to reach its booking day capacity in FY2027, operating expenses of the venue are largely consistent across the assessment period. The increased audience size at each performance and the change in the mix of performances is expected to have a negligible impact on operating costs. From FY2026 onwards, the TCT is expected to incur operating costs of $2.4 million per annum.

Due to insufficient information regarding the operating costs of other performing arts facilities in Townsville, such facilities have not been included in the estimate of Base Case operating costs. It is assumed, however, that the operating activity of these facilities would be minimal relative to the TCT which is the primary performing arts facility in Townsville and impacts of the TCH on these other venues will be minimal.

8.2.4 Capital Renewal

The Base Case includes projected lifecycle/ renewal capital cost estimates for the TCT between FY2026 and FY2068, based on asset register data provided by Townsville City Council (unpublished). A summary of annual (by financial year) lifecycle/ renewal expenditure for the TCT in the Base Case is presented in Figure 8.3 below.

Figure 8.3. Projected Annual Lifecycle/ Asset Renewal Costs, TCT ($M)



Source: Townsville City Council (unpublished a).

Due to insufficient information and minimal impact, the lifecycle/ asset renewal capital expenditure of other facilities in Townsville are not included in the Base Case.

8.2.5 Operating Revenue

The revenue generated by the TCT and TCH was estimated in consideration of the following:

- Estimates of booking fees/ charges for facilities applied to estimates of booking days for facilities.
- Estimates of ticket prices by performance type and proportion of ticket revenues captured by the facility applied to attendees by performance type.
- Estimates of spend on food, beverages and merchandise per patron applied to the number of attendees.

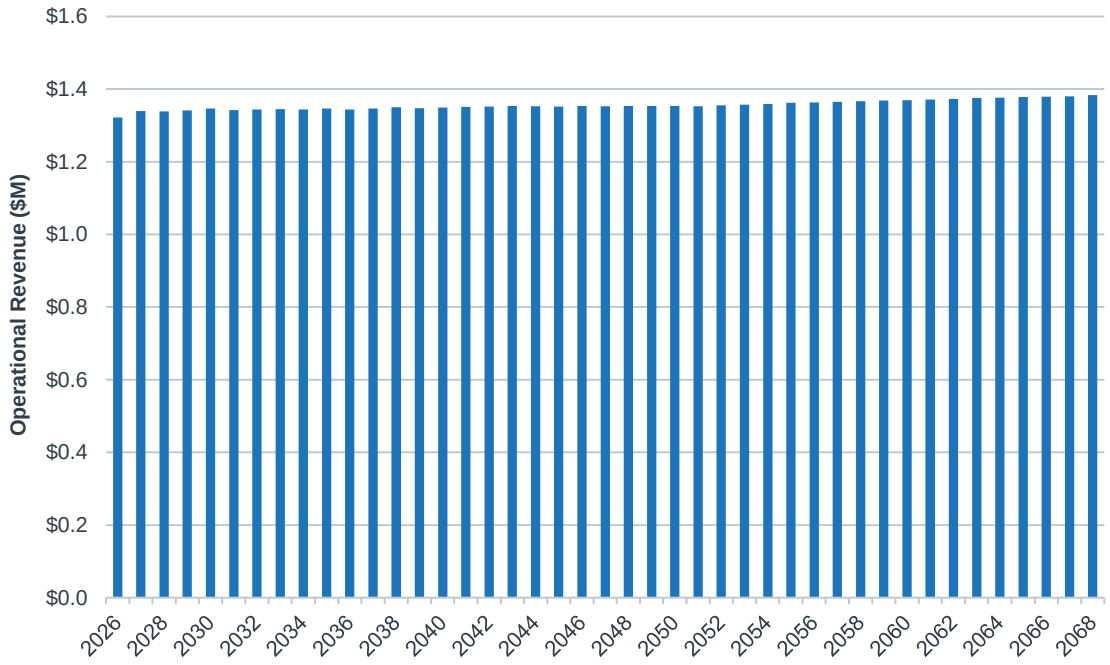
In undertaking the assessment of revenues for the TCT, historic (FY2023) revenue data was used as a starting point and grown in line with projected growth in booking days and attendance for the TCT under the Base Case, based on the most relevant measure for revenue items.

Estimates of food and beverage spending was based largely on information provided by comparable performing arts venues while venue and staff hire fees were based off the publicly available fee structure for the TCT (Townsville City Council, 2022). Further information regarding the estimation of facility revenues can be found in the *Townsville Concert Hall Detailed Business Case: Financial Appraisal* (AEC, 2023c).

Due to insufficient information regarding the revenue of other existing facilities in Townsville, such facilities have not been included in the estimate of facility revenues. It is assumed, however, that the impacts in operating activity of these facilities due to the TCH would be minimal.

Operating revenue of the TCT is expected to be largely stagnant after FY2027 when the venue reaches its booking day capacity. Slight year-to-year increases are expected to occur due to increased audience size at each performance and the mix of performances each year, with some years attracting performances with higher audience attraction. In FY2026 the TCT is expected to generate operational revenue of $1.3 million, increasing to $1.4 million by FY2068.

Figure 8.4. TCT Operational Revenue, FY2026 to FY 2068



Source: AEC.

Due to insufficient information regarding the operating revenue of other performing arts facilities in Townsville, such facilities have not been included in the estimate of Base Case operating revenue. It is assumed, however, that the operating activity of these facilities would be minimal relative to the TCT which is the primary performing arts facility in Townsville and impacts of the TCH on these other venues will be minimal.

8.2.6 Induced Visitor Spend

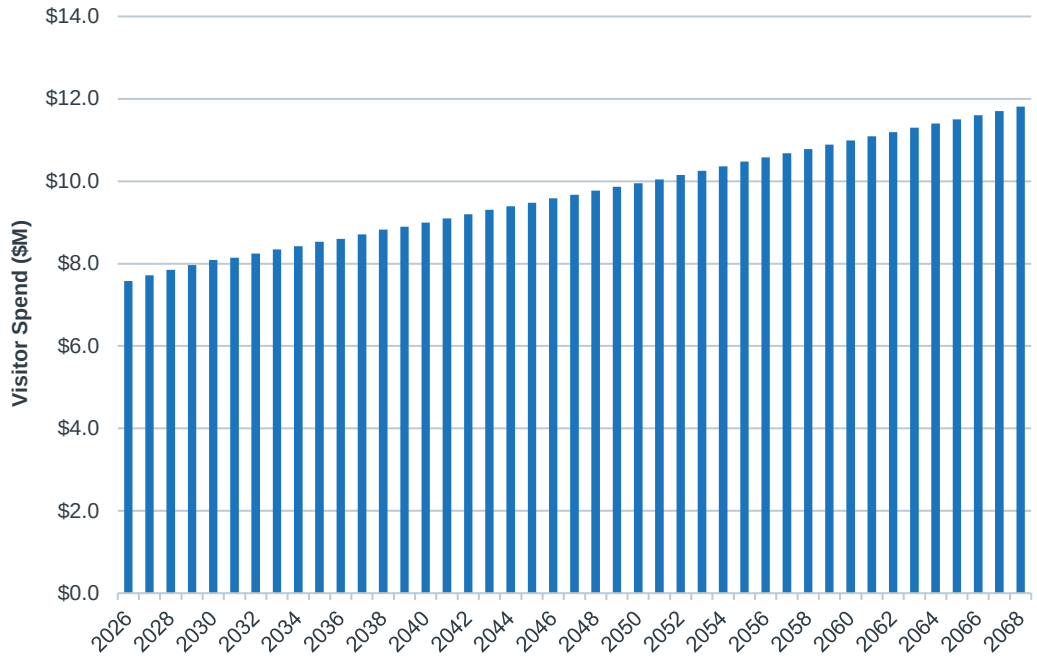
Events held in Townsville attract visitors to the region and stimulate the economy though the associated increased visitor spending. To understand the impact of performances held in Townsville on visitation and visitor spending under the Base Case, each performance on the Townsville Events Calendar[2] (AEC, 2023a) was identified as attracting high, low or no visitation from outside Townsville LGA. To estimate the total number of event attendees visiting from outside Townsville LGA, the total attendance for each event on the Townsville Events Calendar was multiplied by the assumed proportion of the audience residing outside Townsville LGA.

Visitor types were used to understand the spending behaviours of event attendees from outside Townsville. Visitor attendees were disaggregated into domestic daytrip visitors, domestic overnight visitors and international visitors based on the information provided by TCT and AFCM and desktop research. Estimates of visitor expenditure were developed using the national average expenditure per visitor for visitors attending theatre, concerts, or other performing arts by visitor type. To understand the total induced visitor spend, the estimated spend per visitor was multiplied by the number of induced visitors for each visitor type.

Under the Base Case in FY2026, visitors to Townsville LGA attending performing arts events are expected to spend a total of approximately $7.6 million, this is expected to increase to $11.8 million by FY2068.

[2] A calendar of events developed in the Service Need Assessment (AEC, 2022) which includes events which are currently held in Townsville and events which are not held in Townsville due to capacity constraints on existing venues or lack of an appropriate acoustic facility.

Figure 8.5. Base Case Induced Visitor Spend, FY2022 to FY2069



Source: AEC, TRA (2023a; 2023b)

8.3 PROJECT CASE

8.3.1 Overview

The Project Case refers to the scenario in which the TCH is developed while existing performing arts facilities are maintained. The TCH, a concert hall of approximately 1,000 seats, is the proposed solution to the need for a large acoustic music venue in Townsville. The TCH is proposed to feature a large stage sufficient to support a full orchestra, supplementary amplification for non-acoustic performers, recording facilities and digital screens. The venue is proposed to include an independent ticket office, a large foyer space, meeting rooms or break-out spaces, and food and beverage facilities. Various preparation and storage rooms are recommended to be included in back of house.

A 300-seat black-box performance space co-located with the main hall is also recommended to be included as part of the TCH facility. The ancillary theatre may form part of the initial development of the TCH or may be delivered at a later date, after the initial development of the TCH. The analysis in this report primarily considers the TCH development with the black-box performance space included, however, a secondary analysis has been performed where the TCH is developed, but under a lower capital scenario in which the black-box performance space (which is planned for and included in the facility design) is incorporated at a later date, outside the modelling analysis period. Excluding the ancillary black-box performance space from the initial development of the TCH is expected to have a small and not significant impact on the demand for the TCH (there is expected to be demand for 6 small acoustic performances in FY2022 and 11 in FY2041, representing 3.5% and 4.7% of demand for an acoustic venue, respectively).

A basement carpark was considered to be included in the development of the TCH at each site, however, based on the results of the *Parking Analysis Briefing Note (*AECOM, 2023b) (supporting Technical Appendix D), this cost item has been excluded from the Project Case. A planning scheme compliant parking solution would require 400 on-site parking spaces. Based on case study analysis an alternative scenario could be accommodated using existing nearby on-street, private and vacant land to address parking demand. This would not be dissimilar to the management of events at the Queensland Country Bank Stadium, hosting much larger crowd numbers. The parking analysis has revealed sufficient availability of car parks around each site option within appropriate walking proximity, making the addition of the basement carpark largely redundant.

Construction of the TCH is anticipated to begin in August 2025 with the venue expected to begin operations almost three years later in July 2028.

The Project Case has been assessed for the three site options described in Section 7, The Strand, The Hive and Dean Street.

8.3.2 Benefits Sought

The development of the TCH will result in increased capacity for performances in Townsville and the attraction of performances which were previously unable to visit Townsville due to the lack of an acoustic facility. This is expected to lead to a number of benefits for Townsville captured within four key categories:

- **Development of the arts:** Enhancing the local and regional arts and cultural offer and facilitating the advancement of local arts groups and programs.
- **Liveable communities:** Improving liveability, through enhanced community cohesion, health and wellbeing, and acceptance of diversity.
- **Economic growth:** Stimulating economic growth, expanding local and regional employment and business activity, and growing, supplementing and diversifying the local and regional tourism offer.
- **Revitalising places:** Cultivating the identity and vibrancy of the city, creating a destination and fostering civic pride.

Benefits of the TCH development which could quantified in the economic analysis include:

- **Facility revenues:** Revenue generated from performing arts will increase as the number of performances occurring in Townsville increases.
- **Event organiser/ performer profit:** As well as the venue, event organisers/ performers generally generate profit from their performances.
- **Benefits from induced recreational spend of patrons:** Patrons of performing arts facilities will often undertake leisure activities before or after attending performances and events, including spending on retail or food and beverage goods and services. Such activities will stimulate the local economy.
- **Benefits from induced visitor spend:** The additional performances attraction to the region as a result of the project are expected to attract additional visitors to the region, thereby increasing tourism spending.
- **Public benefit to patrons from facility use/ attendance at performances:** Patrons of performing arts venues often value their attendance at a performance at more than the price of a ticket, this represents a consumer surplus from attending performances.
- **Facility non-use benefits: T**he existence of high quality performing arts facilities in a region generates utility for residents whether or not they use the facilities.

8.3.3 Facility Demand

Project Case with Black-Box Performance Space

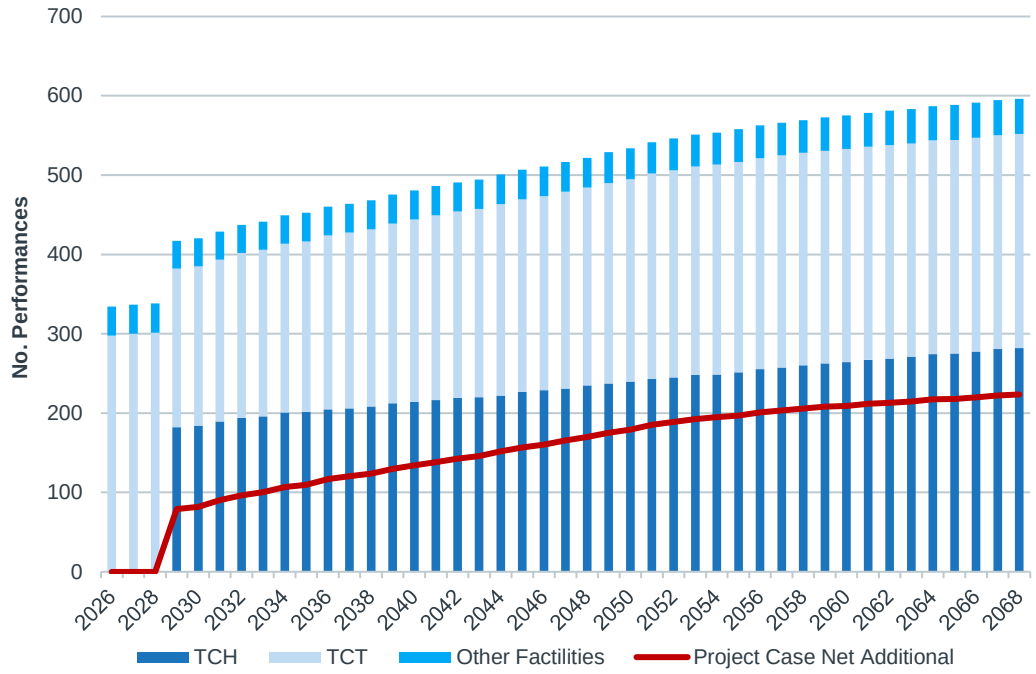
The addition of the TCH is expected to attract additional acoustic-based performances to Townsville and alleviate demand for the TCT, thereby enabling the TCT to host additional theatre-based performances and increasing the total number of performance attendances in Townsville. When the concert hall becomes operational in FY2029, the TCT is expected to host fewer attendances as some of the performances hosted by TCT move to the new venue. Despite this, there is estimated to be significant demand for both the TCH and TCT.

With the addition of the TCH, Townsville is expected to see a significant net increase in performances. In FY2029, Townsville is expected to host approximately 417 performances, representing a net increase of 79 performances from the Base Case in the same year. By FY2068, Townsville is expected to host 596 performances representing a net increase of 224 performances from the Base Case.

By the end of the assessment period, the TCH is expected to become the most demanded performing arts facility in Townsville. The largest proportion of performances in FY2029 are expected to be held in the TCT with the venue attracting 200 performances (47.9%), while the TCH is expected to attract 182 performances (43.7%) and the remaining performances going to other venues in Townsville. By FY2068, the TCH is expected to host the largest proportion of performances, attracting 282 performances (47.3% of the total) while the TCT is expected to attract

270 performances (45.3%) and other facilities attract the remainder. This demonstrates the significant demand for both the TCH and TCT.

Figure 8.6. Project Case Performance Demand, FY2026 to FY2068

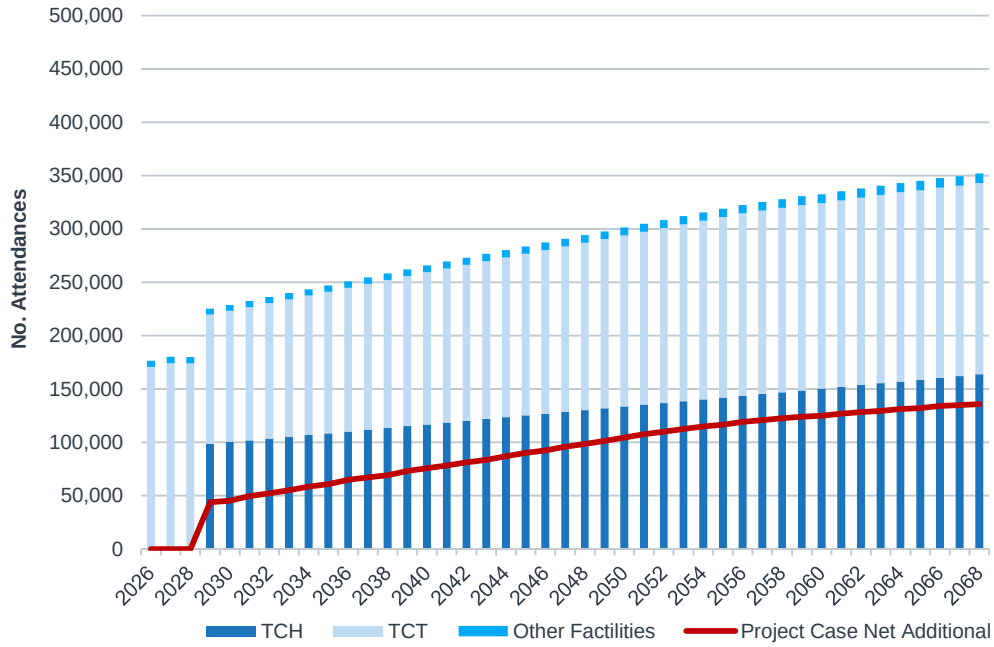


Source: AEC.

The concert hall is expected to facilitate a substantial number of additional performing arts attendances in Townsville. In FY2029, Townsville is expected to host 225,300 performance attendances, including 121,200 at the TCT (53.8% of total attendances in Townsville), 98,700 attendances at the TCH (43.8% of total attendances) and the remainder at other venues in Townsville. By FY2068, Townsville is expected to host 352,100 performance attendance including 179,200 at the TCT (50.9% of the total), 163,800 at the TCH (46.5% of the total), and 9,100 at other venues in Townsville (2.6% of attendances).

As a result of the addition of the concert hall, there is expected to be a net increase in the number of performances in Townsville and an associated net increase in performance attendance. The concert hall is estimated to result in a net additional 43,900 attendances in FY2029 and an additional 135,900 attendances by FY2068.

Figure 8.7. Project Case Performing Arts Event Attendance, FY2026 to FY2068



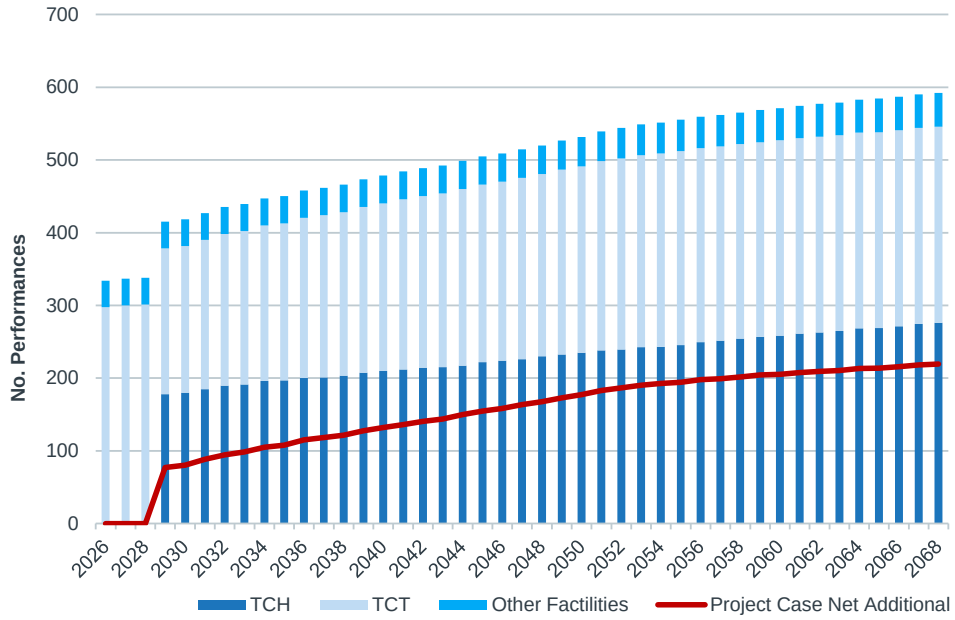
Source: AEC

Project Case without Black-Box Performance Space

Excluding the ancillary black-box performance space from the initial development of the TCH is expected to have a small and not significant impact on the demand for the TCH. Some of the small acoustic performances previously allocated to the black-box performance space were assumed to be able to utilise the C2 theatre as a second preference, others were understood to require the co-location of the black-box performance space to the TCH or its unique features and, as such, were assumed to be unable to perform in Townsville without the black-box facility.

Without the black-box performance space, the TCH is expected to host 4 fewer performances in FY2029 than with the black-box and 6 fewer performances in FY2068. With some of the performances missed by the TCH relocating to other venues in Townsville, the region is expected to attract 415 performances in FY2029 (two fewer than with the black-box theatre) increasing to 592 performances in FY2068 (four fewer than with the black-box theatre).

Figure 8.8. Project Case Without Black-Box Space, Performance Demand, FY2026 to FY2068

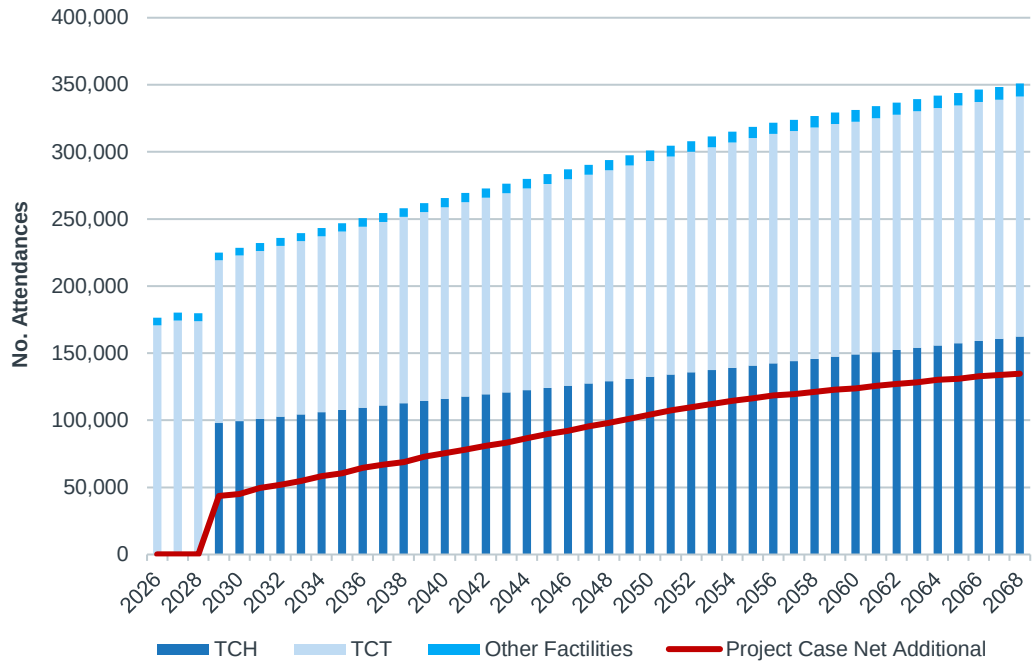


Source: AEC.

Fewer performances in the TCH and in Townsville more broadly will result in slightly fewer total attendances. Without the black-box performance space, the TCH is expected to host approximately 800 fewer attendances in FY2029. With some of the attendances missed by the TCH expected to occur at other venues in Townsville, the region is expected to host approximately 225,000 performing arts event attendances in FY2029, 300 fewer than with the black-box performance space.

By FY2068, Townsville is expected to facilitate 350,900 performing arts event attendances, 1,200 fewer than with the black-box performance space. The TCH is expected to host 1,400 fewer attendances in FY2068 without the black-box performance space, 200 of which are expected to occur at other venues in Townsville.

Figure 8.9. Project Case Without Black-Box Space, Performing Arts Event Attendance, FY2026 to FY2068



Source: AEC.

Interestingly, the utilisation of TCH under the no Black-Box performance space development scenario is maintained at a high level.

8.3.4 Facility Design

Design Brief

Based on the identified need, Blight Rayner designed a concert hall with the following parameters:

- 1,000 seat concert hall, with stage able to support double woodwind performances, supplementary amplification for non-acoustic performances, recording room and digital screens.
- A flexible space that can be used as two rehearsal rooms or a black box space with retractable seating for up to 300 patrons that can be used for smaller non-acoustic performances.
- Front of house facilities, including independent ticket office, generously sized foyer, and independent bar and café/ kitchen, generous amenities (including double requirement for female and changing places).
- Back of house facilities, including sound locks, green room and dressing rooms and warm up rooms, office space (at least 15 positions throughout facility) and generous storage space.

The full design brief has been included in supporting Technical Appendix E – Townsville Concert Hall Siting Planning (Blight Rayner).

Peer Review Outcomes

At the time of delivering the peer review report, the project team had not yet progressed to the stage of developing a reference design for the proposed facility. However, PAC Australia (the peer reviewer appointed by the Australian Government) recommended the incorporation of specific back of house and front of house features, along with minimum provision for staff accommodation (office space) and storage across the facility.

This feedback was incorporated into the building design brief.

Facility Conceptual View

Figure 8.10 and Figure 8.11 presents the conceptual view of the facility on The Hive. Additional conceptual views of other sites are included in Technical Appendix E.

Figure 8.10. Facility Conceptual View 1 (Flinders Street)

Source: Blight Rayner (2023)

Figure 8.11. Facility Conceptual View 2 (Wickham Street)

Source: Blight Rayner (2023)

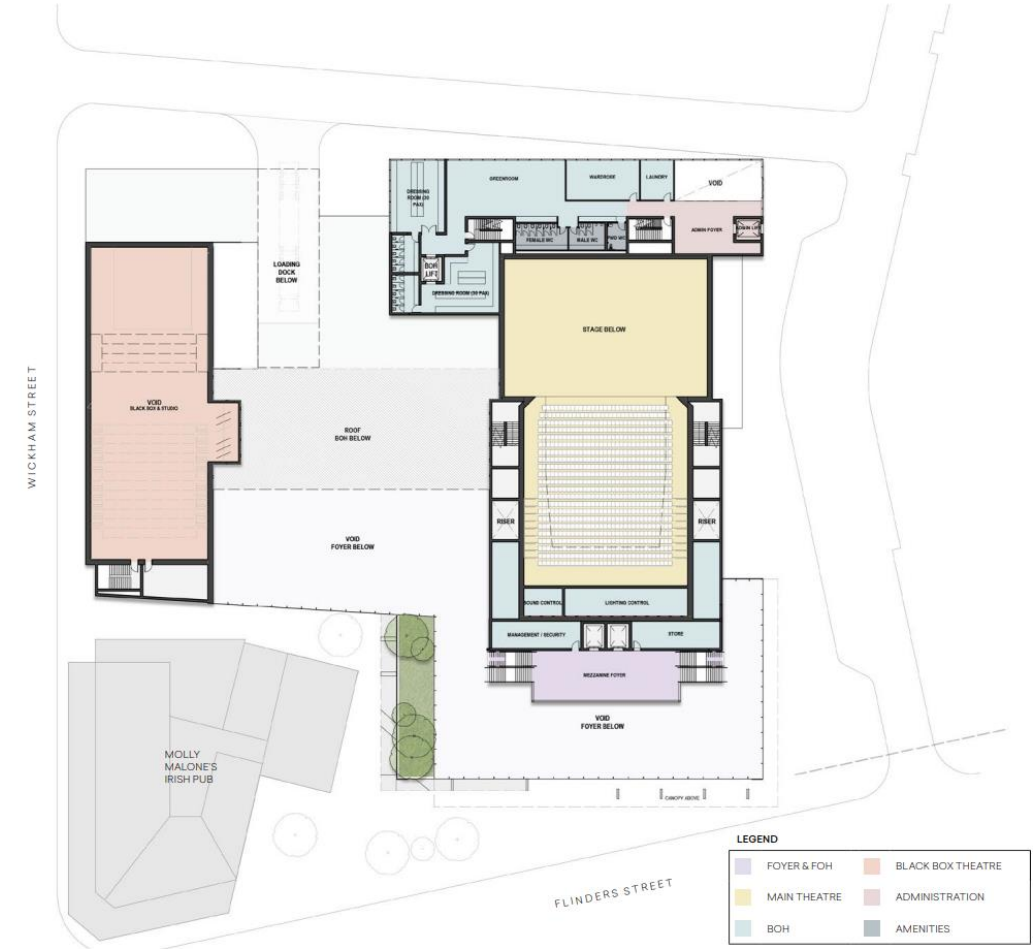
Facility Plans

The following figures present the conceptual view of the facility as an example, on The Hive site. Figure 8.16 presents the diagrammatic section. Additional facility plans of other sites are included in Appendix E.

Figure 8.12. Facility Plans – Ground Level

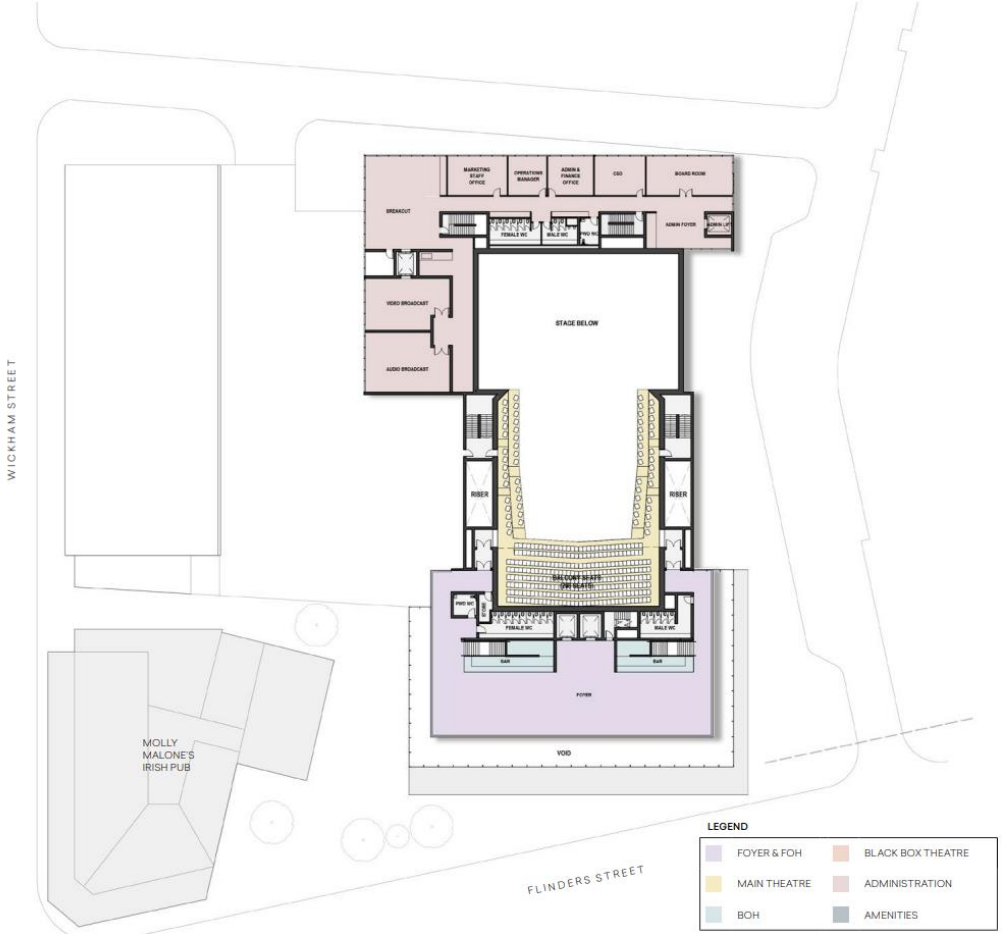
Source: Blight Rayner (2023)

Figure 8.13. Facility Plans – Level 1



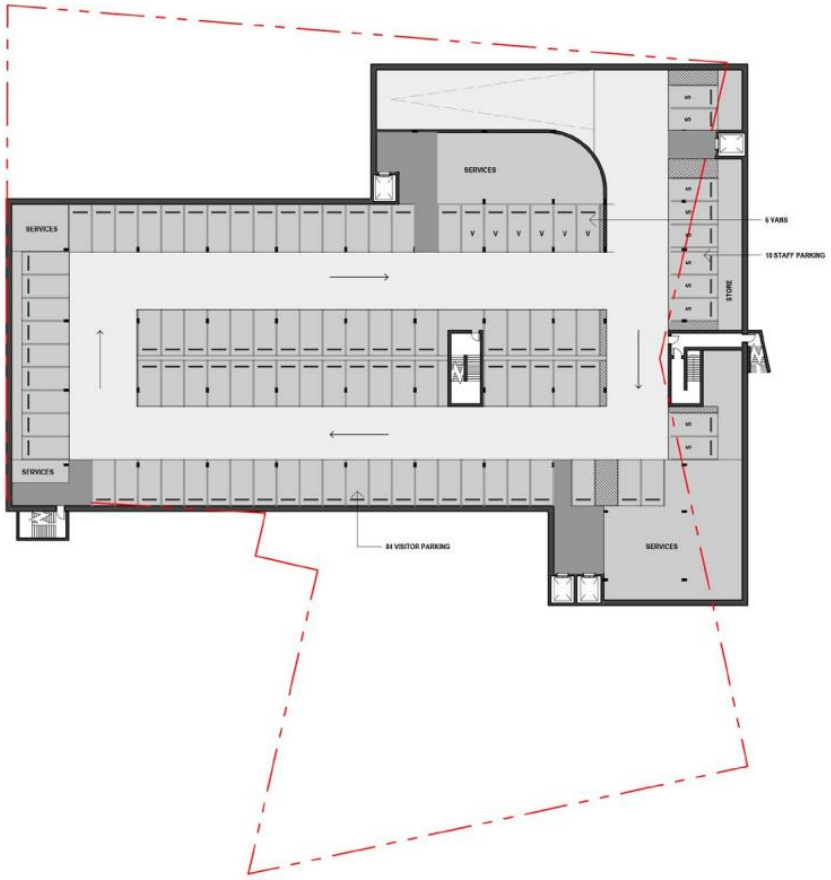
Source: Blight Rayner (2023)

Figure 8.14. Facility Plans – Level 2



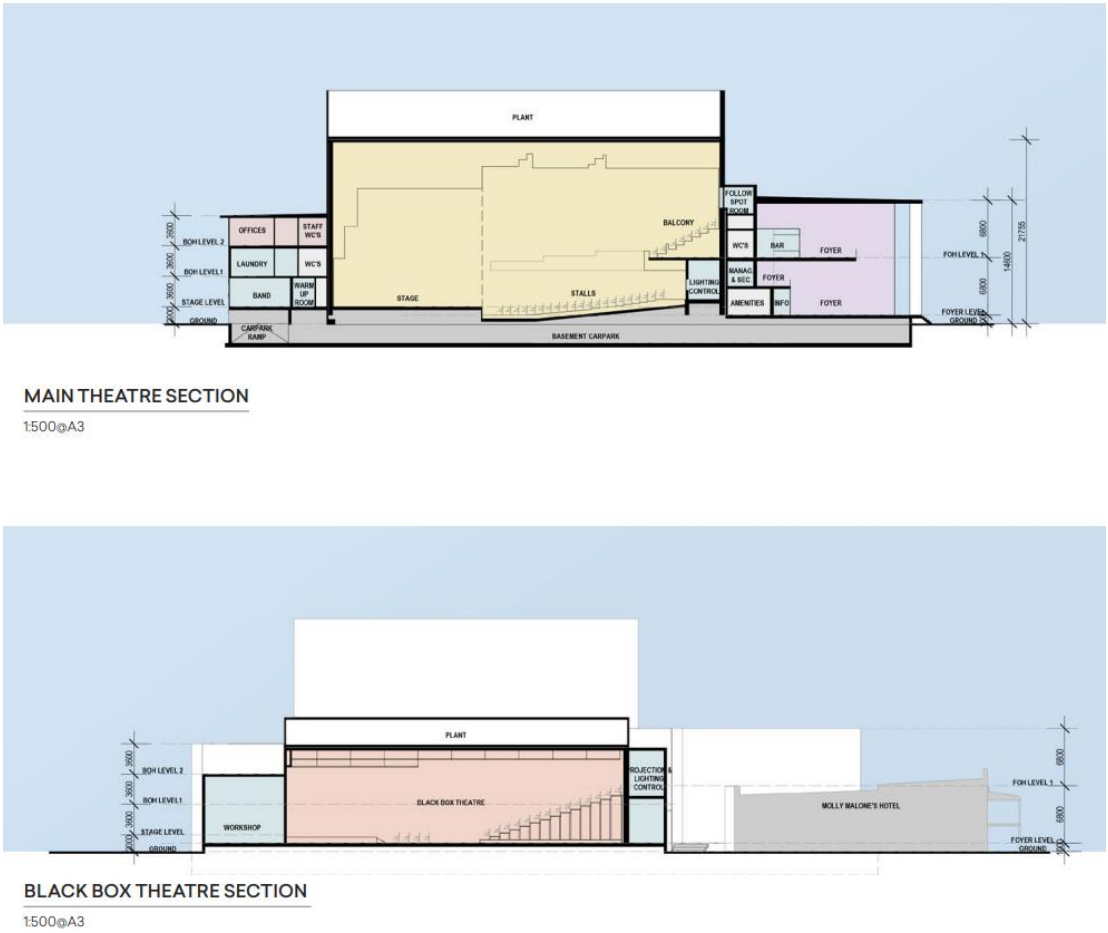
Source: Blight Rayner (2023)

Figure 8.15. Facility Plans – Notional Basement



Source: Blight Rayner (2023)

Figure 8.16. Facility Diagrammatic Sections (The Hive)



Source: Blight Rayner (2023)

8.3.5 Cost Estimates

Capital Costs

Construction cost estimates were developed by AECOM (2023a; 2023b) for each of the three site options. Estimates were provided in terms of the capital costs to develop the full facility, including the 1,000-seat concert hall and a 300-seat black-box performance space, as well as for the 1,000 seat concert hall without the black-box performance space.

A summary of construction costs by FY is presented in the tables below, based on information in the *Concept Design Cost Plan Report* (AECOM, 2023c) (see supporting Technical Appendix F) and the *Townsville Concert Hall – Staged Option Order of Magnitude Capital Cost Advice* (AECOM, 2023d) (see supporting Technical Appendix G).

Table 8.1. Full TCH Facility, Estimated Construction Costs by Year ($M)

Cost	FY2026	FY2027	FY2028	Total
The Hive				
Total Project Capital Cost (Excl. Escalation)	$60.7	$98.6	$21.8	$181.0
Escalation	$9.0	$17.5	$4.4	$31.0
Total Project Capital Cost	**$69.7**	**$116.1**	**$26.3**	**$212.0**
Carpark (Optional)	-	-	-	$12.1
The Strand				
Total Project Capital Cost (Excl. Escalation)	$41.7	$108.1	$40.2	$190.0
Escalation	$6.1	$19.5	$8.2	$33.8
Total Project Capital Cost	**$47.8**	**$127.5**	**$48.4**	**$223.8**
Carpark (Carpark)	-	-	-	$14.9
Dean Street				
Total Project Capital Cost (Excl. Escalation)	$62.6	$101.9	$22.4	$186.9
Escalation	$9.3	$18.1	$4.6	$31.9
Total Project Capital Cost	**$71.9**	**$120.0**	**$26.9**	**$218.8**
Carpark (Optional)	-	-	-	$11.0

Source: AECOM (2023d).

Table 8.2. TCH Facility Without Black-Box, Estimated Construction Costs by Year ($M)

Cost	FY2026	FY2027	FY2028	Total
The Hive				
Total Project Capital Cost (Excl. Escalation)	$54.1	$87.4	$20.0	$161.5
Escalation	$8.0	$15.6	$4.0	$27.6
Total Project Capital Cost	**$62.1**	**$103.1**	**$23.9**	**$189.1**
Carpark (Optional)	-	-	-	$12.1
The Strand				
Total Project Capital Cost (Excl. Escalation)	$35.4	$90.8	$34.6	$160.8
Escalation	$5.2	$16.5	$6.9	$28.6
Total Project Capital Cost	**$40.6**	**$107.3**	**$41.5**	**$189.4**
Carpark (Carpark)	-	-	-	$14.9
Dean Street				
Total Project Capital Cost (Excl. Escalation)	$54.6	$88.3	$20.1	$163.0
Escalation	$8.1	$15.8	$4.0	$27.9
Total Project Capital Cost	**$62.7**	**$104.1**	**$24.1**	**$190.9**
Carpark (Optional)	-	-	-	$11.0

Source: AECOM (2023d).

Additional detail regarding the breakdown of construction costs across cost items is presented in the *Concept Design Cost Plan Report* (AECOM, 2023c) noting that some cost estimates were adjusted to deliver the final cost

estimates used in the *Townsville Concert Hall – Staged Option Order of Magnitude Capital Cost Advice* (AECOM, 2023c) supporting Technical Appendix G).

Opportunities for Value Management

The reference design adopted for the purpose of this DBC has not been value managed. While there has been a scenario developed that stages the development of the black box, there is potential for further cost reductions through a value management process. It is recommended that this process occur in partnership with both a managing contractor and a panel of key users to ensure that identified cost reductions do not unnecessarily limit the facility's capacity to achieve the identified service need.

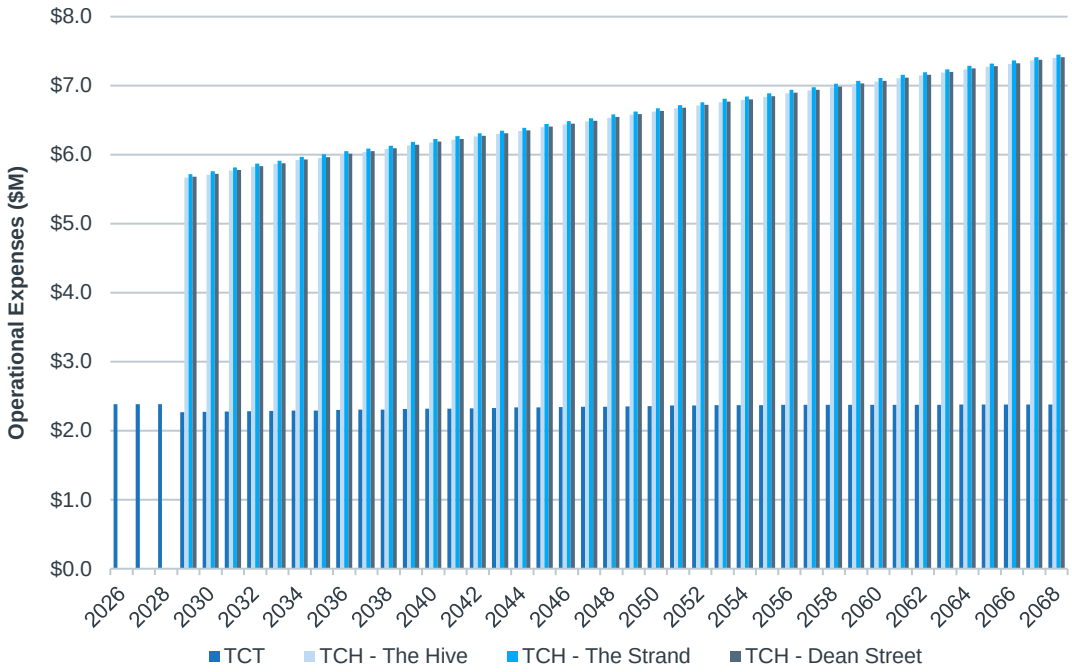
Operating Costs

Facility operating activity costs were examined under the Project Case for the TCT and the TCH at each site option, with and without the black-box performance space. Detail of how this was estimated can be found in the *Financial Analysis – Technical Appendix to the DBC* (AEC, 2023c).

With the black-box performance space included in the initial development of the TCH:

- The TCT is expected to generate operating costs of $2.27 million in FY2029, increasing to $2.38 million in FY2068.
- The TCH at the Hive site is expected to generate operating costs of $5.67 million in FY2029, increasing to $7.40 million in FY2068.
- The TCH at the Strand site is expected to generate operating costs of $5.2 million in FY2029, increasing to $7.45 million in FY2068.
- The TCH at the Dean Street site is expected to generate operating costs of $5.68 million in FY2029, increasing to $7.41 million in FY2068.

Figure 8.17. Project Case with Black-Box, Estimated Operating Costs, FY2026 to FY2068



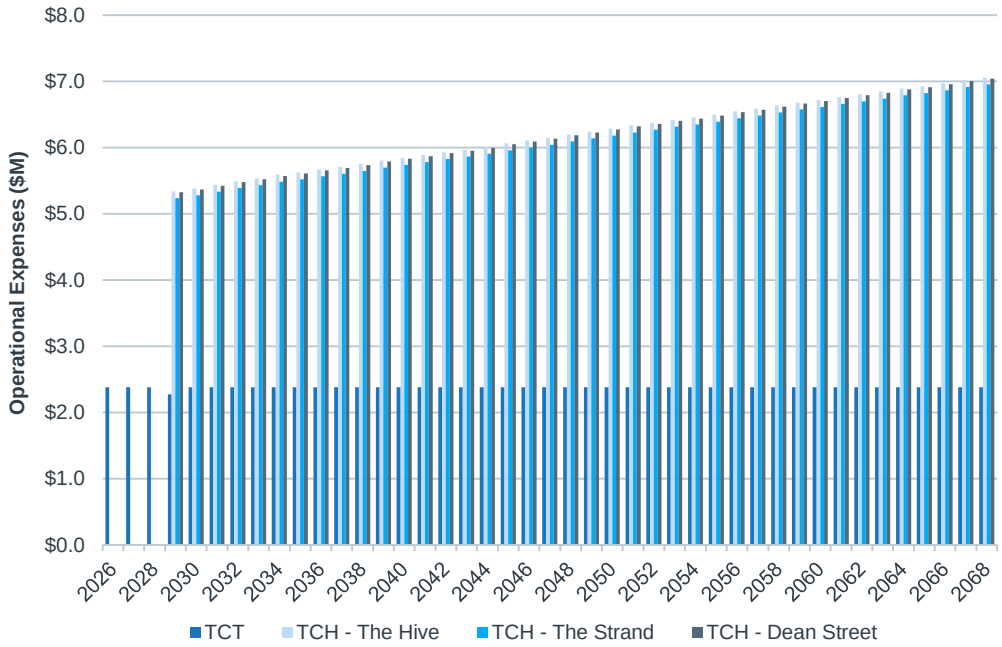
Source: AEC.

Without the black-box performance space included in the initial development of the TCH:

- The TCT is expected to generate operating costs of $2.27 million in FY2029, increasing to $2.38 million in FY2068.
- The TCH at the Hive site is expected to generate operating costs of $5.34 million in FY2029, increasing to $7.06 million in FY2068.

- The TCH at the Strand site is expected to generate operating costs of $5.24 million in FY2029, increasing to $6.95 million in FY2068.
- The TCH at the Dean Street site is expected to generate operating costs of $5.33 million in FY2029, increasing to $7.04 million in FY2068.

Figure 8.18. Project Case without Black-Box, Estimated Operating Costs, FY2026 to FY2068



Source: AEC.

Land Acquisition Costs

To estimate the approximate land costs for each respective site, analysis was undertaken on a range of development site transactions throughout Townsville City to understand appropriate value metrics based on a rate per square metre of site area and/or maximum permissible gross floor area (GFA).

Ordinarily, development sites are subject to different zonings (which allows for a range of typologies, some more valuable than others), maximum permissible heights and gross floor area/site cover amongst others. Both the Townsville City Plan (City Plan) and the Townsville Waterfront Priority Development Area Development Scheme (Development Scheme) are silent on maximum site cover and gross floor area that can be achieved for development sites. Generally, the existing planning framework only outlines maximum permissible building height.

As a result, this can make it problematic in applying appropriate value metrics to development sites (on a dollar rate per square metre of permissible GFA basis) when analysing or valuing. Therefore, the most appropriate method of benchmarking is comparing rates per square of site area achieved for similarly zoned properties and adjusting for factors including size, shape of site, dimensions, topography, outlook/ aspect, and standard of any existing improvements amongst others.

While both The Strand and Dean Street sites are both owned by a combination of both the Queensland Government and Townsville City Council, the land cost has been calculated as a separate cost item in accordance with the Queensland Land Act 1994, where transfer of land between the Queensland Government and a local government must occur at full market value (DOR, 2022).

Research of both development site sales evidence and current development sites on the market was conducted and the sales evidence reflects a broad range of rates between $403-$1,235/m² of site area, while the current development sites on the market for sale reflect a range of asking rates between $182-$622/m² of site area.

The following table summarises the basis for the land purchase estimates for each site, used within the analysis model.

Table 8.3 Land Costs across all Three Sites

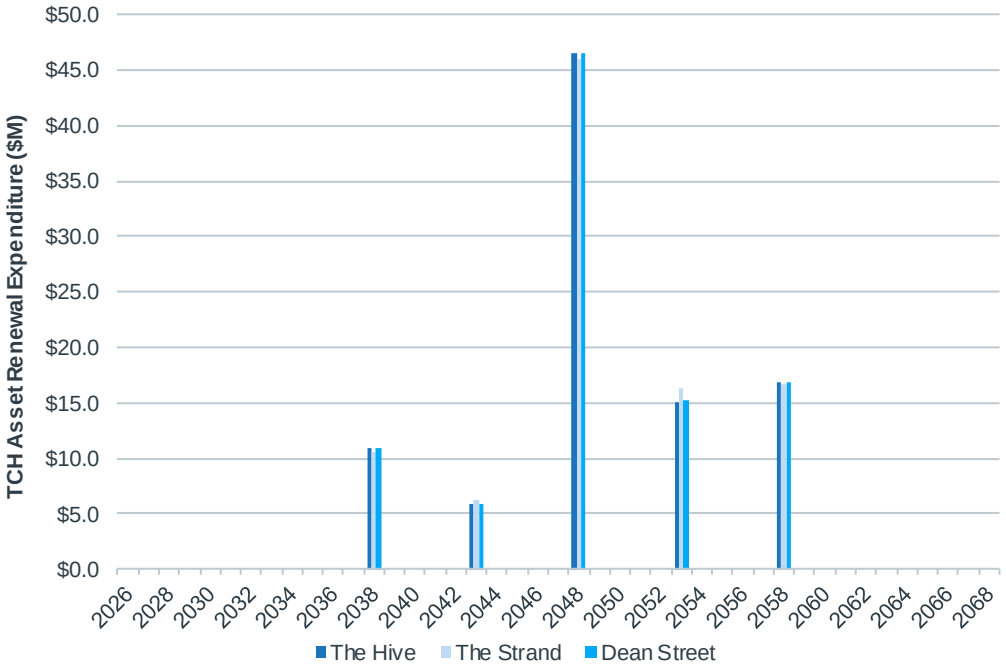
Site	Site Area (m²)	Rate/m² (Site Area)	Assessment	Rounded Land Cost Used
The Hive	8,531	$775	$6,611,525	$6,610,000
The Strand	10,925	$850	$9,286,021	$9,285,000
Dean Street	18,550	$480	$8,904,000	$8,904,000

Source: AEC.

Capital Renewal

Estimates of lifecycle/ asset renewal capital costs for the three site options were developed by AEC based on information from AECOM on the capital costs and expected life of assets (AECOM, 2023c; 2023d). A summary of estimated capital renewal costs by financial year for the TCH across the three site options is presented in Figure 8.19 below.

Figure 8.19. Projected Annual Lifecycle/ Asset Renewal Costs, TCH ($M)



Source: AEC, AECOM (2023c; 2023d).

In addition to the renewal costs for the TCH, the Project Case also includes estimated renewal costs for the TCT. Renewal costs for the TCT in the Project Case is estimated to be the same as in the Base Case, presented in Figure 8.3.

8.3.6 Operating Revenues

Operating Revenues under the Project Case were estimated using largely the same method as the Base Case.

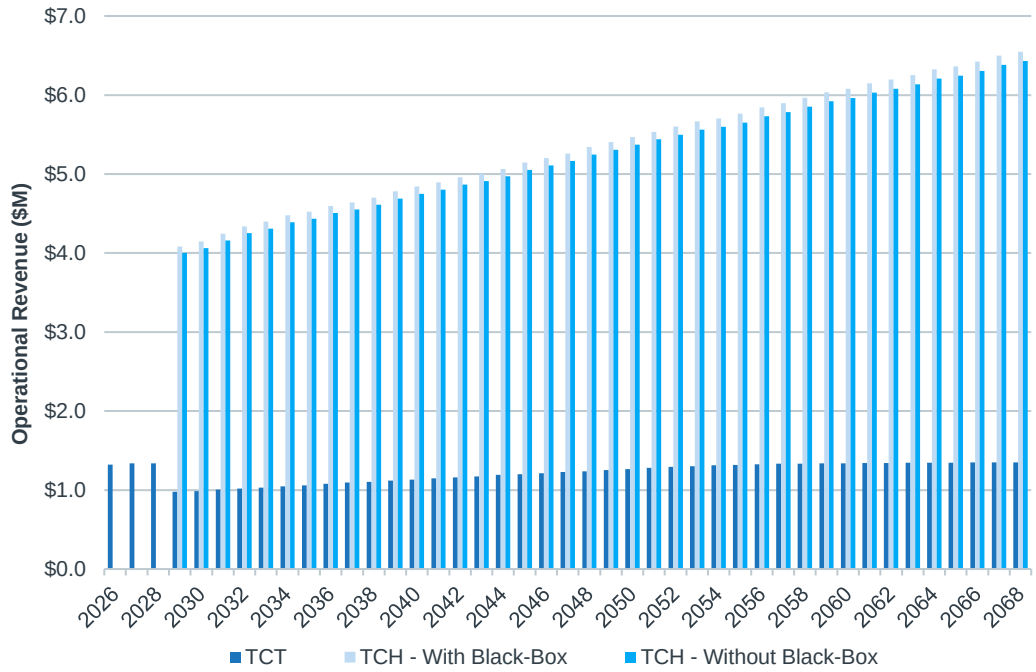
In undertaking the assessment of revenues for the TCH, a venue hire model was assumed in which the performance group retains the majority of ticket sales revenue and pays the facility a hire fee for their space and services, plus a percentage of ticket revenue.

The estimated operating revenue under the Project Case is as follows:

- The TCT is expected to generate operating revenue of $1.0 million in FY2029, increasing to $1.4 million in FY2068.
- The TCH with the black-box performance space is expected to generate operating revenue of $4.1 million in FY2029, increasing to $6.5 million in FY2068.
- The TCH without the black-box performance space is expected to generate operating revenue of $4.0 million in FY2029, increasing to in $6.4 million FY2068.

It was assumed that each site option would generate the same operating revenue.

Figure 8.20. Projected Annual Operating Revenue, Project Case ($M)



Source: AEC.

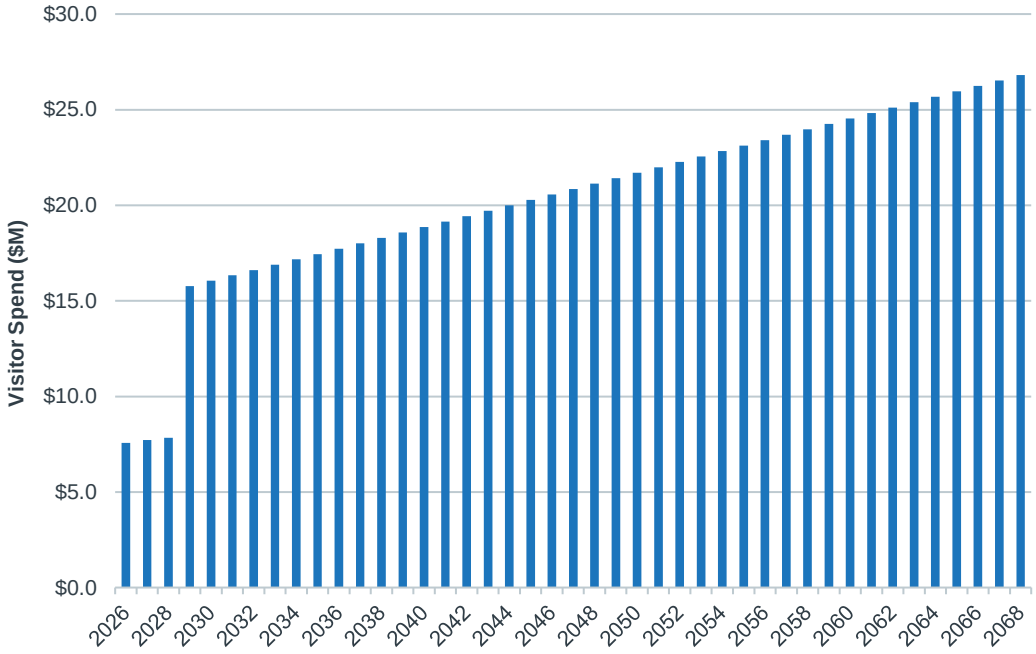
8.3.7 Induced Visitor Spend

Visitor spend induced under the Project Case was estimated using the same method outlined in the Base Case.

In FY2029, the first full year of TCH operations under the Project Case, induced visitor spend is expected to reach approximately $15.8 million, $7.8 million more than the same year under the Base Case. By FY2068 this is expected to increase to $26.8 million.

This is expected to be consistent across the three site options.

Figure 8.21. Project Case Induced Visitor Spend, FY2022 to FY2069



Source: AEC, TRA (2023a; 2023b)

9. RISK ANALYSIS

Key Findings:

A review of risks related to the Townsville Concert Hall project identified 12 risks as High, 16 as Medium and 2 as Low (noting that for three risks there was some differentiation between sites and thus risk rating). The risks assessed as being High included:

- Key project stakeholders perceive insufficient engagement or influence throughout the project.
- Governance conflicts, inefficiency of development and/ or withdrawal of participation.
- Market conditions impact contractor availability.
- Budget is exceeded.
- Continued supply chain and resourcing disruptions due to Covid-19 or global impacts.
- Operational grants and subsidies cannot be provided.
- Operational costs exceed expectations.
- Expected number of performances cannot be realised.
- A Native Title Claim is pursued.
- Storm surge risk
- Contamination
- On and off-site infrastructure needs.

The only differentiation between sites was evident for the risk categories of storm surge, contamination and on and off-site infrastructure upgrades. In each case there is a control mitigation measure which can address these risks, however the issue of storm surge, especially for Dean Street, needs to be considered in some detail at subsequent design stages as it may require design and cost enhancements and increases

9.1 APPROACH

The approach taken in this section is to identify and assess the risks that might prevent, delay, accelerate or enhance the achievement of the Townsville Concert Hall. This section provides a summary of the outcomes of the risk analysis undertaken for the Concert Hall, which will inform any future risk management strategy required to deliver the Concert Hall.

The collation of a risk matrix for use at an internal risk workshop (held on 25th May 2023), development of contingent risks to assist the cost analysis, and analysis and reporting of the risks based upon their consequence and likelihood across the three separate sites.

The approach and process followed for the risk analysis complies with, and was guided by, the following frameworks:

- Australian Standard ISO31000:2009 Risk Management – Principles and Guidelines.
- Business Case Development Framework – Stage 3: Detailed Business Case Guide, Queensland Stage Government.
- Guide to risk and uncertainty analysis: technical guide of the assessment framework, Infrastructure Australia.

Note:

For the cost estimating process, a quantitative analysis using @Risk software was undertaken to calculate the risk adjusted contingency. In this process risks were categorised into inherent and contingent risks:

- Inherent Risks relate to the potential variability in the quantities and rates used in an estimate due to design growth, minor omissions, and changes in detailed functional requirements (but not project design criteria).
- Contingent risks are risks that may or may not occur, e.g., natural events causing loss of power or access to the project site, industrial issues, unavailability of trained construction resources, contamination removal, external influences etc.

9.2 RISK ANALYSIS

Risk is an inherent part of any project. The purpose of this section is to establish the risk environment for the Concert Hall project including the criteria for undertaking risk assessments. This provides the framework for the identification and assessment of project and ongoing risks that might create, enhance, prevent, degrade, accelerate or delay the achievement of the objectives and outcomes associated with the project.

The risk analysis for this section has been informed by the risk register, risk workshop outcomes and the risk analysis for the cost exercise. The risk workshop outcomes are the basis of the findings in this section and take into consideration risks identified across nine categories.

9.3 RISK CATEGORIES

Risks have been grouped into nine separate categories as outlined in Table 9.1 below. For ease of reporting these categories have been amalgamated in to four groups of:

- Governance and stakeholders
- Commercial and financial
- Contractual, programme and approvals
- Construction and design.

A number of risks could be placed in one of more categories and groupings due to the interrelated nature of the risk but for ease of reporting risks are identified and reported in only one category and grouping.

Table 9.1. Risk Categories

Category	Description	Grouping
Governance	This includes risks related to the governance, support and engagement of client groups and agencies	**Governance, Stakeholders**
Stakeholders	Risks that relate to the engagement, buy-in and management of key stakeholder groups including general public and local community groups	
Commercial	Market related and commercial risks that cause labour, material and cost impacts	**Commercial and Financial**
Financial	Risks that relate to funding and financing that could delay or materially impact the project	
Contractual	This includes risks that could cause disagreement and possible dispute in the contractual terms	**Contractual, Programme and Approvals**
Programme	A broad range of issues could impact programme and scheduling, from scope creep to delays, staging and disruption	
Approvals	Statutory and approvals risks that require mitigation management to avoid significant delays to the project	

Category	Description	Grouping
Construction	Risks that might directly impact the construction activities and range from poor soils and contamination to infrastructure upgrades	Construction and Design
Design	These risks tend to include discrepancies between design and specifications at contractual stages and could lead to delay and disputes	

Source: AECOM.

As there are three separate sites that are under consideration for the Concert Hall, delineation of the impact per site is provided. In most instances the risks are consistent across each site but there are a number which show that there is differentiation and thus a different level of risk impact and mitigation.

9.4 RISK CRITERIA

Risk criteria and consequence ratings were established for the project, with consideration to the context and scope of the project. The risk matrix used for the analysis of risks is shown below and consists of a standard risk analysis approach with likelihood and consequences and percentages of project impact.

Table 9.2. Risk Analysis Toolkit

			Insignificant	Insignificant	Minor	Moderate	Major	Severe
	% of Project Impact		0%	1%	2%	5%	10%	25%
			Consequence					
Nil	0%	Likelihood	0	1	2	3	4	5
Rare	5%		1	L	L	L	M	M
Unlikely	25%		2	L	L	M	M	H
Possible	50%		3	L	M	M	H	H
Likely	70%		4	M	M	H	H	E
Almost Certain	95%		5	M	M	H	E	E

L	Low, Broadly Acceptable, Managed by Routine Procedures
M	Moderate, Tolerable, Implement Controls to Manage Risks
H	High, Undesirable, Implement Controls to Reduce Risks
E	Extreme, do not Undertake

Source: AECOM.

The assessment of each risk was undertaken at the risk workshop and ratings agreed by the workshop participants and recorded in the project risk register.

9.5 RISK IDENTIFICATION & ANALYSIS

The tables below provide a register of the 27 key risks that are foreseen across each category, a description of each risk, identification of consequences, an assessment of likelihood and consequence and a risk analysis categorization, and control measures. For those 12 risks considered to be high, control and mitigation measures were identified and recorded to enable a reassessment of the residual risk category.

Governance and Stakeholders

The governance and stakeholder's category includes those risks that could occur with the City Deal client group and broader stakeholders (including the arts community, heritage groups and general public). The risks here present medium and high risks and require address through proactive engagement. Any possible negative community perceptions caused through either the choice of the selected site or traffic and noise disruptions can be effectively managed through a proactive community engagement campaign.

Table 9.3. Governance / Stakeholders

Risk Description and *Causes/Drivers*	Consequences	Consequence Ranking			Assessed Likelihood			Control Strategy and Risk Rating	Residual Risk Rating For High Risks Only	
		Hive	Strand	Dean St	Hive	Strand	Dean St			
Australian Government, the Queensland Government and Townsville City Council unable to agree on cost and risk sharing *Changes in government may create alternative project objectives and support*	Extended negotiations on cost and risks sharing, causing delays and potential cost escalation	Moderate	Moderate	Moderate	Unlikely	Unlikely	Unlikely	Continued engagement at all levels of the City Deal to ensure an equitable and agreed cost and risk sharing outcome is agreeable for all parties **MEDIUM RISK ANALYSIS RATING**		
Key project stakeholders perceive insufficient engagement or influence throughout the DBC *Failure to engage early and with transparency*	Potential for lack of stakeholder support and commercial implications	Major	Major	Major	Possible	Possible	Possible	Managed stakeholder engagement throughout next stages of the project **HIGH RISK ANALYSIS RATING**	Moderate Unlikely **MEDIUM RISK ANALYSIS RATING**	
Negative community perceptions regarding location of site *Competing interests and groups wanting alternative venue locations*	Reputational impacts, schedule delays, reduced demand uptake, budget pressure	Moderate	Moderate	Moderate	Unlikely	Unlikely	Unlikely	Proactive community engagement campaign **MEDIUM RISK ANALYSIS RATING**		
Community and surrounding user impacts during construction *Traffic disruption, noise and air quality issues*	Reputational impacts, negative community perception of project	Moderate	Moderate	Moderate	Possible	Possible	Possible	Proactive community engagement campaign and early notification of any closures and disruptions **MEDIUM RISK ANALYSIS RATING**		
Governance conflicts or inefficiency or withdrawal of participation *Changes in drivers and goals for government agencies create alternative project objectives and support*	Delays in project start, additional escalation costs	Major	Major	Major	Possible	Possible	Possible	Continued engagement to ensure an agreeable outcome is sought for all parties and adherence to the objectives of the Deal **HIGH RISK ANALYSIS RATING**	Moderate Unlikely **MEDIUM RISK ANALYSIS RATING**	

Source: AECOM.

Commercial and Financial Risk

This category consists of a broad range of risks which are primarily commercial, market and fiscal in nature but could cause significant impacts to the project. The commercial element to this category also takes into consideration a number of operational risks and the prevailing and/or potential future market situation. Operational risks could include suspension of funding and grant assistance subsidies, increases in maintenance and operational running and management of events. Market risks may extend to potential future pandemics or the degree of activity in the marketplace caused by a significant infrastructure and development pipeline. This is noted here in view of the likelihood of a significant ramp up in infrastructure investment and construction in the period leading up to the Brisbane 2032 Olympic and Paralympic Games and the planned Capital Expansion Programme in the Queensland health sector.

The table below identifies the majority of risks as having a medium to high risk rating and thus requiring early engagement to implement controls to manage and reduce the risks.

Table 9.4. Commercial / Financial

Risk Description and *Causes/Drivers*	Consequences	Consequence Ranking			Assessed Likelihood			Control Strategy and Risk Rating	Residual Risk Rating For High Risks Only	
		Hive	Strand	Dean St	Hive	Strand	Dean St			
Market conditions impact contractor availability *Increased construction activity in the Queensland market and concurrent Projects*	Competitive tendering with multiple major projects in market place causing additional costs and potentially extending the program. Increased cost due to lack of labour and materials	Major	Major	Major	Likely	Likely	Likely	Undertake forward planning and market forecasting for 2025-26+, analyse availability of key services and trades based upon known development pipeline, and early market advice to tenderers	Moderate	Unlikely
								HIGH RISK ANALYSIS RATING	**MEDIUM RISK ANALYSIS RATING**	
Site Acquisition *Potential purchase costs from private or government agencies. The site may be more expensive to purchase than expected. Strand and Dean St have multiple reserve and deed of grant tenure layers, whereas the Hive is freehold (now owned by Centurion Global Development).*	Site purchase costs higher than anticipated, causing delays in negotiations	Moderate	Moderate	Moderate	Possible	Possible	Possible	Once site is confirmed early negotiation with landowner		
								MEDIUM RISK ANALYSIS RATING		

Risk Description and *Causes/Drivers*	Consequences	Consequence Ranking			Assessed Likelihood			Control Strategy and Risk Rating	Residual Risk Rating For High Risks Only	
		Hive	Strand	Dean St	Hive	Strand	Dean St			
Budget cap is exceeded *Potential refinement of costs results in budget estimate exceeding project budget*	Commercial and/or financial implications for the project which could cause delays	Major	Major	Major	Possible	Possible	Possible	Test design costs at earliest opportunity and run value management and economic models to verify budgets and contingencies at next design stages **HIGH RISK ANALYSIS RATING**	Moderate **MEDIUM RISK ANALYSIS RATING**	Unlikely
Continued supply chain and resourcing disruptions due to Covid-19 or global impact creates budget uncertainty *Covid-19 mandates/restrictions and Covid-19 infections*	Scheduling and programme delays and budget pressures	Major	Major	Major	Possible	Possible	Possible	Pandemic and disruption management plans established to manage possibility **HIGH RISK ANALYSIS RATING**	Moderate **MEDIUM RISK ANALYSIS RATING**	Unlikely
Clash of events at nearby facilities *Events simultaneously occurring at major venues close-by creating parking and crowd issues*	Programming and demand for events results in loss of future revenues	Moderate	Moderate	Moderate	Rare	Rare	Rare	Planning and event management to avoid clashes and/or manage efficiently and effectively **LOW RISK ANALYSIS RATING**		
Contractor becomes insolvent during the contract *Prevailing market conditions and ineffective procurement evaluation process*	Scheduling and programme delays and budget pressures	Major	Major	Major	Rare	Rare	Rare	Financial due diligence at earliest stages and contractual assurances to safeguard against insolvency **MEDIUM RISK ANALYSIS RATING**		
Operational grants and subsidies cannot be provided *Change in governance or commercial and market conditions and future funding availability*	Delays in program and securing an operator	Major	Major	Major	Possible	Possible	Possible	Early market sounding of operational commercial strategies to identify sources and future safeguarding of funding **HIGH RISK ANALYSIS RATING**	Moderate **MEDIUM RISK ANALYSIS RATING**	Unlikely

Risk Description and *Causes/Drivers*	Consequences	Consequence Ranking			Assessed Likelihood			Control Strategy and Risk Rating	Residual Risk Rating For High Risks Only	
		Hive	Strand	Dean St	Hive	Strand	Dean St			
Operational costs exceed expectations *Increases in operational (e.g. energy), personnel and maintenance costs*	Increased operational and maintenance costs	Major	Major	Major	Possible	Possible	Possible	Effective operational cost planning strategies put in place early	Moderate	Unlikely
								HIGH RISK ANALYSIS RATING	**MEDIUM RISK ANALYSIS RATING**	
Expected number of performances cannot be realised *Patron number impacts from pandemic or natural hazards*	Loss of revenue streams and patrons	Major	Major	Major	Possible	Possible	Possible	Planning and event management coordination to ensure events scheduled to maximise future revenue streams	Moderate	Unlikely
								HIGH RISK ANALYSIS RATING	**MEDIUM RISK ANALYSIS RATING**	

Source: AECOM.

The client, commercial and financial category consists of an array of potential risks that may affect the project, many of which are consistent for each of the separate sites. Where there could possibly be some differentiation is with Site Acquisition risks. However, at this stage the analysis shows that the Hive site might be cheaper to purchase than the other sites due to location and size but there may be some significant negotiation with the new landowner. For the purposes of this risk analysis however this has been assessed as a moderate risk.

As outlined earlier, the commercial and financial category analysis identifies the majority of the risk as having a medium to high risk rating and thus requiring early engagement to implement controls to manage and reduce the risks. The risks associated with market condition and potential future pandemics demand mitigation responses that focus upon contingency planning and having pre-prepared strategies ready to be enacted in the event of an overwhelmed contractor and supplier market or new social distancing measures. This may extend to the delivery model and supplier contracts that could be developed to ensure prices and access to materials and labour are managed early and effectively.

Contractual, Programme and Approvals Risks

The contractual category identified here is concerned primarily with scope and tasks, contract, programme and approvals. The analysis shows no real differentiation across the three sites. However, it is noted that if there is a Native Title issue, it may cause a delay in programme for the Dean Street and Strand sites only. Overall, the contractual, programme and approvals analysis identifies the risks as having a medium risk rating which will require early engagement to implement controls to manage and reduce risks. The consequence in most instances are budget, scope, staging, legal dispute and programme related. As can be seen in the table below many of these issues can be managed through early and proactive planning and contractual engagement.

The Hive comprises freehold land. Native title would likely have been extinguished over this land if the land became freehold on or before 23 December 1996.

It is assumed that Native Title is extinguished across the extent of the three sites that will accommodate a concert hall. It is recommended however that specialist advice is sought for clarification and confirmation of this status.

Table 9.5. Contractual, Programme and Approvals Risks

Risk Description and *Causes/Drivers*	Consequences	Consequence Ranking			Assessed Likelihood	Control Strategy and Risk Rating			Residual Risk Rating For High Risks Only
		Hive	Strand	Dean St		Hive	Strand	Dean St	
Scope creep creates budget pressure *Misunderstanding of scope of works and lack of value-for-money focus during design*	Budget pressure and schedule and programme delays	Moderate	Moderate	Moderate	Possible	Possible	Possible	Define project scope clearly and involve stakeholders early and often. Establish a change control process and ensure monitoring of project performance **MEDIUM RISK ANALYSIS RATING**
Contractual terms disagreement *Level of risk sharing in contractual arrangement and procurement strategy*	Delays to programme, dispute and claims	Moderate	Moderate	Moderate	Possible	Possible	Possible	Preparation of project specific documentation with full legal review. Include incentives in T&Cs for timeframe delivery **MEDIUM RISK ANALYSIS RATING**
Staging of development to control costs *Significant cost escalation and availability of labour and materials driving prices upward*	Delays to programme and future event format and capacity	Moderate	Moderate	Moderate	Possible	Possible	Possible	Detailed analysis and needs and demand assessment to understand staging impacts **MEDIUM RISK ANALYSIS RATING**
Statutory approvals delay commencement of works *Lack of collaboration and consultation between government agencies*	Budget pressure and schedule and programme delays	Moderate	Moderate	Moderate	Possible	Possible	Possible	Establishment of an approvals roadmap with realistic statutory authority and stakeholder engagement and timeframes **MEDIUM RISK ANALYSIS RATING**

Risk Description and *Causes/Drivers*	Consequences	Consequence Ranking			Assessed Likelihood	Control Strategy and Risk Rating			Residual Risk Rating For High Risks Only		
		Hive	Strand	Dean St	Hive	Strand	Dean St				
Native Title Claim *Unallocated state land exists at two of the sites (Strand and Dean St)*	Delays to the project	N/A	Major	Major	N/A	Likely	Likely	Early engagement with landowners and traditional custodians to understand possibility of extinguishment and any costs	Moderate	Unlikely
								HIGH RISK ANALYSIS RATING	MEDIUM RISK ANALYSIS RATING	

Source: AECOM.

Construction and Design Risks

Construction and design risks have been identified here as being largely of a medium risk across the issues of storm surge, Geotech, contamination, on and off-site works, future sustainability requirements and design integration. Many of these issues have been considered in earlier sections on site options and reported in some detail to allow shortlisting of sites.

There is some differentiation of sites based upon risk of storm surge and contamination and in both instances could result in site shutdowns, clean up and programme delays. Dean Street has a high storm surge risk compared to a medium risk at both the Hive and Strand (Section 14 – Review of Environmental Factors) and the Strand is less encumbered by contamination than both Dean Street and the Hive. Checks of the Environmental Management Register and Contaminated Land Register reveal that the Strand has no recorded matters unlike Dean Street and the Hive, which have petroleum product and oil storage, and landfill issues respectively. It is likely that these latter risks will cause some cost impacts for clean-up and decontamination at the Dean Street and Hive sites.

Earlier desk top geological and geotechnical surveys for the site options phase of the project revealed that the Strand site consists of moderately well-sorted fine to course grained quartzose, sand and gravel and Dean Street has silt, mud and mangrove flats. The Hive site sits atop Pleistocene formations of clay, silt, sand gravel and alluvium deposits. The findings of the geological analysis shows that whilst there are different formations there is not considered to be any significant differentiating factor between the sites in terms of geological condition and capacity for development.

Table 9.6. Construction and Design Risks

Risk Description and *Causes/Drivers*	Consequences	Consequence Ranking			Assessed Likelihood			Control Strategy and Risk Rating	Residual Risk Rating For High Risks Only	
		Hive	Strand	Dean St	Hive	Strand	Dean St			
Risk of Storm surge - During Construction *Occurs in flood prone areas*	Site shutdowns, clean up and delays	Moderate	Moderate	Major	Possible	Possible	Possible	Flood and storm surge prevention considerations at and near the site		
								DEAN ST -	Moderate	Unlikely

Risk Description and *Causes/Drivers*	Consequences	Consequence Ranking			Assessed Likelihood			Control Strategy and Risk Rating	Residual Risk Rating For High Risks Only	
		Hive	Strand	Dean St	Hive	Strand	Dean St			
								HIGH RISK ANALYSIS RATING	**MEDIUM RISK ANALYSIS RATING**	
								HIVE, STRAND - MEDIUM RISK ANALYSIS RATING		
Geotechnical Issues *Poor soil conditions. Acid sulphate soils are shown to exist to the same extent across each of the sites at 0-5 AHD.*	Increased cost of design and foundations	Moderate	Moderate	Moderate	Possible	Possible	Possible	Detailed Geotech survey to occur at next stages of project		
								MEDIUM RISK ANALYSIS RATING		
Contamination *Potential contaminated land, and/or acid sulphate soils*	Clean up costs and delays to programme	Moderate	Minor	Moderate	Likely	Unlikely	Likely	Detailed environmental research and contamination survey and report		
								HIVE, DEAN ST - HIGH RISK ANALYSIS RATING	Moderate / Unlikely	
									MEDIUM RISK ANALYSIS RATING	
								STRAND - LOW RISK ANALYSIS RATING		
On and off-site infrastructure needs upgrading *Requirement to re-route existing sewer, water and utilities and/or need to upgrade systems*	Upgrades required to roads, stormwater, utilities	Moderate	Moderate	Minor	Likely	Likely	Likely	Detailed infrastructure investigations to understand existing capacity and scope and costs of new works		
								HIVE, STRAND HIGH RISK RATING	Moderate / Unlikely	
									MEDIUM RISK ANALYSIS RATING	
								DEAN ST – MEDIUM RISK ANALYSIS RATING		
Lack of integration with adjacent development and uses *Lack of design collaboration with adjacent owners/uses and/or non-*	Programme and construction delay and reduced demand uptake due to poor future programming	Moderate	Moderate	Moderate	Possible	Possible	Possible	Early engagement with surrounding land users and informed updates on project activities		

Risk Description and *Causes/Drivers*	Consequences	Consequence Ranking			Assessed Likelihood			Control Strategy and Risk Rating	Residual Risk Rating For High Risks Only
		Hive	Strand	Dean St	Hive	Strand	Dean St		
complementary adjacent development activity								**MEDIUM RISK ANALYSIS RATING**	
Sustainability requirements require late stage re-design *Uncertainty regarding Greenstar and/or ISC requirements Standards are changing. Certifications being ramped up*	Budget pressure and schedule and programme delays	Moderate	Moderate	Moderate	Possible	Possible	Possible	Ensure clear direction in the procurement and contractual arrangements regarding Greenstar rating and pathway and cost accordingly* **MEDIUM RISK ANALYSIS RATING**	
Design process and outcomes do not pay due respect and acknowledgement to First Nations *Increasing demand to pay respect to design with country process at outset of projects*	Community opposition and reputational damage to the project and client group	Moderate	Moderate	Moderate	Unlikely	Unlikely	Unlikely	Following due process to ensure Design with Country engagement through the Office of the Government Architect **MEDIUM RISK ANALYSIS RATING**	
ICT scope and design requirements being suitable and fit for purpose for the venue and future events *Changing technology standards and visiting artists needs*	Budget increases, schedule and programme delays and inability to deliver functionality	Moderate	Moderate	Moderate	Possible	Possible	Possible	Design scope to be based upon Arts Queensland requirements and reviewed and finalised prior to detailed design stages **MEDIUM RISK ANALYSIS RATING**	

Notes: A cost estimate for the requirement to meet 6 Star Green star ratings has been included in the costings to the value of 10% of the construction cost for each site
Source: AECOM.

In terms of on and off-site construction risks it is likely for all the sites that there will be a need to address such matters. Dean Street is likely to incur the least works due to no significant demolition but some diversion and installation of sewer, water and stormwater infrastructure. Earlier site options assessments reveal that the Strand will require some demolition of existing buildings (Enterprise House and the Townsville Bowls Club), and removal and diversion works for sewer, water and stormwater. Similarly, works at the Hive will demand demolition of Lilac Court (and potentially rear sections of the Queens Hotel) and removal and diversion works for sewer, water and stormwater. The costs of these works for both the Strand and Hive were estimated in the earlier site options phase and are in the vicinity of $1.85 to $2.5M at 2022 prices.

The design integration with surrounding buildings and uses is generally consistent across each of the sites and is likely to cause a medium risk manifest in programme and construction delays which can be mitigated through stakeholder engagement and programme planning. This would be the case at both the Hive and Strand sites, which would

be developed close to existing buildings and land uses in the Flinders Street entertainment precinct. Whilst the Dean Street site is currently a vacant site there are adjacent buildings, including the North Queensland Stadium that will demand stakeholder engagement and programme planning to avoid potential event conflicts.

It should be noted that no transport analysis has been undertaken at this stage of the detailed business case. This means that the risk of traffic disruption is not considered in any detail but a desk top analysis for the site options phase of the project did note the existing one-way arrangements around both the Strand and Hive sites may require some local network rerouting during construction works but that this could be kept to manageable limits to avoid local network problems. For Dean Street it is not anticipated that there would be any traffic and network issues.

10. FINANCIAL ANALYSIS

Key Findings:

Key findings from the financial analysis include:

- The project is not independently financially feasible - as such grant funding for capital and an annual operation subsidy will be required to support and sustain the facility.
- The TCH project scenarios all generate less poor NPV results than the base case (TCT).
- The TCT project case - no Black-Box scenario experiences enhanced financial performance as less demand is drawn from TCT to TCH and TCT realises higher paying/ better attended fit or purposes events with the additional capacity generated through the development of TCH.
- All scenarios examined highlight enhanced economic performance under a higher demand scenario, except for the TCT base case, which has an insignificant decline in the base case, reflecting the facility is in a state of full demand and utilisation and is likely at or over capacity.

Financial Improvements & Considerations

- To improve the financial feasibility of the scenarios modelled it is recommended that the following be considered:
  - There is an opportunity to reduce capital costs by adjusting designs and facility elements without compromising the core purpose of the Concert Hall.
  - Although the pricing used in the financial modelling has been benchmarked, there are still opportunities to explore potential increases to mitigate operating losses.
  - Exploring potential increases in ticket prices also presents an opportunity to mitigate operating losses.
- In addition to the capital investment requiring grant funding, it is crucial to acknowledge the need for an annual subsidy to support ongoing operations. The estimated annual subsidy varies depending on the scenario and the specific period within the 40-year assessment, ranging from $1.5 million to $2.6 million. It is important to note that this subsidy will cover operating expenses only, and not depreciation or borrowings for asset renewals, or other capital investment.

10.1 APPROACH

The financial analysis estimates the profitability of the project, the projected cashflows and an assessment of the projected return on investment. A project Income Statement and Statement of Cash Flow Statement is provided in the Appendix for each of the five scenarios, with detailed assessment of the anticipated operating revenues and expenditures, capital investments and financing activities.

The model used to complete the financial analysis and to prepare the Income Statements and Cash Flow Statements for the assessment was AEC's proprietary Project Financial Feasibility Tool. Modelling drivers used in the assessment are described in the sections following.

For additional detail refer to the supporting Technical Appendix H: Financial Analysis.

10.2 ANALYSIS OF THE PROPOSAL - SCENARIOS

In undertaking the financial feasibility assessment, the following scenarios were considered:

- **Base Case** - the existing Townsville Civic Theatre (TCT) continues to operate in its current form, with no additional facilities developed.
- **Project Case** – the development of the proposed Townsville Concert Hall (TCH) and where TCT continues to operate with regional performances and events increasing and best fit for purpose allocation of events between the TCT and the TCH.

- The project case assumes and examines the independent operation of both TCT and TCH facilities and observes a reduction in demand for TCT (due to anticipated transfer of current use of TCT to the preferred TCH), but an increase in demand and activities when considering the total demand across the two facilities.
- A project scenario was also explored in the sensitivity analysis (across the central – medium demand scenario) of both facilities being owned and operated by one organisation and therefore achieving operational efficiencies across the two facilities.
- All of the project case scenarios, described above, were examined across the three site options being assessed – these being the Hive, The Strand and Dean Street.

- **Project Case – No Black-Box** – the development of the TCH, but under a lower capital scenario where the black-box performance space is planned for, and included in the facility design, however constructed at a later date outside of the financial assessment timeframe.

Three performance and audience demand scenarios were assessed at low, medium and high levels of observed demand, with the medium demand scenario used as the central reported scenario.

10.3 CAPITAL COST

Construction Costs

The construction scope of works for each scenario differs in terms of the works required. The following table outlines the projected cost of construction over the construction period for each of the TCH Project Case sites, at 2022/23 rates, exclusive of escalation. Within the financial model we have applied indexation to capital construction costs of 3% per annum.

Table 10.1 TCH Project Case Scenario - Construction Costs over the Construction Period (current value as at 2023)

Project Case / Site	FY 2025/26	FY 2026/27	FY 2027/28	Total
The Hive	69,695,481	116,050,170	26,257,810	212,003,461
The Strand	47,840,602	127,543,753	48,373,892	223,758,247
Dean Street	71,901,314	119,973,552	26,924,349	218,799,215

Source: AECOM & AEC unpublished.

A lower capital development scenario was developed, which explores a project development case for each site where the 300-seat black-box performance space is not developed up front and may be developed at a later date (outside of the modelling time horizon), is not included in the initial development. The construction costs relating to this are summarised in the following table.

Table 10.2 TCH Project Case Scenario – No Black-Box - Construction Costs over the Construction Period (current value as at 2023)

Project Case / Site	FY 2025/26	FY 2026/27	FY 2027/28	Total
The Hive	62,136,513	103,056,221	23,912,382	189,105,116
The Strand	40,621,836	107,276,488	41,509,813	189,408,138
Dean Street	62,683,322	104,110,927	24,066,437	190,860,686

Source: AECOM & AEC unpublished.

Asset Renewals

Asset renewals are vital for maintaining functional and efficient infrastructure over a 40-year period of operations. The table below provides the required renewal investments (for the base case and each project scenario) as assets approach the end of their useful life during the 40-year financial modelling assessment period.

Table 10.3 TCT & TCH Project Case Scenarios – Total Renewal costs over 40 years

Base Case TCT	Project Case TCT	The Hive TCH	The Strand TCH	Dean Street TCH
55,385,878	55,385,878	111,750,740	112,893,575	111,862,055

Source: Townsville City Council & AEC unpublished.

Due to the lower capital development costs if construction of the Block Box is excluded, the asset renewals over the 40-year period of operations are projected to be around $100 million for each site with the Black Box removed from the initial stage of development.

Land Costs

To estimate the approximate land costs for each respective site, analysis was undertaken on a range of development site transactions throughout Townsville City to understand appropriate value metrics based on a rate per square metre of site area and/or maximum permissible gross floor area (GFA). The results as this and the costs used for the financial modelling are provided in the following table.

Table 10.4 Land Costs across all Three Sites

Site	Site Area (m²)	Rate/m² (Site Area)	Assessment	Rounded Land Cost Used
The Hive	8,531	$775	$6,611,525	$6,610,000
The Strand	10,925	$850	$9,286,021	$9,285,000
Dean Street	18,550	$480	$8,904,000	$8,904,000

Source: AEC unpublished.

10.4 OPERATING COSTS & REVENUES

Revenue has been modelled based on two approaches:

- TCT demand and previous revenue rates
- TCH demand and a schedule of rates developed through benchmarking

We have applied an indexation rate of 2.5% within the model.

A desktop literature review of similar Concert Halls and Performance Centres across Australia was completed to determine the appropriate fees and charges for financial modelling purposes, as a result of this, the following Schedule of Rates was developed and utilised in the model for the basis of both operating costs and revenue.

Table 10.5 Project Case TCH - Schedule of Rates for Financial Modelling

Operating Pricing Schedule	Price	Price Assumptions	Utilisation Assumptions (%)
Venue hire - Ticketed Community Event	$4,000	Average Full Day hire, based on the capacity of the venue	Demand projection
Venue hire - Non-ticketed Community Event	$4,000	Average Full Day hire, based on the capacity of the venue	Demand projection
Venue hire - Ticketed Commercial Event	$8,000	Average Full Day hire, based on the capacity of the venue	Demand projection
Venue hire - Supported Ticketed Commercial Event	$8,000	Average Full Day hire, based on the capacity of the venue	Demand projection
FOH (Ushers)	$1,280	Based on 1,000 audience	100% of shows have labour hire
Technical Staff	$1,280	Average = $80/staff (4)/hour (4hrs)	100% of shows have labour hire
Cleaning	$360	Based on 1,000 audience	100% of shows have labour hire
Security	$560	Average = $80/staff (4)/hour (4hrs)	100% of shows have labour hire
Ambulance / St Johns attendants	$510	Average = $60/staff (2)/hour (3hrs)	100% of shows have labour hire
Equipment Hire	$1,600	Rounded average of all equipment (lighting, sound, specialist) is $800, assumes 2 equipment items per show	
Advertising & Marketing	$400	Assumes 10% markup, average price based on desktop review (however, POA is the preferred approach)	80% of shows have advertising & marketing
Merchandising, Bar & Food	$25	Event of significant scale - Per head / per show assumption, assumes 10% markup	100% of shows have Merc, Bar & Food
	$10	Events of moderate size and scope - Per head / per show assumption, assumes 10% markup	100% of shows have Merc, Bar & Food
	$5	Events with limited reach beyond local community - Per head / per show assumption, assumes 10% markup	100% of Shows have Merc, Bar & Food
Ticket Fees	15%	15% of Ticket Price income	100% of shows have equipment hire
Ticketing Event creation	$150	Per event, standard seating plan	100% of Shows
Credit card commission	2.50%	Average of Credit Card Fees charged	80% of Ticket Purchases
Live Performance Australia (LPA), Industry Service Fee	$180	Based on 1000 capacity (2020/21 Fees), with indexation applied	100% of Shows
Transmission Recording Allowance	$200		20% of shows transmission Recording

Source: AEC unpublished.

10.5 FINANCIAL APPRAISAL

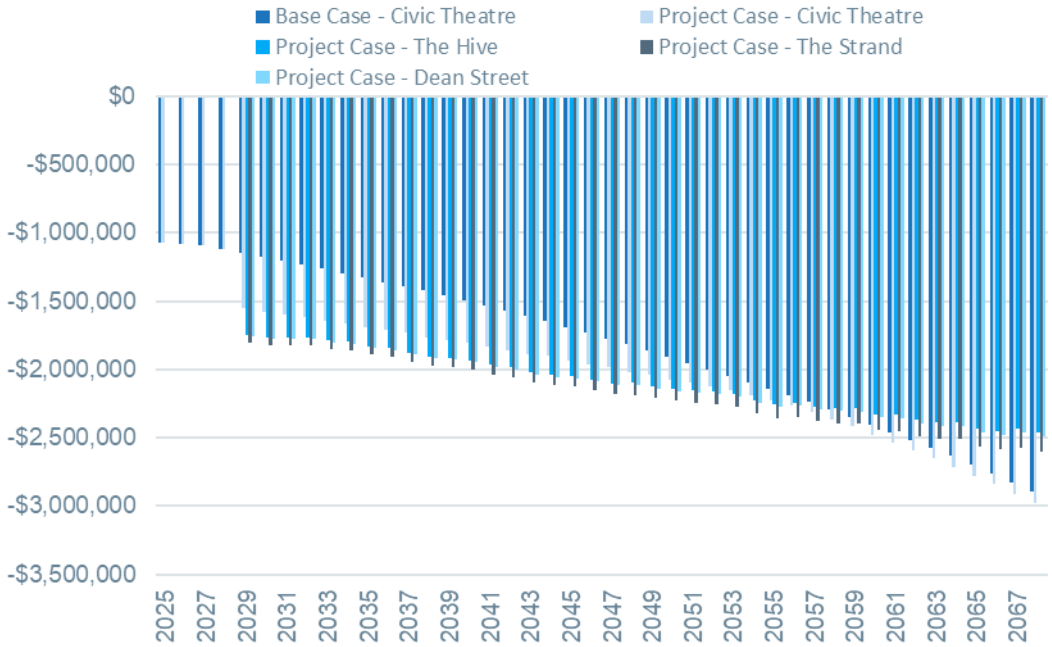
To financially assess the project comprehensively, the profitability, cashflows and Return on Investment (ROI), were considered from a financial and commercial perspective. The following section presents a summary of the financial performance of the development of the facility against a base case of no development.

Project Profitability

The profitability of the project in each of the scenarios has been thoroughly evaluated, considering the Earnings Before Interest, Taxation, Depreciation, and Amortisation (EBITDA), as well as the Operating Surplus/Deficit.

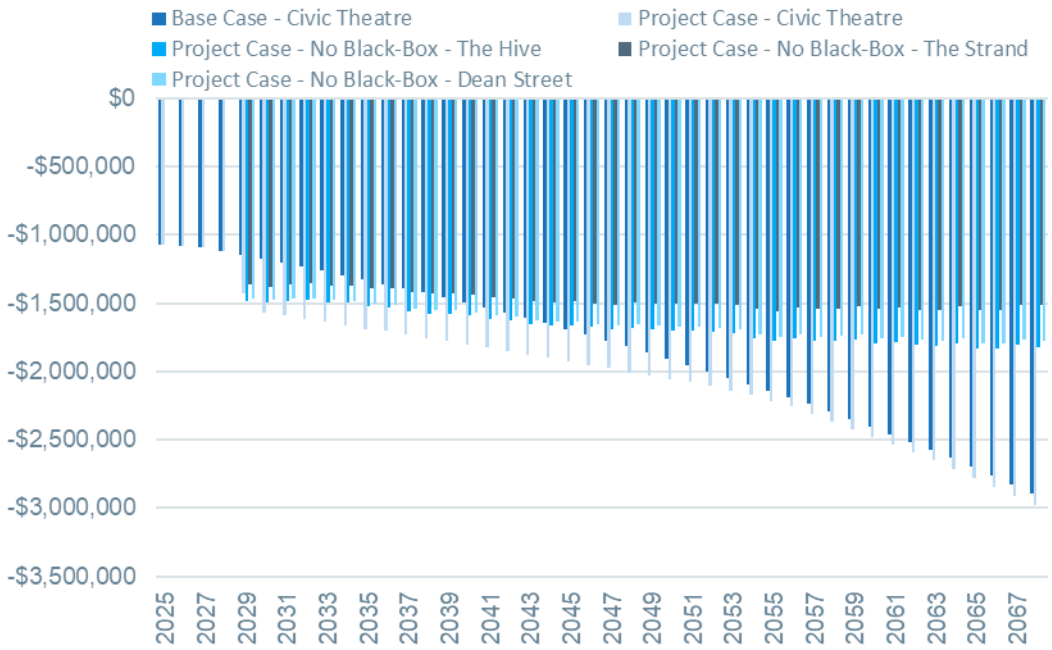
It is evident across all scenarios that the project is not financially feasible for the private sector to take it on – as such the financial assessment has been modelled to inform an operator/ investor of the nature and extent of the subsidy that may be required to support and sustain the facility, as typically cultural facilities require recurrent operational funding to realise the cultural benefits they deliver.

Figure 10.1 Base Case and Project Case – EBITDA - 40 Years



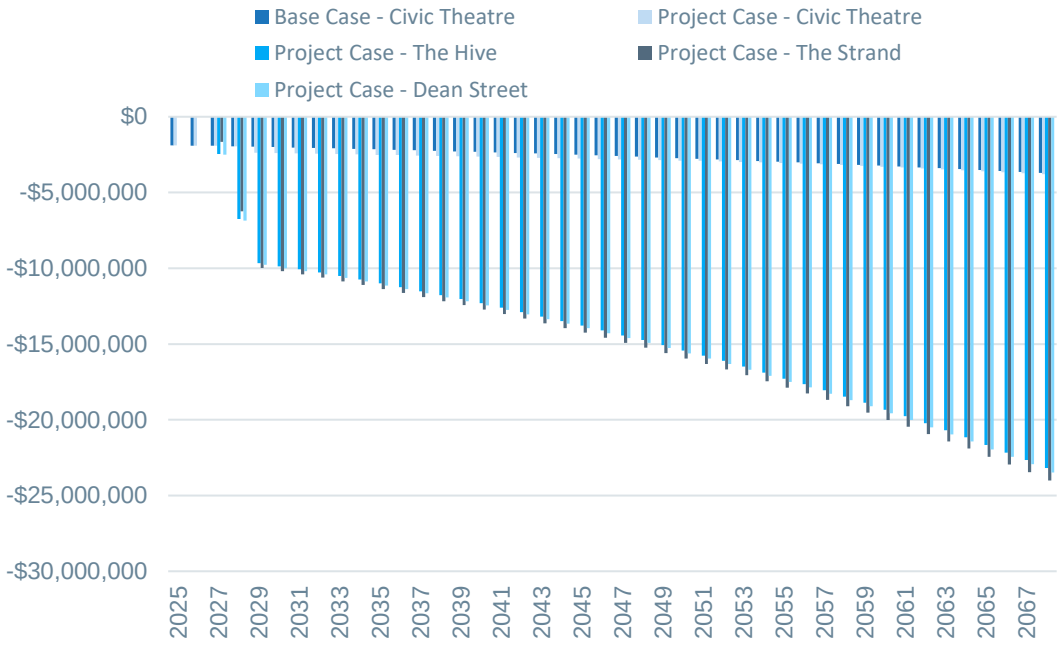
Source: AEC unpublished.

Figure 10.2 Base Case and Project Case – No Black-Box – EBITDA - 40 Years



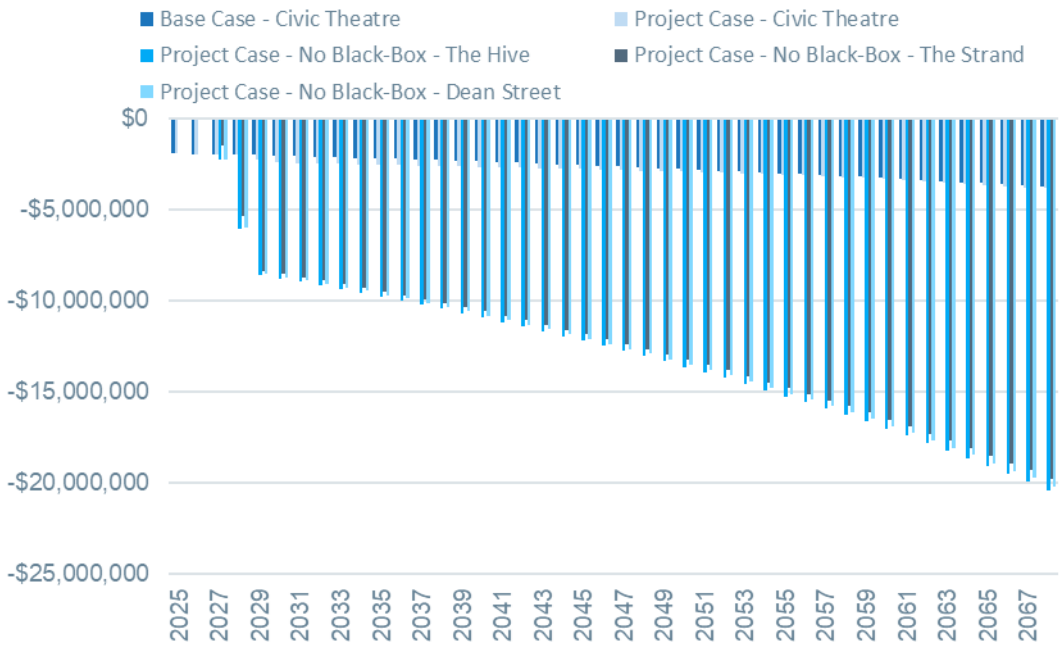
Source: AEC unpublished.

Figure 10.3 Base Case and Project Case – Operating Surplus/(Deficit) - 40 Years



Source: AEC unpublished.

Figure 10.4 Base Case and Project Case – No Black-Box – Operating Surplus/(Deficit) - 40 Years

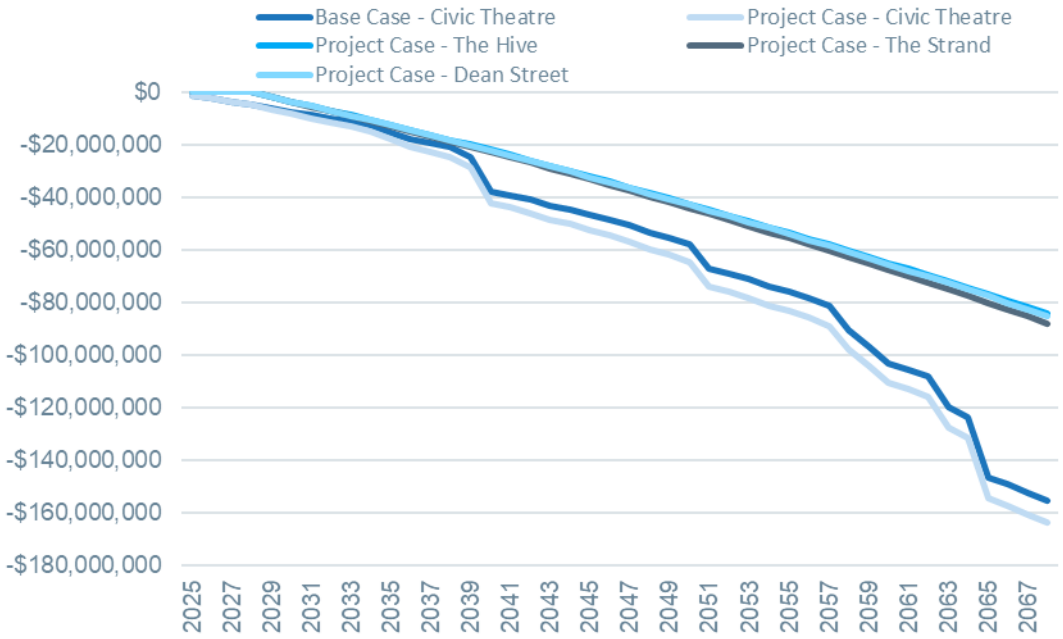


Source: AEC unpublished.

Project Cashflows

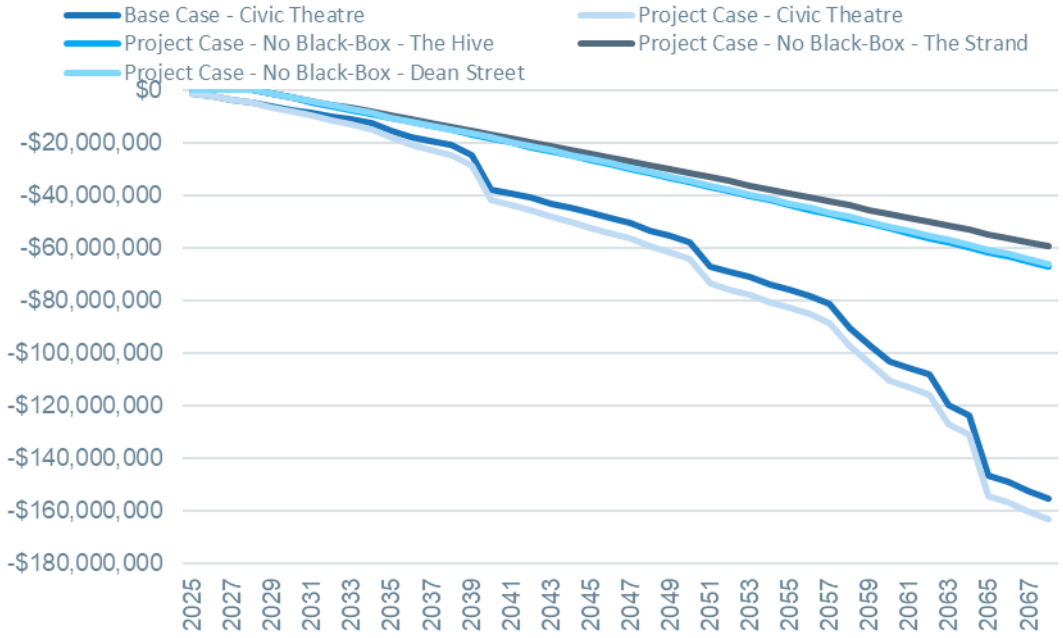
Across all scenarios, Base Case, Project Case and Project Case – no Black-Box, declining cash balances are projected, indicating an unsustainable outcome. Sustained negative cash flows can lead to financial instability, hindering the project's ability to meet its financial obligations, fund necessary operations, and maintain long-term viability.

Figure 10.5 Base Case & Project Case –Cumulative Net Project Cash Flows – 40 years



Source: AEC unpublished.

Figure 10.6 Base Case & Project Case – No Black-Box - Cumulative Net Project Cash Flows – 40 years



Source: AEC unpublished.

Return on Investment (NPV)

The below tables outline the Net Present Value (NPV) for each of the project scenarios based on a 7% Discount Rate, over the Low, Medium and High Demand Projections, based on the 40 years assessment period.

Table 10.6 Base Case & Project Case - Net Present Value (7% Discount Rate), across Low, Medium and High Demand Projections

Scenario / Site	Low Demand Projection	Medium Demand Projection	High Demand Projection
Base Case - Civic Theatre	$(33,776,658)	$(33,780,494)	$(33,829,122)
Project Case - Civic Theatre	$(38,962,240)	$(36,981,679)	$(35,947,234)
Project Case - The Hive	$(24,258,217)	$(21,206,923)	$(18,220,401)
Project Case - The Strand	$(25,050,839)	$(21,999,545)	$(19,013,023)
Project Case - Dean Street	$(24,419,705)	$(21,368,411)	$(18,381,889)

Source: AEC unpublished.

Table 10.7 Base Case & Project Case – No Black-Box - Net Present Value (7% Discount Rate), across Low, Medium and High Demand Projections

Scenario / Site	Low Demand Projection	Medium Demand Projection	High Demand Projection
Base Case - Civic Theatre	$(33,776,658)	$(33,780,494)	$(33,829,122)
Project Case - Civic Theatre	$(38,882,478)	$(36,819,576)	$(35,898,632)
Project Case – No Black-Box - The Hive	$(20,292,094)	$(17,334,240)	$(14,440,727)
Project Case – No Black-Box - The Strand	$(18,574,898)	$(15,617,044)	$(12,723,531)
Project Case – No Black-Box - Dean Street	$(20,050,220)	$(17,092,366)	$(14,198,853)

Source: AEC unpublished.

Considering the negative profitability, unsustainable cash flows, and substantial investment needed in capital and annual operations, the Return on Investment (ROI) for the project is deemed poor. These factors contribute to a diminished ROI, indicating that the project's financial returns are not sufficient to justify the investment.

Funding Support

Grant funding support is a crucial assumption highlighted in the report, as it plays a significant role in financing the construction of the infrastructure across all TCH scenarios, as well as funding future asset renewals throughout the 40-year operational period. It is understood that in the 2023-24 budget, the Queensland Government committed $50 million, adding to the $98 million from the Federal Government, however the source for the balance of the funding is yet to be determined.

Subsidies Required

For context and understanding, based on a population of 200,000, developing the TCH would cost/ require between $7.50 to $13.00 a year, per local person (based on its current design and configuration) to subsidies the operating costs of the TCH.

Table 10.8 Estimated Contribution per Head of Population in Townsville, to Subsidise the TCH

Estimated Annual subsidy for the TCH	Estimated Annual Subsidy per Capita [a]	Estimated Annual Subsidy per Event [b]	Estimated Annual Subsidy per Attendee[c]
$1.5 million	$7.50	$7,614	$14.14
$1.8 million	$9.00	$9,137	$16.97
$2.6 million	$13.00	$13,198	$24.51

Note (a): Based on a population of 200,000, (b) Based on 197 annual events (10 year average), (c) Based on 106,080 annual attendees (10 year average).
Source: AEC unpublished.

Under a sole ownership arrangement for both the TCT and TCH, based on an EBITDA perspective the annual subsidy required with sole ownership ranges from $3.3 million in 2028-29, reaching $5.6 million by 2067-68 financial year.

11. ECONOMIC ANALYSIS

Key Findings:

The Cost Benefit Analysis (CBA) shows that at a 4% discount rates the present value (PV) of costs outweigh the PV of benefits for all site options, for both full facility development (with benefit cost ratios (BCRs) ranging between 0.83 and 0.85) and development of the facility excluding the black-box performance space (BCRs ranging between 0.91 and 0.93).

The up-front capital costs represent the largest cost across each of the three site options, accounting for more than half the total PV of costs. The most significant benefits include facility revenues, non-use benefits, use benefits and benefits from induced visitor expenditure.

The difference in the Net Present Value (NPV) and BCR between site options is minimal, with the results of the CBA unable to strongly distinguish one site as a preference over any other. However, the CBA results indicate an initial development excluding the black-box performance space provides a better socio-economic outcome. Consultation indicated that while this space would be considered highly beneficial for users, it was not required to support the functioning of the main concert hall and could potentially be delivered at a later stage.

Sensitivity analysis of the key cost and benefit parameters indicates that a positive NPV and BCR above 1 can be achieved for all site options, both under the full facility development and excluding black-box scenarios, where assumptions of benefits and costs are more favourable than the base assumptions used in the modelling. Under the full development scenario, the Hive site option returned a positive NPV and BCR above 1 across 20% of the simulations run, with the Strand achieving a positive NPV on 16% of iterations and Dean Street on 17%. Excluding the black-box, the Strand returned the highest number of iterations with a positive NPV/ BCR above 1 at 37%, followed by the Hive at 35% and Dean Street at 34%.

Some benefits have not been included in the assessment, due to insufficient information to be appropriately quantified and valued, or to avoid potential double counting (in particular with the non-use benefit), such as:

- The potential utility benefit for performers from performing at a high quality, fit-for-purpose facility such as the TCH as well as benefits from expenditure of non-local performers in Townsville while in the region.
- Potential benefits in terms of encouraging increased development and participation of locals in the Arts.
- Potential for the TCH to result in a lift in property values and investment.
- A potential reduction in travel expenses for Townsville residents to access high quality performances that may otherwise not be hosted in Townsville.
- Potential benefits in terms of supply chain impacts for Townsville.

Inclusion of these benefits can be expected to result in a lift in the overall benefits assessed for the TCH.

Using annualised estimates of activity and discounting to present value terms highlights that at a 4% discount rate, the TCH is estimated to support a present value contribution to Gross Regional Product (GRP) (including direct and flow-on activity) of approximately between $325 million and $330 million at a 4% discount rate. This contribution to GRP is higher than the total present value of costs at a 4% discount rate outlined in the CBA for each site option and excludes the social utility benefits delivered from use and non-use benefits. This indicates that where contribution of the project to economic activity in the Townsville SA4 is considered the overall project benefits may be expected to outweigh the costs

11.1 COST BENEFIT ANALYSIS

11.1.1 General Modelling Parameters

In undertaking the cost benefit analysis (CBA) the following key modelling parameters were used:

- The model examined the three-year construction phase (FY2026 to FY2028) and 40 years of operations (FY2029 to FY2068).
- All dollar values presented in this section are expressed in FY2023 Australian dollars.
- Discount rates of 4%, 7% and 10% (real) were examined, in line with Queensland and Australian guidelines for CBA. Reporting is primarily undertaken at a 4% discount rate, given the non-commercial nature of the facility and significant long term social/ community benefits it provides.

As all values used in the CBA are in real terms, the discount rate does not incorporate inflation (i.e., it is a real discount rate, as opposed to a nominal discount rate). This differs from the financial analysis, which uses nominal discount rates with all values including inflation.

11.1.2 Scenarios Examined

The CBA examined the Base Case and the three Project Case site options separately. The Base Case and Project Case scenarios are described in the 'Defining the Base & Project Cases' section above.

For the Project Case scenarios, both full development scenarios and scenarios excluding the black-box performance space were considered, as well as scenarios of low and high demand. The Project Case scenarios also included consideration of impacts on the TCT (and other facilities, where relevant) to ensure the analysis captures potential transfer of activity from other facilities to the TCH.

In understanding the net benefit/ cost of the Project Case scenarios, the Base Case was subtracted from the Project Case results.

11.1.3 Costs and Benefits Examined

In undertaking the CBA, the following costs and benefits were examined:

Costs

- **Capital expenditure**: Capital expenditure estimates and timing were included as per those outlined in the 'Defining the Base & Project Cases' section above.
- **Lifecycle/ renewal capital expenditure**: Lifecycle/ renewal capital expenditure estimates and timing were included as per those outlined in the 'Defining the Base & Project Cases' section above.
- **Operations and maintenance expenditure**: Annual operating and maintenance costs were included as per those outlined in the 'Defining the Base & Project Cases' section above.

Benefits

- **Facility revenues**: Facility operating revenues were included as per those outlined in the 'Defining the Base & Project Cases' section above.
- **Facility employee benefits**: It was assumed that 25% of the wages and salaries of TCT and TCH employees (as estimated as part of the operating and maintenance expenditure) represents a net economic benefit. Inclusion of only 25% of employee incomes as a benefit reflects that not all employment supported represents net new incomes and that people employed due to the project that would otherwise be unemployed would still contribute to economic activity without the project.
- **Event organiser/ performer net profit**: Estimates of event organiser/ performer revenue were developed based on average ticket prices for different performance types applied to attendance for these performance types as estimated in the demand modelling. It was assumed that 15% of this ticket revenue was captured by the facility (TCH or TCT), with the remainder captured by the event organiser/ performer. In addition to ticket revenue, it was assumed event organisers/ performers also receive approximately $5 per attendee from

merchandise sales. In including this benefit in the CBA, only the net profit of event organisers/ performers was included, with the net profit estimated based on the producer surplus (or gross operating surplus) ratio per dollar of output (revenue) for the Heritage, Creative and Performing Arts industry in AEC's Input-Output model.

- **Benefits from induced recreation spend**: This benefit examined the induced expenditure in Townsville for recreation/ leisure activities before and after attending performances that wouldn't otherwise be expected to occur. Estimates of induced expenditure per person by event type and facility/ site location are presented in Table 11.1. Of this expenditure, 80% was assumed to be on food and beverage services and 20% on retail trade. Only the producer surplus has been included as a net benefit, as well as a portion of the wages and salaries paid to labour (25%), with producer surplus and wages and salaries estimated based on ratios per dollar of output (revenue) for the Food and Beverage Services industry and Retail Trade industry in AEC's Input-Output model.

Table 11.1. Induced Recreational Spend per Person by Event Type and Facility

Event Type	TCT	TCH – The Hive	TCH – The Strand	TCH – Dean Street
Non-ticketed Community Events	$5	$7	$7	$6
Non-ticketed Commercial Events	$5	$7	$7	$6
Ticketed Community Events	$5	$7	$7	$6
Supported Ticketed Commercial Events	$10	$14	$14	$12
Ticketed Commercial Events	$10	$14	$14	$12

Source: AEC

- **Public benefit to patrons from facility use/ attendance at performances**: The public/ utility benefit (or consumer surplus) of patrons attending performances and events was estimated based on:
    - For ticketed events, the benefit to attendees was estimated as being approximately 150% of the ticket price. Excluding the cost of the ticket, the consumer surplus (or net public benefit) was assumed to be 50% of the ticket price.
    - For non-ticketed events, the benefit to attendees was estimated based on the hourly value of leisure time (based on research, this was identified as being approximately 49.9% of the average hourly wage, which is $32.90 in Townsville), with an average attendance time of 1.3 hours per event.
- **Facility non-use benefits**: In addition to the use benefit above, the existence of high quality performing arts facilities in a region generates utility for residents whether or not they use the facilities. The non-use benefit of the facility refers to the benefit to the community of having the option to use the performing arts facilities if they wish, and the pride in place that comes with living in an area with good access to amenities. In valuing the non-use benefit:
    - A non-use benefit per resident of $30 was estimated using the non-use benefit prescribed to comparable venues in comparable benchmark regions (Econtext, 2015; SGS Economics & Planning, 2019).
    - Consideration was given to the size of the population the facilities (TCH and TCT) are approximately designed to service, which was estimated to be approximately 175,000 people per facility based on benchmarking of similar facilities. Where the population in the Townsville SA4 (the primary service catchment for the TCH and TCT) exceeds the designed service capacity, it was assumed the utility derived per person would diminish commensurate with the proportional increase in population over designed service capacity (e.g., if the population in the service catchment exceeds the designed capacity by 50%, it has been assumed the non-use utility derived by each resident is approximately halved).

11.1.4 CBA Results

The table below provides a summary of the CBA results for the three site options under the full development scenario in terms of incremental change from the Base Case using a 4% discount rate. For results at 7% and 10% discount rates, refer to the supporting Technical Appendix I: Economic Analysis.

At a 4% discount rate, all site options return a negative Net Present Value (NPV) and Benefit Cost Ratio (BCR) below 1, indicating the present value (PV) of costs outweigh the PV of benefits for each site option and that the TCH is not assessed to deliver a net socio-economic benefit under any of the three options based on the

assumptions used in the analysis. The up-front capital costs represent the largest cost across each of the three site options, accounting for more than half the total PV of costs. The most significant benefits include facility revenues, non-use benefits, use benefits and benefits from induced visitor expenditure.

Table 11.2. CBA Results – Comparison of Site Options at 4%, Incremental Change from the Base Case, Full Facility Development

Input	The Hive	The Strand	Dean Street
Costs (Present Value, $M)			
Capital Expenditure	$156.1	$162.5	$161.1
Lifecycle/ Renewal Capital Expenditure	$35.2	$35.2	$35.2
Operations and Maintenance Expenditure	$102.0	$102.8	$102.1
Total Costs	***$293.3***	***$300.5***	***$298.5***
Benefits (Present Value, $M)			
Facility Revenue	$79.0	$79.0	$79.0
Facility Employee Benefits	$6.6	$6.6	$6.6
Event Organiser/ Performer Profit	$12.4	$12.4	$12.4
Induced Recreational Spend of Patrons	$3.0	$3.0	$2.4
Induced Visitor Spend	$31.1	$31.1	$31.1
Use Benefits	$48.3	$48.3	$48.3
Non-Use Benefits	$67.8	$67.8	$67.8
Total Benefits	***$248.2***	***$248.2***	***$247.6***
Summary			
Net Present Value ($M)	**-$45.1**	**-$52.3**	**-$50.9**
Benefit Cost Ratio	**0.85**	**0.83**	**0.83**

Source: AEC.

When excluding the black-box, the reduction in the initial capital costs (as well as corresponding reduction in renewal costs and maintenance costs) results in a sizeable reduction in the overall costs for the TCH, with only a small reduction in demand and overall benefits. As a result, the BCR increases from around 0.83 to 0.85 for each site option for the full facility development to around 0.91 to 0.93 for each site option. While the TCH is still assessed to not realise a net socio-economic benefit under the assumptions assessed, removal of the black-box from the initial development is assessed to provide an improved socio-economic outcome.

Table 11.3. CBA Results – Comparison of Site Options at 4%, Incremental Change from the Base Case, Excluding Black-Box

Input	The Hive	The Strand	Dean Street
Costs (Present Value, $M)			
Capital Expenditure	$139.2	$137.5	$140.5
Lifecycle/ Renewal Capital Expenditure	$31.7	$30.3	$31.1
Operations and Maintenance Expenditure	$96.7	$95.0	$96.4
Total Costs	***$267.7***	***$262.8***	***$268.1***
Benefits (Present Value, $M)			
Facility Revenue	$77.5	$77.5	$77.5
Facility Employee Benefits	$6.6	$6.6	$6.6
Event Organiser/ Performer Profit	$12.2	$12.2	$12.2
Induced Recreational Spend of Patrons	$2.9	$2.9	$2.4
Induced Visitor Spend	$31.1	$31.1	$31.1
Use Benefits	$47.6	$47.6	$47.6
Non-Use Benefits	$67.8	$67.8	$67.8
Total Benefits	***$245.7***	***$245.7***	***$245.1***
Summary			
Net Present Value ($M)	**-$21.9**	**-$17.1**	**-$23.0**
Benefit Cost Ratio	**0.92**	**0.93**	**0.91**

Source: AEC.

Of note, the difference in the NPV and BCR between site options is minimal, with the results of the CBA unable to strongly distinguish one site as a preference over any other.

Examination of the Project under low (50% growth relative to the baseline) and high (150% growth) demand scenarios indicated the results of the analysis are not overly sensitive to the assumed demand growth. BCRs for each site option are assessed to range from 0.75 to 0.91 for the full facility and from 0.83 to 1.01 excluding the black-box.

Some benefits have not been included in the assessment due to insufficient information to be appropriately quantified and valued or to avoid potential double counting (in particular with the non-use benefit), such as:

- The potential utility benefit for performers from performing at a high quality, fit-for-purpose facility such as the TCH as well as benefits from expenditure of non-local performers in Townsville while in the region.
- Potential benefits in terms of encouraging increased development and participation of locals in the Arts.
- Potential for the TCH to result in a lift in property values and investment.
- A potential reduction in travel expenses for Townsville residents to access high quality performances that may otherwise not be hosted in Townsville.
- Potential benefits in terms of supply chain impacts for Townsville.

Inclusion of these benefits can be expected to result in a lift in the overall benefits assessed for the TCH.

11.2 ECONOMIC IMPACT ASSESSMENT

11.2.1 General Modelling Parameters

The Economic Impact Assessment used Input-Output modelling to estimate the economic activity supported by construction of the TCH, post construction from TCH operations, as well as induced economic activity from increased local and visitor spending. This assessment also considers the economic activity supported by the TCH excluding the 300-seat black-box performance space. All site options (as detailed in Section 7 above) were examined. Input-Output modelling examined the direct and flow-on[3] activity expected to be supported within the Townsville SA4 economy.

Additional details of the Input-Output modelling methodology is provided in the supporting Technical Appendix I: Economic Analysis.

11.2.2 Activity Examined

In undertaking the assessment of the economic activity supported by the TCH, the analysis examines the net incremental additional activity supported by the TCH in consideration of impacts on the TCT and other facilities (the Project Case), relative to what would otherwise be expected to occur without the TCH (the Base Case). The Project Case and Base Case are assumed to be as defined for the CBA in the 'Defining the Base & Project Cases' section above. Five components have been examined for each of the site options:

- Construction phase: TCH construction: Economic activity supported through the initial construction of the TCH.
- Post-construction phase/ ongoing activity:
    - Facility operations: Economic activity supported through ongoing operational activities of the TCH and TCT, relative to expected operating activity of the TCT without the TCH (operations of other facilities have not been examined due to data limitations, but is expected to be minimal).
    - Event organiser/ performer activity: Economic activity supported through organising and performing the additional events hosted in Townsville as a result of the TCH.

[3] Both production induced (Type I) and consumption induced (Type II) flow-on impacts have been presented in this report. Refer to Appendix C for a description of each type of flow-on impact.

- Induced recreation spend: Economic activity supported through additional spend on recreational activities pre- and post-events by attendees as a result of additional events hosted in Townsville as a result of the TCH.
- Induced visitor spend: Economic activity supported through additional visitation and visitor spend in Townsville as a result of additional events hosted in Townsville as a result of the TCH.

Construction activity was examined in aggregate over the three year construction period (FY2026 to FY2028), while the post construction/ ongoing activity was examined as an average annual impact over 40 years (between FY2029 and FY20268).

Additional details of the specific assumptions used in modelling the above activities is provided in the supporting Technical Appendix I: Economic Analysis.

11.2.3 Economic Impact Assessment Results

TCH Construction

In interpreting the results of the economic modelling, it should be recognised the results refer to the aggregate economic activity supported over the entire construction phase (i.e., not annual averages). Economic analysis indicates construction of the TCH is estimated to support the following within the Townsville SA4 economy:

- Between $88.3 million and $92.7 million in Gross Regional Product (GRP).
- Between 633 and 663 FTE job years, paying between $59.4 million and $62.3 million in wages and salaries.

The construction and manufacturing industries are expected to receive the largest share of activity supported by construction activities in Townsville SA4.

Table 11.4. Total Economic Contribution of TCH Construction Activity, Townsville SA4

Impact	Output ($M)	GRP ($M)	Incomes ($M)	Employment (FTEs)
The Hive				
Initial Stimulus in Local Economy	$130.4	$38.8	$27.9	285
Direct Requirements Impacts	$55.0	$21.1	$15.3	158
Industry Support Impacts	$21.0	$8.9	$6.0	62
Household Consumption Impacts	$34.4	$19.5	$10.1	127
Total Impacts in Local Economy	**$240.8**	**$88.3**	**$59.4**	**633**
The Strand				
Initial Stimulus in Local Economy	$137.1	$40.8	$29.3	299
Direct Requirements Impacts	$57.8	$22.2	$16.1	166
Industry Support Impacts	$22.0	$9.3	$6.3	65
Household Consumption Impacts	$36.1	$20.5	$10.6	133
Total Impacts in Local Economy	**$253.0**	**$92.7**	**$62.3**	**663**
Dean Street				
Initial Stimulus in Local Economy	$135.0	$40.3	$29.0	297
Direct Requirements Impacts	$56.7	$21.8	$15.8	163
Industry Support Impacts	$21.6	$9.2	$6.2	64
Household Consumption Impacts	$35.6	$20.2	$10.5	131
Total Impacts in Local Economy	**$248.9**	**$91.4**	**$61.5**	**655**

Source: AEC.

Post Construction/ Ongoing Operations

The following analysis examines the annual average impact delivered by operation of the TCH between FY2029 and FY2068. This section examines the annual impacts of the TCH at each site option in terms of contribution to economic output, GRP and employment, inclusive of facility operations, event organiser/ performer activity, induced recreation spend and induced visitor spend. Economic analysis indicates ongoing operations of the TCH is estimated to support the following within the Townsville SA4 economy on average each year:

- Between $16.6 million and $16.8 million in GRP.
- Between 171 and 174 FTE jobs, paying between $12.8 million and $12.9 million in wages and salaries.

The accommodation and food services and arts and recreation services industries are expected to receive the largest share of activity supported by ongoing operations activities in Townsville SA4.

Table 11.5. Average Annual Economic Contribution of TCH Post-Construction/ Ongoing Operations, Townsville SA4

Impact	Output ($M)	GRP ($M)	Incomes ($M)	Employment (FTEs)
The Hive				
Initial Stimulus in Local Economy	$22.0	$8.8	$8.1	118
Direct Requirements Impacts	$5.6	$2.7	$2.0	22
Industry Support Impacts	$1.8	$0.8	$0.6	6
Household Consumption Impacts	$7.8	$4.5	$2.3	29
Total Impacts in Local Economy	**$37.3**	**$16.8**	**$12.9**	**174**
The Strand				
Initial Stimulus in Local Economy	$22.0	$8.8	$8.1	118
Direct Requirements Impacts	$5.6	$2.7	$2.0	22
Industry Support Impacts	$1.8	$0.9	$0.6	6
Household Consumption Impacts	$7.9	$4.5	$2.3	29
Total Impacts in Local Economy	**$37.3**	**$16.8**	**$12.9**	**174**
Dean Street				
Initial Stimulus in Local Economy	$21.8	$8.7	$8.0	116
Direct Requirements Impacts	$5.6	$2.7	$2.0	21
Industry Support Impacts	$1.8	$0.8	$0.6	6
Household Consumption Impacts	$7.8	$4.4	$2.3	29
Total Impacts in Local Economy	**$36.9**	**$16.6**	**$12.8**	**171**

Source: AEC.

Present Value Contribution to GRP

Using annualised estimates of activity and discounting to present value terms highlights that at a 4% discount rate, the TCH is estimated to support a present value contribution to GRP (including direct and flow-on activity) of approximately between $325 million and $330 million at a 4% discount rate, which is larger than the present value of the cost of construction and operations over a 40 year period.

Table 11.6. Present Value Contribution to GRP of Each Site Option

Site Option	4% Discount Rate	7% Discount Rate	10% Discount Rate
The Hive	$325.7	$205.5	$145.0
The Strand	$328.6	$207.8	$146.7
Dean Street	$325.3	$206.2	$146.1

Source: AEC.

TCH Excluding Black-Box

The following analysis evaluates the construction and operation of the TCH under the scenario in which the black-box is designed into the facility for potential construction at a later date, but is not built as part of the initial development or in the modelling period (i.e. this scenario examines the economic benefit of the TCH over 40 years of operations without the black-box).

Economic analysis indicates construction of the TCH excluding the black-box is estimated to support the following within the Townsville SA4 economy in aggregate (i.e., over the entire construction phase) is slightly lower than including it:

- Between $78.3 million and $79.6 million in GRP.
- Between 561 and 571 FTE job years, paying between $52.6 million and $53.6 million in wages and salaries.

The construction and manufacturing industries are expected to receive the largest share of employment supported by construction activities in Townsville SA4.

Economic analysis indicates ongoing operations of the facility is estimated to support the following within the Townsville SA4 economy on average each year between FY2029 and FY2068 is marginally lower than including it:

- Between $15.4 million and $15.7 million in GRP.
- Between 157 and 160 FTE jobs, paying between $11.7 million and $11.8 million in wages and salaries.

The accommodation and food services and arts and recreation services industries are expected to receive the largest share of employment supported by ongoing operations activities in Townsville SA4.

Using annualised estimates of activity and discounting to present value terms highlights that the TCH, without the black-box, is estimated to support a present value contribution to GRP (including direct and flow-on activity) of approximately between $314.9 million and $317.0 million at a 4% discount rate, which is larger than the present value of the cost of construction and operations over a 40 year period.

12. LEGAL & REGULATORY

Key Findings:

The following provides a summary of the key findings from this section:

- It is assumed that Native Title is extinguished across the extent of the three sites that will accommodate a concert hall. It is recommended however that specialist advice is sought for clarification and confirmation of this status.
- A development permit for reconfiguring a lot will be required for the siting options over The Hive and Dean Street, with The Strand not likely to require one (unless site will be leased for a term, including renewal options, exceeding 10 years, the land will be divided into parts by agreement rendering different parts of a lot immediately available for separate disposition or separate occupation).
- Retain legal counsel to understand the most appropriate land tenure arrangement (leased / purchased), and to understand the effect of easements/ encumbrances and interests for each site.
- A development permit for making a material change of use for a theatre will be required for the development of the Townsville Concert Hall on any potential development site; the development will involve the start of a new use on the premises. The alternate option to this is designation of the land for infrastructure (community and cultural facilities, including community centre, galleries, libraries and meeting halls) through the MID process
- Council needs to determine the extent of planned trunk infrastructure (for all sites) and the implications of this on the development of the Townsville Concert Hall.
- Each site has been identified to have two approval pathways and the simpler of either is the designation of the facility for infrastructure through the MID process under the Planning Act. A full breakdown of the approval pathway, timing and costs is provided for each site.

12.1 APPROACH

The approach taken for this section was to assess the legal and regulatory considerations to provide a planning and approvals pathway for the development of the Townsville Concert Hall on all three development sites. This was achieved through following approach:

- Providing a summary of the town planning provisions applicable to the development of the Townsville concert Hall on the potential development sites (Section 12.2).
- Identify the development approvals and/or further actions required to be carried out to enable development of the Townsville Concert Hall on the potential development sites. This section provides options to enable the development on each potential development site (Section 12.3).
- Assess the options and the potential risks (Section 12.7).
- Identify other matters that need to be considered for the development of the Townsville Concert Hall on the potential development sites (Section 12.8).

The sites referred to throughout this section are outlined in greater detailed in Section 7. The assessment was supported by information contained in Technical Appendix J.

12.2 APPLICABLE TOWN PLANNING PROVISIONS

This section provides an overview of the Commonwealth, State and local government town planning provisions that need to be considered for the development of the Townsville Concert Hall on each potential development site.

12.2.1 Commonwealth Government

Environment Protection and Biodiversity Conservation Act 1999

The *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities, and heritage places. The EPBC Act is the Australian government's central piece of environmental legislation and is administered by the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

Under the EPBC Act, referral must be made to the Minister through the DCCEEW if a proposed action is likely to have a significant impact on a Matter of National Environmental Significance (MNES). The referral is undertaken to determine whether the proposed action will need formal assessment and approval under the EPBC Act. The Minister determines if the proposed action(s) is:

- Not likely to be significant, a 'not controlled action'.
- Not likely to be significant if undertaken in a particular manner, a 'not controlled action – 'particular manner''.
- Likely to be significant, 'controlled action'. Where the Minister determines the proposed action is a 'controlled action', the proposed action will require approval and is subject to further assessment and approval processes.

Consideration has been given to the requirements of the EPBC Act for the development of the Townsville Concert Hall on each potential development site. Refer to Section 13.3.1 below and Technical Appendix J.

Native Title Act 1993

The *Native Title Act 1993* (NT Act) recognises Aboriginal and Torres Strait Islander peoples' rights over their land and waters according to traditional laws and customs. Native Title holders are no longer able to fully exercise their traditional rights in an area where there is extinguishment or partial extinguishment of Native Title (in accordance with the NT Act) because of certain past acts of the Commonwealth government that are inconsistent with Native Title.

Item 11(2), Part 2 of the NT Act states the following with respect to extinguishment of Native Title; how Native Title may have or could be extinguished:

> *"(2) An act that consists of the making, amendment or repeal of legislation on or after 1 July 1993 by the Commonwealth, a State or a Territory is only able to extinguish Native Title:*
>
> *(a) in accordance with Division 2B (which deals with confirmation of past extinguishment of Native Title) or Division 3 (which deals with future acts etc. and Native Title) of Part 2; or*
>
> *(b) by validating past acts, or intermediate period acts, in relation to the Native Title".*

Division 2B of the NT Act (noted above) provides that certain acts attributable to the Commonwealth that were done on or before 23 December 1996 will have completely or partially extinguished Native Title. For example, if acts were 'previous exclusive possession acts', the acts will have completely extinguished Native Title. Such acts include, but are not limited to, an act that is valid (in accordance with the NT Act), took place on or before 23 December 1996, and consists of the grant or vesting of a freehold estate.

Division 3 of the NT Act (noted above) provides that, to the extent that a future act affects Native Title, it will be valid if covered by certain provisions of Division 3 of the NT Act, and invalid if not. Notably, a future act will be valid if the parties to certain agreements (Indigenous Land Use Agreements) consent to it being done, and at the time it is done, details of the agreement are on the Register of Indigenous Land Use Agreements. An Indigenous Land Use Agreement may also validate a future act that has already been validly done.

Any attempt to extinguish Native Title must be undertaken in accordance with the NT Act, which recognises:

- The right for compensation on just terms.
- The special right to negotiate the form of this compensation.

Consideration has been given to Native Title requirements for the development of the Townsville Concert Hall on each potential development site. Refer to Section 13.3.1 below and Technical Appendix J.

12.2.2 State Government Legislation

Planning Act 2016 and Subordinate Legislation

The *Planning Act 2016* (PA) establishes Queensland's planning framework and is supported by other Acts and regulations.

Amongst other matters, the PA sets out how development may occur, either through the:

- Development assessment process, or
- Ministerial Infrastructure Designation (MID) process.

Development Assessment Process

The development assessment process is set out in the Development Assessment Rules (DA Rules) and comprises five key parts, being: application, referral, information request, public notification, and decision. The part(s) of this process to be carried out will depend on the type of development application (e.g., code assessment or impact assessment) required and is determined by a local planning instrument and/or the *Planning Regulation 2017* (PR).

In general, the development assessment process is carried out by a local government through their local planning instrument(s) (e.g., a planning scheme). In some circumstances, the PR specifies additional assessment will be required as part of the development assessment process, necessitating further assessable development and/or referral of a development application to a referral agency (such as, the State government, or a distribution entity etc).

Development assessed through the development assessment process, is defined in the PA as reconfiguring a lot, making a material change of use, carrying out building work, carrying out operational work, or carrying out plumbing and drainage work.

The parts of the assessment process relevant to the assessment of the Townsville Concert Hall on each potential site, including the type of development, assessable development and applicable referral agency is discussed at Section 12.3.2 below.

Ministerial Infrastructure Designation Process

The Ministerial Infrastructure Designation (MID) process provides an alternative to lodging a development application through the development assessment process, is managed by the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) with input from other State government agencies, and facilitates the delivery of certain community supporting infrastructure that is defined at Schedule 5 of the PR.

The MID process is set out in the Ministers Guidelines and Rules, and comprises seven key parts, being: initial advice, preliminary stakeholder engagement, endorsement to lodge a MID proposal, lodgement of MID proposal, consultation, change to the entity's proposal, and decision of the Minister.

A MID does not directly authorise development. The effect of the MID is to make specified work accepted development, subject to compliance with any requirements that are imposed in accordance with the PA. Other approvals may be required to authorise the development of the infrastructure. For example, a MID does not make building work under the *Building Act 1975* accepted development / accepted development subject to compliance with any requirements, development approval is still required under that Act.

Further discussion on the MID process relevant to the assessment of the Townsville Concert Hall on each potential site is discussed at Section 12.3.2 below.

Economic Development Act 2012

Particular parcels of land within Queensland have been declared by the Minister for Economic Development, a Priority Development Area (PDA) under the *Economic Development Act 2012* (ED Act). These parcels have been identified to deliver significant benefits to the community, and development within a PDA is assessed under the ED Act, not the PA and its subordinate legislation.

The development assessment process for PDA's is set out in the ED Act and comprises two key parts, being: making application, and processing application; both comprising several actions to be undertaken. Development assessment in most PDA's is assessed by the Minister for Economic Development, whilst in some PDA's this

responsibility is delegated to the relevant local government. Development is assessed against the Interim Land Use Plan or Development Scheme that applies to the PDA.

Development assessed under the ED Act is defined as reconfiguring a lot, making a material change of use, carrying out building work, carrying out operational work, or carrying out plumbing and drainage work.

Part of The Strand[4] is located within the boundary of the Townsville Waterfront Priority Development Area (Townsville Waterfront PDA). The Townsville Waterfront PDA was declared in 2014, is identified as an important part of the city's inner urban area, and is intended to facilitate the North Queensland Stadium, mixed use developments in the city's Central Business District, a variety of public open spaces, and pedestrian and cycle paths along the Ross Creek.

Further discussion on the PDA assessment process relevant to the assessment of the Townsville Concert Hall on The Strand is discussed at Section 12.4 below. The ED Act does not apply to the development of the Townsville Concert Hall on The Hive, or Dean Street potential development sites.

12.2.3 State Planning Policy

The State Planning Policy, July 2017 (SPP) expresses the State government's interest in land use planning and development. Part B of the SPP identifies that the SPP applies, amongst other instances, to a local government's assessment of a development application if its planning scheme has not yet appropriately integrated the relevant SPP state interest policies (the development assessment process), and to designating premises for infrastructure (the MID process).

The State government's SPP interactive mapping has been reviewed to determine the SPP State interest policy and assessment benchmarks likely to be applicable to each potential development site. A summary is provided in Table 12.1 below (refer to map results at Technical Appendix J.1).

[4] Lot 293 on EP2174 and Lot 786 on EP2270 are mapped as a Priority development area.

Table 12.1. State Interest Policies and Assessment Benchmarks

State Interest Policies & Assessment Benchmarks	The Strand	The Hive	Dean Street[5]
Economic growth			
Development and construction	• Priority development area[6]	N/A	N/A
Environment and heritage			
Cultural heritage	• State heritage place[7]	• State heritage place[8]	N/A
Water quality	• Water resource catchments	• Water resource catchments	• Water resource catchments
Safety and resilience to hazards			
Natural hazards risk and resilience	• Flood hazard area • Medium stormtide inundation area	• Flood hazard area • Erosion prone area • Medium and high stormtide inundation area	• Flood hazard area • Erosion prone area • Medium and high stormtide inundation area
Infrastructure			
Transport infrastructure	N/A	N/A	• State controlled road[9] • Active transport corridor[10]
Strategic airports and aviation facilities	• Lighting area buffer 6km • Wildlife hazard buffer zone • Height restriction zone 90m • Aviation facility	• Lighting area buffer 6km • Wildlife hazard buffer zone • Height restriction zone 90m • Aviation facility	• Lighting area buffer 6km • Wildlife hazard buffer zone • Height restriction zone 90m • Aviation facility
Strategic ports	• Priority ports[11]	N/A	N/A

Source: AECOM.

Further discussion on the SPP and how it relates to the assessment of the Townsville Concert Hall on each potential development site is discussed at Section 12.3.2 below. Notably, Part 2 of the Townsville City Plan[12] states the Minister has identified the SPP 2014 has been integrated into the planning scheme, not the current SPP. Accordingly, consideration will need to be given to the State interest policies and assessment benchmarks in the assessment of the Townsville Concert Hall to the extent they are relevant.

State Development Assessment Provisions

The State Development Assessment Provisions (SDAP) define the State government's interest in development assessment and comprise the assessment benchmarks or matters that the DSDILGP as the State Assessment and Referral Agency (SARA) will assess an application against. The SDAP apply to development applications assessed through the development assessment process under PA, and are considered in the MID process under PA, only where they are triggered at Schedule 10 (Assessable development) of the PR.

Table 12.2 outlines the State Interest Policies and Assessment Benchmarks via the Development Assessment Mapping System (DAMS) mapping layers for each potential development site (refer to map results at Technical

[5] Part of Lot 712 on EP1695 is mapped as a Priority development area, and Coastal management district. This part(s) of the lot is located on the opposite frontage to Saunders Street to the site option.

[6] Lot 293 on EP2174 and Lot 786 on EP2270 are mapped as a Priority development area.

[7] The Strand adjoins a State heritage place mapped on Lot 290 on CP859212.

[8] Lot 1 on SP327299, Lot 2 on RP702069 and Lots 1 and 2 on 701585 are mapped as a State heritage place.

[9] Saunders Street

[10] Saunders Street and Morey Street

[11] The Strand adjoins a Priority port mapped over part of Sir Leslie Thiess Drive.

[12] Version 2022/02

Appendix J.2). DAMS establishes the spatial related triggers necessary to interpret the referral requirements under the PR, including determining if the SDAP apply to the assessment of development.

Table 12.2. Development Assessment Mapping Systems

State Interest Layer	The Strand	The Hive	Dean Street
Queensland heritage	Queensland heritage place[13]	Queensland heritage place[14]	N/A
Coastal protection	Coastal area – medium storm tide inundation area	Coastal area – erosion prone area Coastal area – medium and high stormtide inundation area	Coastal area – erosion prone area Coastal area – medium and high stormtide inundation area
State transport	N/A	N/A	State transport corridor – State controlled road[15] Areas within 25m of a State transport corridor – Area within 25m of a State controlled road[16]
Townsville master planned area	Townsville priority port precincts[17]	N/A	N/A
Easements (including easements for pipelines)	Easements	Easements	N/A
Electricity infrastructure	Ergon easement	N/A	N/A

Source: AECOM.

Further discussion on the SDAP, assessable development and referral agencies prescribed by the PR relevant to the assessment of the Townsville Concert Hall on each potential site is discussed at Section 12.3.2 below.

North Queensland Regional Plan 2020

The North Queensland Regional Plan 2020 (Regional Plan) applies to the assessment of a development application under the PA to the extent of any inconsistency with a local planning instrument (e.g., the planning scheme). The Regional Plan includes regional outcomes and regional policies to be considered in the assessment of development, and assessment benchmarks that relate to the assessment of development within the mapped Priority Agricultural Areas (PAA).

Where development is located within the PAA's, Strategic Environmental Areas, Priority Living Areas (PLA), Renewable Energy Investigation Areas or the Townsville Urban Area (TUA), as identified in the Regional Plan, the relevant policy elements of the Regional Plan need to be considered in the assessment of the development. The State government's DAMS illustrates layers for these areas, and illustrates:

- All potential development sites are not within the PAA, Regional Biodiversity Corridor, Renewable Energy Investigation Area, Strategic Environmental Area.
- All potential development sites are within the TUA, and PLA.

The TUA establishes the boundary for the containment of urban residential development, and is intended to promote a consolidated, efficient, and resilient residential growth in the areas that have appropriate infrastructure and services; albeit not all land in the TUA is appropriate for urban residential development. Development of the Townsville Concert Hall will not compromise achievement of the regional outcome and regional policies relevant to this element.

[13] The Strand adjoins a State heritage place mapped on Lot 290 on CP859212.

[14] Lot 1 on SP327299, Lot 2 on RP702069 and Lots 1 and 2 on 701585 are mapped as a State heritage place.

[15] Saunders Street

[16] Saunders Street

[17] The Strand adjoins Townsville priority port precincts mapped over part of Sir Leslie Thiess Drive.

The PLA is intended to safeguard areas required for the growth of towns from incompatible resource activities, and only relates to managing the carrying out of resource activities under the *Regional Planning Interests Act 2014*. Development of the Townsville Concert Hall is not for a resource activity, and therefore this policy element if not applicable to the assessment of the Townsville Concert Hall on each potential development site.

12.2.4 Local Government

Townsville City Plan

The Townsville City Plan (City Plan) is the local planning instrument applicable to development within the Townsville City LGA (outside the Townsville Waterfront PDA). City Plan, Version 2022/02 is in effect at the date of preparing this section.

The City Plan identifies how land within the local government area is intended to be used, specifies the categories of development and assessment, and the assessment benchmarks applicable to the assessment of development, and is the primary local planning instrument used in the development assessment process. Notably, the City Plan assists to determine the type of development approval required and therefore what parts of the development assessment process need to be carried out.

Regard is given to the City Plan in the MID process, albeit not to the same extent as the development assessment process. For example, unlike the development assessment process, the City Plan does not determine the categories of development and assessment or assessment benchmarks for the MID process. The City Plan assists with determining suitable development parameters and key constraints to development that need to be addressed in a MID proposal.

The City Plan does not apply to development in the Townsville Waterfront PDA.

Defined Use

Schedule 1 of the City Plan has been reviewed to determine the use definition for the Townsville Concert Hall. This review has indicated the Townsville Concert Hall could align with the use definitions for Major sport, recreation and entertainment facility, or Theatre (refer to Table 12.3).

Whilst both use definitions have been identified, the Townsville Concert Hall will likely be defined as a Theatre, providing a stage and seating (approximately 1,300 seats) and front and back of house facilities (including, food and beverage facilities) for theatre, concerts, and other performing arts. It is also noted, a 'concert hall' is included in definitions examples for a theatre.

This section has therefore been prepared on the understanding the Townsville Concert Hall meets the definition for a theatre.

Table 12.3. Use Definitions

Use	Definition	Examples include	Examples exclude
Major sport, recreation and entertainment facility	Premises with large scale built facilities designed to cater for large scale events including major sporting, recreation, conference and entertainment events.	Convention and exhibition centres, entertainment centres, sports stadiums, horse racing	Indoor sport and recreation, local sporting field, motor sport, park, outdoor sport and recreation
Theatre	Premises used for presenting movies, live entertainment or music to the public and may include provision of food and liquor for consumption on the premises. The use may include the production of film or music, including associated ancillary facilities, which are associated with the production, such as sound stages, wardrobe and laundry facilities, makeup facilities, set construction workshops, editing and post-production facilities.	Cinema, movie house, concert hall, dance hall, film studio, music recording studio	Community hall, hotel, indoor sport and recreation facility, temporary film studio

Source: AECOM.

Strategic Framework

The City Plan's Strategic Framework sets the policy direction for the City Plan, and the basis for ensuring development occurs at the right time in the right location.

The City Plan's Strategic Framework maps illustrate all potential development sites as Urban land (urban area); areas intended to accommodate the growth of Townsville. Further, Figure 3.2 in the Strategic Framework illustrates:

- All potential development sites in the key development areas supporting the Principal centre.
- The Strand as open space.
- The Hive and Dean Street potential development sites as culture, education and community.
- Wickham Street, Flinders Street, King Street, The Strand, Sir Leslie Thiess Drive, and Dean Street as primary movement connections.

Development in and around the Principal centre is intended to provide a highly desirable inner-city lifestyle, with high-medium rise buildings framing the Principal centre.

Importantly, the Strategic Framework identifies:

> *"Major strategic facilities such as a sports stadium, entertainment or convention centre which may be needed during the 25-year planning horizon of the planning scheme are located adjacent to the city centre…The South Townsville and Dean Street precinct is a preferred location"*[18].

Key findings from work completed to date highlight a need for investment in arts infrastructure to accommodate the growing demand for performing and visual arts in the Townsville region. The Townsville Concert Hall will therefore provide a strategic facility that is needed during the 25-year planning horizon of the City Plan. All potential development sites are located adjacent to the city centre, however as noted at Table 12.4 below, the Dean Street potential development site is in the South Townsville and Dean Street precinct.

Zone

The City Plan allocates land to zones (and in some instances zone precincts) to allow for different types of development in different areas; the zones describe the mix of land uses intended for each area. TownsvilleMaps – Townsville City Plan[19] has been reviewed to establish the zone(s) that apply to each potential development site. The results of this review are provided at Table 12.4 below.

Table 12.4. Zone, Zone Precinct

Site	Zone, Zone Precinct	Zone Purpose, Zone Precinct Purpose
The Strand[20]	Sport and recreation zone (Lot 100 on CP859212)	*"to provide for a range of organised activities that include sport, cultural and educational activities where the uses require a level of built infrastructure.* *It includes built structures, such as clubhouses, gymnasiums, public swimming pools and tennis courts, and infrastructure to support the activities, safe access and essential management, where required to meet community needs"*[21] (emphasis added)

[18] Part 3.3.4.1 (13) of the City Plan.

[19] https://maps.townsville.qld.gov.au/Mapping/index.html?viewer=TownsvilleMAPS_City_Plan_2014.Mapping

[20] Lot 100 on CP859212 only. Lot 293 on RP2174 and Lot 786 on EP2270 are in the Townsville Waterfront PDA, and therefore the City Plan is not applicable to the assessment of development on these lots.

[21] Part 6.4.1.2(1) of City Plan

Site	Zone, Zone Precinct	Zone Purpose, Zone Precinct Purpose
The Hive	Mixed use zone, King Street Quarter zone precinct	*"to provide for a mixture of development that may include service industry, business, retail, residential, tourist accommodation and associated services and low impact industrial uses"*[22] *"(a) the precinct provides for a revitalised tourism and education based destination in proximity to the principal centre (CBD), and functions as a focus point of activity between the CBD and the Breakwater precinct…* *(c) the precinct also includes high quality accommodation, dining and entertainment facilities. Residential uses are focused in the pocket of land bounded by Wickham and King Streets…"*[23] (emphasis added)
Dean Street	Mixed use zone, South Townsville railyards and Dean Park zone precinct	*"to provide for a mixture of development that may include service industry, business, retail, residential, tourist accommodation and associated services and low impact industrial uses"*[24] *"(a) the South Townsville Railyards and Dean Park present a significant opportunity for the delivery of future strategic infrastructure and 'city making' facilities for the whole of Townsville;* *(b) the current use of the South Townsville Railyards site is protected until such time as these uses are relocated or become redundant. At that time, redevelopment of this area facilitates:* *(i) the provision of a city centre based sports stadium within an urban setting that relies on a nexus with public transport access;* *(ii) the redevelopment of Dean Park to create a usable parkland of approximately half its current size;* *(iii) the provision of an entertainment and convention centre on the other half of the Dean Park site; and* *(iv) the provision of a bus layover and driver facilities"*[25] (emphasis added)

Source: AECOM.

It is considered that the zone and zone precinct purposes that apply to each of the three potential development sites support the establishment of a theatre.

The zone purpose relevant to The Strand, supports development for a range of organised activities (including cultural). The zone and zone precinct purpose relevant to The Hive supports development for a mix of uses including tourism and entertainment facilities. The zone and zone precinct purpose relevant to Dean Street supports development for *"strategic infrastructure and 'city making' facilities for the whole of Townsville*", including an entertainment and convention centre. The Townsville Concert Hall being a theatre, as noted above, will provide a strategic entertainment facility for the Townsville region.

Overlays

City Plan overlays identify land that is sensitive to development, subject to constraints, contains valuable resources or presents opportunities for development. Table 12.5 below (refer to map results at Technical Appendix J.3), identifies the City Plan overlays (and overlay subcategories) that are mapped over each potential development site.

[22] Part 6.3.7.2(1) of City Plan

[23] Part 6.3.7.2(4) of City Plan

[24] Part 6.3.7.2(1) of City Plan

[25] Part 6.3.7.2(4) of City Plan

Table 12.5. City Plan Overlays

Overlay	The Strand[26]	The Hive	Dean Street
Airport environs	• Operational airspace, 90m structures • Wildlife hazard buffer zones and public safety areas, Runway separation distance – 8km • Light intensity, Airport light intensity – 6km radius	• Operational airspace, 90m structures • Wildlife hazard buffer zones and public safety areas, Runway separation distance – 8km • Light intensity, Airport light intensity – 6km radius	• Operational airspace, 90m structures • Wildlife hazard buffer zones and public safety areas, Runway separation distance – 8km • Light intensity, Airport light intensity – 6km radius
Coastal environment	N/A	• Inner city area • Storm tide inundation – medium hazard area • Storm tide inundation – high hazard area	• Inner city area • Storm tide inundation – medium hazard area • Storm tide inundation – high hazard area
Cultural heritage	• Areas adjoining heritage	• State heritage • Local heritage • Areas adjoining heritage	N/A
Flood hazard	N/A	N/A	• Flood hazard, High hazard area, Medium hazard area, Low hazard area
Infrastructure noise	N/A	N/A	• Infrastructure road noise corridor, Category 1, Category 2, Category 3

Source: AECOM.

Further discussion on the above City Plan overlays is provided at Section 12.3.2 relevant to each potential development site.

Categories of Development and Assessment

Part 5 of the City Plan states the categories of development and assessment for each zone and overlay, and is relevant to the assessment of development applications in the development assessment process under PA.

Material Change of Use

Development of the Townsville Concert Hall will require a development permit for a material change of use for a theatre. Table 12.6 below identifies the categories of development and assessment for such development within each relevant zone as set out at Part 5 of the City Plan.

Table 12.6. Categories of Development and Assessment MCU

Zone	Categories of Development and Assessment
Sport and recreation zone	Assessable development - Impact assessment
Mixed use zone	Assessable development - Impact assessment

Source: AECOM.

Accordingly, in accordance with the City Plan, development of the Townsville Concert Hall on each potential development site will involve lodgement of a development application to Townsville City Council (Council) seeking development approval through the impact assessment development assessment process (if seeking approval through the development assessment process, not the MID process). Development involving impact assessment will require assessment against the whole City Plan (to the extent relevant), public notification and submitters will have third party appeal rights.

[26] Lot 100 on CP859212 only. Lot 293 on RP2174 and Lot 786 on EP2270 are in the Townsville Waterfront PDA, and therefore the City Plan is not applicable to the assessment of development on these lots.

Reconfiguring a lot

Development of the Townsville Concert Hall will likely require a development permit for reconfiguring a lot. Table 12.7 below identifies the categories of development and assessment for such development within each zone as set out at Part 5 of the City Plan.

Table 12.7. Categories of Development and Assessment RAL

Zone	Categories of Development and Assessment
Sport and recreation zone	Assessable development - Code assessment
Mixed use zone	Assessable development – Code assessment

Source: AECOM.

Accordingly, in accordance with the City Plan, reconfiguring a lot associated with the Townsville Concert Hall on each potential development site will involve lodgement of a development application to Council seeking development approval through the code assessment development assessment process.

Overlays

It is noted, the categories of development and assessment at Part 5 of the City Plan relevant to overlays do not change the category of development and assessment noted above, however additional assessment benchmarks apply.

Furthermore, Table 5.9.1 at Part 5 of the City Plan identifies:

- Assessable development – impact assessment applies to development involving building work, where involving the total demolition or relocation of a heritage place.
- Assessable development – code assessment applies to development involving:
  - Alterations to a heritage place, including alterations to the interior of buildings; or
  - Extensions to a heritage place; or
  - Erecting a new or separate building on a heritage place; or
  - The partial demolition of a heritage place.

Development of the Townsville Concert Hall on The Hive will involve demolition of some existing buildings, including buildings located on land that is mapped on the Cultural heritage overlay as State heritage. Accordingly, development of the Townsville Concert Hall on The Hive would typically also involve lodgement of a development application to Council seeking approval for a preliminary approval to carry out building work on a heritage place (both demolition work, and extension work). Notwithstanding this, Schedule 7 of the PR states circumstances development is accepted development (whereby lodgement and approval of a development application is not required), including some instances for development involving building work. Further discussion on this matter is provided below.

Local Government Infrastructure Plan

The Local Government Infrastructure Plan (LGIP) identifies infrastructure needed to support planned urban development within the local government area. Council can levy infrastructure charges and stipulate development approval conditions for local trunk infrastructure on a development approval.

The LGIP maps relevant to each potential development site have been reviewed to establish if there is any planned future trunk infrastructure on or near each of the potential development sites. This review has identified:

- A future water main is planned along The Strand (316 [2019]) and Sir Leslie Thiess Drive (315 [2026]) road reserves adjacent to The Strand and The Hive.
- A future water main is planned along Dean Street / Saunders Street (735 [2019]) road reserve adjacent to Dean Street.
- A future rising main is planned along Sir Leslie Thiess Drive (1611 [2026]) road reserve adjacent to The Strand.
- A future intersection at Dean Street / Morey Street (0123) adjacent to Dean Street.

- A future intersection at Saunders Street / Rooney Street (0119) adjacent to Dean Street.
- A future pathway along Dean Street/Saunders Street (570 [2021] and Morey Street (590 [2021]) adjacent to Dean Street.

Prior to proceeding with development of the Townsville Concert Hall, it is recommended Council is consulted to understand the status of the above future trunk infrastructure, and what implications this may have on the development of the Townsville Concert Hall on each potential development site.

12.2.5 Townsville City Waterfront Priority Development Area Development Scheme

The Townsville Waterfront PDA Development Scheme (Development Scheme) applies to the assessment of development within this PDA. Responsibility for development assessment in the part of the Townsville Waterfront PDA The Strand is located has been delegated to Council.

Importantly, the Development Scheme does not apply to the assessment of development on The Hive or Dean Street.

Use Definition

The Development Scheme relies on use definitions from the Queensland Planning Provisions, version 3.1, June 2014 (QPP). The QPP has been reviewed to determine the use definition for the Townsville Concert Hall. This review has determined the use definitions are consistent with the definitions stated in the City Plan above. Accordingly, the Townsville Concert Hall will likely be defined as a Theatre.

Precinct

The Development Scheme includes the part of The Strand that is in the Townsville Waterfront PDA in Precinct 5 – Research and Tourism. The intent of this precinct is *"a mixed use area which accommodates residential and short-term accommodation alongside tropical, marine and research-based tourism activities"*[27].

It is therefore understood, this precinct is not intended to be developed for a theatre (being, the Townsville Concert Hall).

Level of Assessment

Table 6 of the Development Scheme identifies development involving a material change of use for theatre is PDA assessable development, permissible development. Accordingly, development of the Townsville Concert Hall on The Strand will require lodgement of a development application and approval from Council.

Part 3.2.3.4 of the Development Scheme identifies public notification will be required if the application:

> *"i. includes a proposal for development which does not comply with the Structural elements (Section 3.4) and Map 2 - Structure plan, PDA wide criteria (Section 3.5) or the Precinct provisions (Section 3.6), or*
>
> *ii. is for development which, in the opinion of the MEDQ, may have adverse impacts on the amenity or development potential of adjoining land under separate ownership.*
>
> *The MEDQ may require public notification in other circumstances if the development application is for a use or of a size or nature which, in the opinion of the MEDQ, warrants public notification"*

It is understood, development of the Townsville Concert Hall on The Strand will likely require public notification given it is inconsistent with the preferred land use for Precinct 5 – Research and Tourism (noted above).

Constraints Maps

The Development Scheme includes constraints maps that need to be considered in the assessment of development within the Townsville Waterfront PDA. The Development Scheme's constraint maps have been reviewed, and the following noted for The Strand:

[27] Part 3.6.6 of the Development Scheme.

- Is included in the Airspace more than 90m above ground level, Airport light intensity – 6km radius, and 8km distance from airport runway layers on the Airport environs constraint map.
- Is included in the Areas adjoining heritage properties layer on the Heritage constraint map.
- Is included in the Stormtide inundation area layer on the Coastal hazard – stormtide inundation constraint map.
- Is included in the Acid sulfate soils (0-5 metres AHD) layer on the Acid sulfate soils constrain map.

Infrastructure Plan

The Development Scheme's Infrastructure Plan identifies the infrastructure that is required to support growth and development to achieve the vision for the Townsville Waterfront PDA. This is supported by the Infrastructure Charging Offset Plan (ICOP), which identifies network infrastructure that may be funded from infrastructure charges or delivered through conditions of a development approval. The plans for network infrastructure included in the ICOP for the Townsville Waterfront PDA illustrate planned future trunk infrastructure consistent with the City Plan's LGIP mapping noted above.

12.3 REQUIRED DEVELOPMENT APPROVALS AND/OR FURTHER ACTIONS

This section provides an overview of the development approvals and/or further actions required for the development of the Townsville Concert Hall on each potential development site, following a review of the Commonwealth, State and local government town planning provisions summarised at Section 12.2**.**

This section is accompanied by an 'Approvals Register' at Technical Appendix K.

12.3.1 Commonwealth Government

Environmental Protection and Biodiversity Conservation Act 1999

It is anticipated the Townsville Concert Hall located on each of the potential development sites will not impact on a MNES as defined under the EPBC Act. The part of each potential development site that is proposed to accommodate the Townsville Concert Hall, have previously been disturbed and are currently developed primarily comprising impervious areas with limited landscaped vegetation. Whilst it is recognised the Great Barrier Reef is in proximity to each potential development site, the Townsville Concert Hall will be located entirely on land and stormwater management measures would be able to be implemented to manage stormwater quality and quantity to minimise impacts on the Great Barrier Reef.

Native Title Act 1993

Consideration has been given to Native Title requirements and it has been determined that advice should be sought from Native Title experts / relevant legal representatives to determine if Native Title has been extinguished over the potential development sites or if there are certain obligations that need to be carried out to enable development of the Townsville Concert Hall (e.g., to determine if Item 11, Part 2 of the NT Act noted at Section 2.0 above is / has been met). If there are certain obligations that need to be carried out, it is recommended advice is also sought on potential time and costs constraints.

It is noted that:

- The Hive comprises freehold land. Native Title would likely have been extinguished over this land if the land became freehold on or before 23 December 1996.
- The Strand and part of Dean Street is reserve land. Native Title would likely not be extinguished over this land.

Any attempt to extinguish Native Title must be undertaken in accordance with the provisions of the NT Act, which recognises:

- The right for compensation on just terms.
- The special right to negotiate the form of this compensation.

An act affecting Native Title (such as extinguishment) is considered valid only if accomplished in accordance with the process set out in Part 2, division 3 of the NT Act. That is:

- The development of an Indigenous land use agreement (ILUA) in which the Native Title parties agree to the act.
- The entering of this ILUA on Register of Indigenous Land Use Agreements.

12.3.2 State and Local Government

Development Assessment

Development is defined in the PA and the ED Act as reconfiguring a lot, making a material change of use, carrying out building work, carrying out operational work, or carrying out plumbing and drainage work. Development of the Townsville Concert Hall is defined as:

- Reconfiguring a lot.
- Making a material change of use.
- Building work.

Reconfiguring a Lot

From a review of the siting options, it is understood a development permit for reconfiguring a lot will be required where:

- The potential site will be leased for a term, including renewal options, exceeding 10 years. The land will be divided into parts by agreement rendering different parts of a lot immediately available for separate disposition or separate occupation; or
- Creating lots by subdividing another lot; or
- Rearranging the boundaries of a lot by registering a plan of subdivision under the *Land Act 1994* or *Land Title Act 1994*; or
- Amalgamating two or more lots.

It is highly recommended legal advice is obtained to establish the most appropriate land tenure arrangement for the development of the Townsville Concert Hall (e.g., whether land should be leased, purchased etc). This will have implications on the type of development approval for reconfiguring a lot.

It is noted:

- The siting options illustrate the proposed development over all three lots comprising The Strand. It is therefore understood, reconfiguring a lot is unlikely to be required for this potential development site unless meeting the lease arrangements noted above. This section has therefore been prepared with the understanding reconfiguring a lot will not be required on The Strand, and it is recommended this is reviewed following confirmation of land tenure arrangements for The Strand.
- All land comprising The Hive is freehold land, owned by Centurion Global Investments Pty Ltd. The land will therefore need to be leased or purchased. The siting option on The Hive includes a new internal road slightly extending into Lots 3 and 4 on SP32799, and the development footprint extending partly over Lot 2 on RP702069, Lot 1 on SP327299, Lot on RP701585 and Lot 1 on RP711511. It is therefore understood this option would require the common boundary with these lots to be realigned (by either reconfiguring a lot involving a boundary realignment or lease agreement), enabling the remaining portion of those lots to be separately owned and/or used. This section has therefore been prepared with the understanding reconfiguring a lot will be required for The Hive.
- Land comprising Dean Street is owned by either Townsville City Council or the Queensland State Government. The siting option on Dean Street illustrates the Townsville Concert Hall extends over numerous lots, including over only part of individual lots. It is therefore understood this option would require lot boundaries to be realigned, enabling the remaining portion of those lots to be separately owned and/or used. This section has therefore been prepared with the understanding reconfiguring a lot will be required for Dean Street.

- There are easements/encumbrances and interests over each potential site. Legal advice will need to be obtained to understand their impact on the development of the Townsville Concert Hall, including if the land was to be reconfigured. It is recommended all easement documentation is reviewed.

Material Change of Use

A development permit for making a material change of use will be required for the development of the Townsville Concert Hall on any potential development site; the development will involve the start of a new use on each premise.

Building Work

A preliminary approval to carry out building work would typically be required for the development of the Townsville Concert Hall on The Hive, being building work to carry out partial demolition of and extensions to a Queensland heritage place (as noted at Section 12.2 above).

Furthermore, building development approval would also typically be required for the construction of new building(s) on each potential development site.

Notwithstanding, Schedule 7 of the PR states instances development is accepted development, whereby lodgement and approval of a development application is not required. Notably, Schedule 7, Part 1, Item 2 states the following development is accepted development:

> *"(1) Building work, other than building work mentioned in section 1, carried out by or for the State or a public sector entity, to the extent the building work complies with the relevant provisions for the building work.*
>
> *(2) In this section— relevant provisions, for building work, see the Building Act, section 21(5)".*

It is understood the development of the Townsville Concert Hall will be carried out by a public sector entity. In this instance, the building work aspect of development will not require the lodgement and approval of a development application if complying with the relevant provisions. It is understood the relevant provisions noted at (2) above, are:

> *"(i) any relevant deemed-to-satisfy provision under the BCA or relevant acceptable solution under the QDC for the work; and*
>
> *(ii) any other building assessment provision applying to the work"*[28].

Further assessment would need to be carried out by others to determine if the above requirements for accepted development could be met, notably if the development complies with the relevant provisions[29].

Ministerial Infrastructure Designation

The types of infrastructure that can be considered under the MID process are listed in Schedule 5 of the PR and include:

> *"3 community and cultural facilities, including community centre, galleries, libraries and meeting halls".*

Schedule 5 of the PR does not specifically list theatre or concert hall.

It is noted, a MID came into effect on the 3 April 2020 over land comprising the Queensland Performing Arts Centre at Southbank. This designation allowed for an extension to the existing centre to provide 1,500-seat auditorium, studio space and other minor works, and was described under Schedule 5, Part 2 of the PR as:

> *"3 community and cultural facilities, including community centre, galleries, libraries and meeting halls…*
>
> *19 any other facility not stated in this part that is intended mainly to accommodate government functions".*

It is considered that the Townsville Concert Hall is comparable to the Queensland Performing Arts Centre in terms of its use and function.

[28] Section 21(5)(b) of the *Building Act 1975*

[29] Note. BCA refers to Building Code of Australia, and QDC refers to the Queensland Development Code.

The Townsville Concert Hall is therefore considered a type of infrastructure listed in Schedule 5 of the on the basis it is providing community and cultural facilities.

12.4 THE STRAND – DEVELOPMENT ASSESSMENT OPTIONS

As previously noted, The Strand is located partly within and partly outside the Townsville Waterfront PDA.

Chapter 3, Part 2, Division 4, Subdivision 1, Item 47 of the ED Act states:

> *"To remove any doubt, it is declared that—*
>
> *(a) the Planning Act, chapter 2, part 5 applies in relation to premises in, or partly in, a priority development area; and*
>
> *(b) a designation of premises under the Planning Act that is in force immediately before all or part of the premises are in a priority development area, continues in force despite the priority development area taking effect".*

It is therefore understood, that notwithstanding The Strands inclusion within the Townsville Waterfront PDA and therefore the application of the ED Act, a proposal could be made to designate the premises for infrastructure under the PA.

Consequently, there are two options to enable the development of the Townsville Concert Hall on The Strand. Those being:

- **Option A**: Obtaining development approval through the development assessment process under the PA, and the development assessment process under the ED Act; or
- **Option B**: Designating the premises for infrastructure through the MID process under the PA.

12.4.1 The Strand – Development Assessment Option A

Option A for The Strand involves obtaining development approval from Council through the development assessment process under the PA, and the development assessment process under the ED Act for a material change of use.

Given The Strands location, both within and outside the Townsville Waterfront PDA, Option B will require lodgement of two separate development applications, being:

- A development application that seeks approval for a development permit for a material change of use for a theatre adjoining a Queensland heritage place, assessed by Council through the development assessment process under the PA. This will involve lodgement of an impact assessable development application, and referral to the DSDILGP as the SARA for Queensland heritage matters, for assessment against the SDAP State code 14: Queensland heritage
- A development application that seeks approval for a development permit for a material change of use for a theatre, assessed by Council through the development assessment process under the ED Act. This will involve lodgement of an application that requires notification.

Council has confirmed that two separate development applications would be required to be lodged (consistent with the above), and that the assessment of the applications would be carried out concurrently. The development applications would comprise the same content and would include an assessment of the Townsville Concert Hall against the relevant policies of the Regional Plan, the above-mentioned SDAP State code, and the whole City Plan and Development Scheme where relevant. This will include the following from the City Plan:

- Relevant parts of the Strategic Framework.
- Sport and recreation zone code.
- Healthy waters code.
- Landscape code.
- Transport impact, access and parking code.

- Works code.
- Airport environs overlay code.
- Cultural heritage overlay code.

An assessment will also be required against the assessment benchmarks at Part E of the SPP in relation to State interests water quality, natural hazards, risk and resilience, and strategic airports and aviation facilities.

It is also noted that the development application would likely require referral to the Minister for Economic Development for assessing State interests (e.g., development adjoining a Queensland heritage place).

12.4.2 The Strand – Development Assessment Option B

A review of the PR has identified a request could be made to the Minister of SDILGP for designation of The Strand for *"community and cultural facilities, including community centres, galleries, libraries and meeting halls"*.

This would involve lodgement of a MID proposal to the DSDILGP and would involve preparation of an Environmental Assessment Chapter identifying all environmental, social and economic impacts (both positive and negative) and how potential negative impacts will be mitigated. This will include an assessment against the assessment benchmarks:

- At Part E of the SPP in relation to State interests water quality, natural hazards, risk and resilience, and strategic airports and aviation facilities.
- In SDAP State code 14: Queensland heritage.
- In the City Plan noted at Option A above for The Strand, and the Development Scheme. The assessment against the assessment benchmarks in City Plan and the Development Scheme for a MID proposal will be to a lesser extent that required for the development application noted at Option A above for The Strand.

12.5 THE HIVE – DEVELOPMENT ASSESSMENT OPTIONS

There are two options to enable the development of the Townsville Concert Hall on The Hive. Those being:

- **Option A**: Obtaining development approval through the development assessment process under the PA; or
- **Option B**: Obtaining development approval through the development assessment process under the PA, and designating the premises for infrastructure through the MID process under the PA.

Further detail on each option is provided in the subsequent sections. Only one option will need to be carried out.

12.5.1 The Hive – Development Assessment Option A

Option A for The Hive involves obtaining development approval from Council through the development assessment process under PA for development comprising reconfiguring a lot, and a material change of use.

Option A would comprise two separate development applications being:

- A development application that seeks approval for reconfiguring a lot.
- A development application that seeks approval for a material change of use.

The above recommendation is made on the basis different categories of development and assessment apply to the different aspects of development. It is also noted, building work approval would also be required if the requirements for accepted development noted above cannot be met.

Reconfiguring a Lot

A review of the PR and the City Plan has identified development approval is required for a development permit for reconfiguring a lot on a Queensland heritage place and Local heritage place. This will involve:

- Lodgement of a code assessable development application to Council.
- Referral of the development application to the DSDILGP as the SARA for Queensland heritage matters, for assessment against the SDAP State code 14: Queensland heritage.

A review of the PR has identified further information is required to determine if reconfiguring of a lot for The Hive will involve operational works. If operational works is required, development approval would need to be sought as part of the above development application.

In addition to the SDAP State code noted above, the development application will require assessment against relevant policies of the Regional Plan and the following City Plan assessment benchmarks:

- Mixed use zone code.
- Reconfiguring a lot code.
- Healthy waters code.
- Landscape code.
- Transport impact, access and parking code.
- Works code.
- Coastal environment overlay code.
- Cultural heritage overlay code.

An assessment will also be required against the assessment benchmarks at Part E of the SPP in relation to State interests water quality, and natural hazards, risk and resilience.

Material Change of Use

A review of the PR and the City Plan has identified development approval is required for a development permit for a material change of use for a theatre on and adjoining a Queensland heritage place and Local heritage place.

This will involve:

- Lodgement of an impact assessable development application to Council.
- Referral of the development application to the DSDILGP as the SARA for State heritage matters, for assessment against the SDAP State code 14: Queensland heritage.

A review of the PR has identified further information is required to determine if assessable development for contaminated land matters would be triggered.

In addition to the SDAP State code noted above, the development application will require assessment against relevant policies of the Regional Plan and the whole City Plan to the extent relevant. This will include:

- Relevant parts of the Strategic Framework.
- Mixed use zone code.
- Healthy waters code.
- Landscape code.
- Transport impact, access and parking code.
- Works code.
- Airport environs overlay code.
- Coastal environment overlay code.
- Cultural heritage overlay code.

An assessment will also be required against the assessment benchmarks at Part E of the SPP in relation to State interests water quality, natural hazards, risk and resilience, and strategic airports and aviation facilities.

It is also noted, approval would also need to be sought as part of this development application for preliminary approval to carry out building work (partial demolition and extensions) on a Queensland heritage place if the requirements for accepted development noted at above cannot be met.

12.5.2 The Hive – Development Assessment Option B

Option B for The Hive involves:

- Obtaining development approval from Council through the development assessment process under PA for development involving reconfiguring a lot, and
- Requesting the Minister for SDILGP designate the land for infrastructure.

Reconfiguring a Lot

The development approval and process identified for Option A above for reconfiguring a lot for The Hive would be required. The PA does not enable reconfiguring a lot to be incorporated into the MID process.

Ministerial Infrastructure Designation

A review of the PR has identified a request could be made to the Minister of SDILGP for designation of The Hive for *"community and cultural facilities, including community centres, galleries, libraries and meeting halls"*.

This would involve lodgement of a MID proposal to the DSDILGP following obtaining the above development approval for reconfiguring a lot and would involve preparation of an Environmental Assessment Chapter identifying all environmental, social and economic impacts (both positive and negative) and how potential negative impacts will be mitigated. This will include an assessment against the assessment benchmarks:

- At Part E of the SPP in relation to State interests water quality, natural hazards, risk and resilience, and strategic airports and aviation facilities.
- In SDAP State code 14: Queensland heritage.
- In the City Plan noted at Option A above for The Hive (material change of use only). The assessment against the assessment benchmarks in City Plan for a MID proposal will be to a lesser extent that required for the development application noted at Option A above for The Hive.

12.6 DEAN STREET – DEVELOPMENT ASSESSMENT OPTIONS

There are two options to enable the development of the Townsville Concert Hall on Dean Street. Those being:

- **Option A**: Obtaining development approval through the development assessment process under the PA; or
- **Option B**: Obtaining development approval through the development assessment process under the PA, and designating the premises for infrastructure through the MID process under the PA.

Further detail on each option is provided in the subsequent sections. Only one option will need to be carried out.

12.6.1 Dean Street – Development Assessment Option A

Option A for Dean Street involves obtaining development approval from Council through the development assessment process under PA for development comprising reconfiguring a lot and a material change of use.

Option A is recommended to comprise two separate development applications being:

- A development application that seeks approval for reconfiguring a lot.
- A development application that seeks approval for a material change of use.

The above recommendation is made on the basis different categories of development and assessment apply to the different aspects of development.

Reconfiguring a Lot

A review of the PR and the City Plan has identified development approval is required for a development permit for reconfiguring a lot. This will involve lodgement of a code assessable development application to Council.

A review of the PR has identified further information is required to determine if reconfiguring of a lot for Dean Street will involve:

- Operational works. If operational works are required, development approval would need to be sought as part of the above development application.
- Referral of the development application to the DSDILGP as the SARA for State transport corridor matters, for assessment the SDAP State code 1: Development in a state-controlled road environment.

The development application will require assessment against relevant policies of the Regional Plan and the following City Plan assessment benchmarks:

- Mixed use zone code.
- Reconfiguring a lot code.
- Healthy waters code.
- Landscape code.
- Transport impact, access and parking code.
- Works code.
- Coastal environment overlay code.
- Flood hazard overlay code.

An assessment will also be required against the assessment benchmarks at Part E of the SPP in relation to State interests water quality, natural hazards, risk and resilience, and strategic airports and aviation facilities.

Material Change of Use

A review of the PR and the City Plan has identified development approval is required for a development permit for a material change of use for a theatre.

This will involve:

- Lodgement of an impact assessable development application to Council.
- Referral of the development application to the DSDILGP as the SARA for State transport corridor matters, for assessment the SDAP State code 1: Development in a state-controlled road environment.

A review of the PR has identified further information is required to determine if assessable development for contaminated land matters would be triggered.

The development application will require assessment against relevant policies of the Regional Plan and the whole City Plan to the extent relevant. This will include:

- Relevant parts of the Strategic Framework.
- Mixed use zone code.
- Healthy waters code.
- Landscape code.
- Transport impact, access and parking code.
- Works code.
- Airport environs overlay code.
- Coastal environment overlay code.
- Flood hazard overlay code.

An assessment will also be required against the assessment benchmarks at Part E of the SPP in relation to State interests water quality, natural hazards, risk and resilience, and strategic airports and aviation facilities.

12.6.2 Dean Street – Development Assessment Option B

Option B for Dean Street involves:

- Obtaining development approval from Council through the development assessment process under PA for development involving reconfiguring a lot, and
- Requesting the Minister for SDILGP designate the land for infrastructure.

Reconfiguring a Lot

The development approval and process identified for Option A above for reconfiguring a lot for Dean Street would be required. The PA does not enable reconfiguring a lot to be incorporated into the MID process.

Ministerial Infrastructure Designation

A review of the PR has identified a request could be made to the Minister of SDILGP for designation of Dean Street for *"community and cultural facilities, including community centres, galleries, libraries and meeting halls"*.

This would involve lodgement of a MID proposal to the DSDILGP following obtaining the above development approval for reconfiguring a lot and would involve preparation of an Environmental Assessment Chapter identifying all environmental, social and economic impacts (both positive and negative) and how potential negative impacts will be mitigated. This will include an assessment against the assessment benchmarks:

- At Part E of the SPP in relation to State interests water quality, natural hazards, risk and resilience, and strategic airports and aviation facilities.
- in the City Plan noted at Option A above for Dean Street (material change of use only). The assessment against the assessment benchmarks in City Plan for a MID proposal will be to a lesser extent that required for the development application noted at Option A above for Dean Street.

12.7 EVALUATION OF OPTIONS & RISK

This section provides an evaluation of the development assessment options for each potential development site for the establishment of the Townsville Concert Hall, as identified in section 7.5**,** and identifies the potential risks.

12.7.1 The Strand

Evaluation of development assessment options

Option A for The Strand:

- Involves the lodgement and assessment of two development applications that are required to be assessed by Council through two separate development assessment processes, creating additional complexity to the process.
- Involves a detailed assessment against both the City Plan and the Development Scheme, and relevant assessment benchmarks in the Regional Plan, SPP and the SDAP State code.
- Involves public notification whereby submissions can be made, and third-party appeal rights apply to Council's decision in the Planning and Environment Court. A third-party appeal can have significant time and cost implications. An impact assessable development application (without any third part appeal) can take approximately 6 to 12 months to be decided by Council.
- Will involve referral of the development applications to the State government for assessment against Queensland heritage matters.
- Will incur both Council application fees and State government referral fees.

- Will incur infrastructure charges (which can be in the order of $220.85 per square metre of gross floor area[30], minus the current gross floor area and impervious area where credit is given for the existing development on the site).

Option B for The Strand is the recommended process should The Strand be determined the preferred location for the development of the Townsville Concert Hall, noting Option B:

- Will involve a single assessment process, with a request made to the Minister of SDLIP to designate the premises for infrastructure. A MID proposal can take approximately 9 to 12 months to be decided.
- A detailed assessment against both the City Plan and the Development Scheme are not required. Environmental, social and economic impacts (both positive and negative) and how potential negative impacts will be mitigated will need to be considered, however less weight than the assessment processes for Option A is usually given to conflict(s) with the assessment benchmarks if it can be demonstrated potential negative impacts can be mitigated.
- Will involve public notification, but submitters do not have third party appeal rights to the Ministers decision in the Planning and Environment Court.
- Will not incur application and referral fees.
- In most instances, infrastructure charges do not apply.

Evaluation of potential development site options against relevant assessment benchmarks

A high-level review of the Townsville Concert Hall site option for The Strand against the relevant assessment benchmarks has identified:

- Building height is intended to comprise up to 3 storeys over Lot 100 on CP859212, increasing to up to 5 storeys over the remainder of The Strand. Whilst the proposed Townsville Concert Hall does not technically generally extend beyond these heights when considering storeys, the height of the building in metres is greater than what would typically be expected to comprise 3 and 5 storeys. The height of the building is more typical of a built form that comprises 4/5 and 7 storeys.
- Development is intended to be located, designed and scaled so that its form, bulk and proximity minimises impact on the cultural heritage significance of the adjoining Queensland heritage place. Specialist advice from a heritage architect would be required to determine if the proposed Townsville Concert Hall on The Strand meets this requirement. It is noted that Anzac Memorial Park (the adjoining Queensland heritage place) forms a garden setting for several adjacent buildings of cultural heritage significance. This setting may be adversely impacted by the proposed Townsville Concert Hall given the limited setback to the common boundary with this adjoining Queensland heritage place, built form occupies most of The Strand and comprises a height between approximately 14.6 metres and 21.7 metres.
- Development for a theatre is intended to provide car parking based on *"one pace per 15m² of GFA or one space for 4 seats, whichever is the greater"*. To meet this requirement, the proposed Townsville Concert Hall on The Strand would need to provide 455 car parking spaces. A traffic impact assessment would need to be prepared to demonstrate the proposed number of car parking spaces provided is sufficient to meet the demand likely to be generated and avoids on street parking that would adversely impact on the safety or capacity of the road network or unduly impact on local amenity. The Strands accessibility to both public and active transport is therefore important.
- In terms of car parking requirements, a separate parking briefing note has been undertaken (see Appendix D) to determine the planning scheme accepted parking rates, existing site capacity, best practice case studies, an estimate of potential parking demand and availability within 800m of each potential site. The briefing note uses an array of scenarios for moderate and full capacity concert hall events and parking space availability caused by similarly timed events to concludes that there is sufficient parking for Townsville Concert Hall patrons at and surrounding each site to meet demand.

[30] Based on Council's Infrastructure Charges Resolution – Effective from 1 July 2022 to 30 June 2023

- Council would need to be consulted to understand if the proposed trunk infrastructure identified in the LGIP in proximity to The Strand has been provided or if development on The Strand would be conditioned to provide such infrastructure.

Further, advice should be sought from Native Title experts / relevant legal representatives to determine if Native Title has been extinguished over The Strand or if there are certain obligations that need to be carried out to enable development of the Townsville Concert Hall.

12.7.2 The Hive

Evaluation of development assessment options

Option A for The Hive:

- Involves the lodgement and assessment of two development applications that are required to be assessed by Council.
- Involves a detailed assessment against both the City Plan and the Development Scheme, and relevant assessment benchmarks in the Regional Plan, SPP and the SDAP State code.
- Involves public notification of the material change of use aspect of development whereby submissions can be made, and third-party appeal rights apply to Council's decision in the Planning and Environment Court. A third-party appeal can have significant time and cost implications. An impact assessable development application (without any third part appeal) can take approximately 6 to 12 months to be decided by Council.
- Will involve referral of the development applications to the State government for assessment against Queensland heritage matters,
- Will incur both Council application fees and State government referral fees.
- Will incur infrastructure charges (which can be in the order of $220.85 per square metre of gross floor area[31], unless credit is given for existing development on the site).

Option B for The Hive is the recommended process should The Hive be determined the preferred location for the development of the Townsville Concert Hall, noting Option B:

- Involves a detailed assessment against both the City Plan and the Development Scheme are not required. Environmental, social and economic impacts (both positive and negative) and how potential negative impacts will be mitigated will need to be considered, however less weight than the assessment process for Option A is usually given to conflict(s) with the assessment benchmarks if it can be demonstrated potential negative impacts can be mitigated. A MID proposal can take approximately 9 to 12 months to be decided.
- Will involve public notification, but submitters do not have third party appeal rights to the Ministers decision in the Planning and Environment Court.
- Will not incur application and referral fees.
- In most instances, infrastructure charges do not apply.

Evaluation of potential development site options against relevant assessment benchmarks

A high-level review of the Townsville Concert Hall site option for The Hive against the relevant assessment benchmarks has identified:

- The Hive is intended to provide a revitalised tourism and education-based destination, including high quality accommodation, dining and entertainment facilities. Whilst the Townsville Concert Hall will provide for tourism and an entertainment facility, the overall outcomes for the zone precinct relevant to The Hive states *"residential uses are focused in the pocket of land bounded by Wickham and King Streets"*. The Hive is in this 'pocket'.

[31] Based on Council's Infrastructure Charges Resolution – Effective from 1 July 2022 to 30 June 2023

- Building height is intended to comprise up to 8 storeys. Whilst the proposed Townsville Concert Hall does not technically comprise 8 storeys, the height of the building in metres (21.7 metres) is generally consistent with what would typically be expected to comprise 8 storeys.
- The Hive is constrained by its inclusion on and adjacent to mapped Queensland heritage places. Development:
  - Is intended to minimise adverse impacts on the cultural heritage significance of a Queensland heritage place.
  - Is intended to be located, designed and scaled so that its form, bulk and proximity minimises impact on the cultural heritage significance of the adjoining Queensland heritage place.
  - Where involving reconfiguring a lot, not result in a lot size of configuration which adversely impacts the aspects of the setting that form part of the cultural heritage significance of the Queensland heritage place.
- Specialist advice from a heritage architect would be required to determine if the proposed Townsville Concert Hall (and any required reconfiguration of the land) on The Hive meets these requirements. It is noted, the proposed Townsville Concert Hall will be of considerable scale, and will require appropriate setback to the buildings forming the Queensland heritage places, albeit the height of the building transitions to increase height as setback increases.
- Specialist advice from a heritage architect would also be required to determine the proposed development does not destroy or substantially reduce the cultural heritage significance of the Queensland heritage places because of demolition of buildings on the Queensland heritage place. A preliminary review of the Queensland heritage register for these places suggests the buildings are later editions, likely not cultural significant.
- Development for a theatre is intended to provide car parking based on *"one pace per 15m² of GFA or one space for 4 seats, whichever is the greater"*. To meet this requirement, the proposed Townsville Concert Hall on The Hive would need to provide 455 car parking spaces. A traffic impact assessment would need to be prepared to demonstrate the proposed number of car parking spaces provided is sufficient to meet the demand likely to be generated and avoids on street parking that would adversely impact on the safety or capacity of the road network or unduly impact on local amenity. The Hives accessibility to both public and active transport is therefore important.
- In terms of car parking requirements, a separate parking briefing note has been undertaken (see Appendix D) to determine the planning scheme accepted parking rates, existing site capacity, best practice case studies, an estimate of potential parking demand and availability within 800m of each potential site. The briefing note uses an array of scenarios for moderate and full capacity concert hall events and parking space availability caused by similarly timed events to concludes that there is sufficient parking for Townsville Concert Hall patrons at and surrounding each site to meet demand.
- Development will need to be designed and located to minimise susceptibility to, and the potential impacts of, stormtide inundation and erosion. Specialist advice would need to be provided from a hydraulic engineer.
- Council would need to be consulted to understand if the proposed trunk infrastructure identified in the LGIP in proximity to The Hive has been provided or if development on The Hive would be conditioned to provide such infrastructure.

Further, advice should be sought from Native Title experts / relevant legal representatives to determine if Native Title has been extinguished over The Hive or if there are certain obligations that need to be carried out to enable development of the Townsville Concert Hall. Given the freehold nature of the land, it is likely Native Title has been extinguished.

12.7.3 Dean Street

Evaluation of development assessment options

Option A for Dean Street:

- Involves the lodgement and assessment of two development applications that are required to be assessed by Council.

- Involves a detailed assessment against both the City Plan and the Development Scheme, and relevant assessment benchmarks in the Regional Plan, SPP and the SDAP State code.
- Involves public notification of the material change of use aspect of development whereby submissions can be made, and third-party appeal rights apply to Council's decision in the Planning and Environment Court. A third-party appeal can have significant time and cost implications. An impact assessable development application (without any third part appeal) can take approximately 6 to 12 months to be decided by Council.
- Will involve referral of the development applications to the State government for assessment against State controlled road environment matters.
- Will incur both Council application fees and State government referral fees.
- Will incur infrastructure charges (which can be in the order of $220.85 per square metre of gross floor area[32], unless credit is given for existing development on the site).

Option B for The Hive is the recommended process should Dean Street be determined the preferred location for the development of the Townsville Concert Hall, noting Option B:

- A detailed assessment against both the City Plan and the Development Scheme are not required. Environmental, social and economic impacts (both positive and negative) and how potential negative impacts will be mitigated will need to be considered, however less weight than the assessment process for Option A is usually given to conflict(s) with the assessment benchmarks if it can be demonstrated potential negative impacts can be mitigated. A MID proposal can take approximately 9 to 12 months to be decided.
- Will involve public notification, but submitters do not have third party appeal rights to the Ministers decision in the Planning and Environment Court.
- Will not incur application and referral fees.
- In most instances, infrastructure charges do not apply.

Evaluation of potential development site options against relevant assessment benchmarks

A high-level review of the Townsville Concert Hall site option for The Hive against the relevant assessment benchmarks has identified:

- Dean Street is intended to accommodate "Major strategic facilities…which may be needed during the 25-year planning horizon of the planning scheme are located adjacent to the city centre"[33]; "strategic infrastructure and 'city making' facilities for the whole of Townsville"[34]
- 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. The Townsville Concert Hall will therefore provide a strategic facility that is needed during the 25-year planning horizon of the City Plan. Dean Street would offer a suitable location for the Townsville Concert Hall, supported by the assessment benchmarks in the City Plan.
- Built form of up to 6 storeys is intended to be located within the western portion of land bound by Dean Street, Morey Street, Morehead Street, and Rooney Street, with the eastern portion intended to form open space (Dean Park). The proposed Townsville Concert Hall building is generally located within the centre of the land, enabling existing mature vegetation adjacent to Dean Street/Saunders Street frontage to be retained as a feature of Dean Street and enabling open space at this frontage and within the eastern portion of the land around existing community buildings. Whilst the proposed Townsville Concert Hall does not technically comprise 6 storeys, the height of the building in metres (21.7 metres) is generally consistent with what would typically be expected to comprise 7 storeys, and the bulk of the maximum height is generally centrally located.

[32] Based on Council's Infrastructure Charges Resolution – Effective from 1 July 2022 to 30 June 2023

[33] Part 3.3.4.1(13) of City Plan

[34] Part 6.3.7.2(4) of City Plan

- Development for a theatre is intended to provide car parking based on *"one pace per 15m² of GFA or one space for 4 seats, whichever is the greater"*. To meet this requirement, the proposed Townsville Concert Hall at Dean Street would need to provide 455 car parking spaces. A traffic impact assessment would need to be prepared to demonstrate the proposed number of car parking spaces provided is sufficient to meet the demand likely to be generated and avoids on street parking that would adversely impact on the safety or capacity of the road network or unduly impact on local amenity. Dean Streets accessibility to both public and active transport is therefore important.
- Furthermore, the City Plan notates a local bus terminus and driver facilities at the centre of land bound by Dean Street, Morey Street, Morehead Street, and Rooney Street. Such provision could be provided within the southern portion, adjacent to the Townsville Concert Hall.
- In terms of car parking requirements, a separate parking briefing note has been undertaken (see Appendix D) to determine the planning scheme accepted parking rates, existing site capacity, best practice case studies, an estimate of potential parking demand and availability within 800m of each potential site. The briefing note uses an array of scenarios for moderate and full capacity concert hall events and parking space availability caused by similarly timed events to concludes that there is sufficient parking for Townsville Concert Hall patrons at and surrounding each site to meet demand.
- Development must not adversely impact on the safety and operation (function and efficiency) of the State controlled road. Development will likely be able to meet the assessment benchmarks of the relevant SDAP State code, noting vehicular access is not proposed from the State controlled road and the building is significantly setback from the land's frontage to this road.
- Development will need to be designed and located to minimise susceptibility to, and the potential impacts of, stormtide inundation and erosion. Development will also need to ensure it is designed and located to minimise susceptibility to and potential impacts of flooding. Specialist advice would need to be provided from a hydraulic engineer.
- Council and the State government would need to be consulted to understand if the proposed trunk infrastructure identified in the LGIP and planned State controlled road corridor upgrades in proximity to Dean Street has been provided or if development on Dean Street would be conditioned to provide such infrastructure.

Further, advice should be sought from Native Title experts / relevant legal representatives to determine if Native Title has been extinguished over Dean Street or if there are certain obligations that need to be carried out to enable development of the Townsville Concert Hall.

12.8 OTHER

This section identifies other matters that need to be considered for the development of the Townsville Concert Hall on the potential development sites.

12.8.1 Associated Approvals / Conditions of Approval

Section 12.2 and Section 12.3 above do not take into consideration any development approvals / permits / obligations required in relation to works outside the sites, such as new crossovers, works within the road reserve etc, and/or matters such as works to build over a sewer. These matters would need to be considered once the potential development site has been chosen and once details of the development of the Townsville Concert Hall have been established.

Furthermore, the development approvals / MID noted at Section 12.2 and Section 12.3, if approved / designated, will include numerous conditions that would need to be carried out and may include obtaining associated development approvals (e.g., operational works approval). Such conditions / associated development approvals cannot be established at this preliminary stage however, they could have time and cost implications on development.

12.8.2 Duty of Care

Table 12.8 below provides a summary of potential duty of care obligations that need to be considered for the development of the Townsville Concert Hall on each potential development site.

Table 12.8. Duty of Care

Legislation	Agency	Duty of Care Obligation	Comment
Environmental Protection Act 1994 (EP Act)	Department of Environment and Science (DES)	**Environmental Duty of Care** • A person must not carry out any activity that causes, or is likely to cause, environmental harm unless the person takes all reasonable and practicable measures to prevent or minimise the harm (the general environmental duty). • While carrying out an activity if a person becomes aware that an event has happened that causes or threatens serious or material environmental harm there is a duty to notify under the EP Act.	It is recommended a Construction Environmental Management Plan (CEMP) is developed to avoid and reduce the risk of environmental harm occurring. The CEMP would also include duty of care notification procedures. It is noted, this obligation is particularly important where involving contaminated land (e.g., land listed on the EMR noted above).
Aboriginal Cultural Heritage Act 2003 Torres Strait Islander Cultural Heritage Act 2003 (Cultural Heritage Acts)	Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	**Cultural Heritage Duty of Care** • Under the Cultural Heritage Acts, a person who carries out a land use activity is required to exercise a duty of care; that being, land users must take all reasonable and practicable measures to ensure their activity does not harm Aboriginal or Torres Strait Islander cultural heritage.	It is recommended a CEMP is developed to ensure compliance with gazetted cultural heritage duty of care guidelines is met.
Queensland Heritage Act 1992	DES	**Queensland Heritage Duty of Notify** • DES must be notified under Section 89 of the Queensland Heritage Act 1992 if archaeological objects of known or potential State Heritage value are uncovered.	The CEMP must include stop work procedures and notification procedures to manage any potential unexpected finds.

Source: AECOM.

12.8.3 Local Laws

There are numerous local laws that apply to the Townsville LGA, being:

- Local Law 1 – Administration. Council identifies “the purposes of this local law are to provide a legal and procedural framework for the administration, implementation and enforcement of the local government’s local laws, subordinate local laws and specified regulatory powers under legislation, and to provide for miscellaneous administrative matters (TCC, 2023f).
- There are several Subordinate Local Laws (SLL) to Local Law 1 that may need to be considered for the development of the Townsville Concert Hall on each potential development site, such as SLL 1.4 Installation of Advertising Devices 2011, SLL 1.15 Carrying Out Works on a Road or Interfering with a Road or its Operation 2011 where further approvals may be required.
- Local Law 2 – Animal Management 2011. It is understood this local law is not relevant to the development of the Townsville Concert Hall on each potential development site.

- Local Law 3 – Community and Environmental Management 2011. This local law is to protect the environment and public health, safety and amenity by providing for the elimination or reduction of risks and threats resulting from:
    - Inadequate protection against animal and plant pests; and
    - Vegetation overgrowth; and
    - Visual pollution resulting from accumulation of objects and materials; and
    - Fires and fire hazards not regulated by State law; and
    - Community safety hazards; and
    - Noise that exceeds noise standards.

  It is understood further consideration will need to be given to this local law (and it's SLL) if any of the above risks and threats apply.
- Local Law 4 – Local Government Controlled Areas, Facilities and Roads 2011. This local law is to protect the health and safety of persons using local government-controlled land, facilities, infrastructure and roads, and to preserve features of the natural built environment and other aspects of the amenity of local government-controlled land, facilities, infrastructure and roads. It is unlikely that this local law (and its SLL) is relevant to the development of the Townsville Concert Hall on each potential development site, however it should be considered further if impacting on local government-controlled areas, facilities and roads.
- Local Law 5 – Parking 2011. This local law enables Council to declare traffic areas and off-street regulated parking areas, issue parking permits, issue commercial vehicle identification labels, and minor traffic offence infringement penalties. Further consideration should be given to this local law (and its SLL) for the construction and operation of the Townsville Concert Hall on each potential development site (e.g., if parking permits are required for construction).
- Local Law 6 – Bathing Reserves 2011. This local law is not relevant to the development of the Townsville Concert Hall on each potential development site.
- Local Law 7 – Waste Management 2018. The purpose of this local law is to protect the public health, safety and amenity related to waste management. It is noted, waste management will be considered in the assessment of the Townsville Concert Hall on each potential development site and will be conditioned as part of the development approval / MID (e.g., bin location, number and size of bins etc).
- Local Law 8 – Unsightly Buildings 2020. It is understood this local law is not relevant to the development of the Townsville Concert Hall on each potential development site but would need to be considered in the ongoing operation of the facility (e.g., ensuring the building is in good presentation, graffiti is removed if buildings are marked).
- Local Law 9 – Stadium Parking Area 2022. The local law will need to be considered with the development of the Townsville Concert Hall on Dean Street. The local law enables Council to regulate parking by time in the vicinity of the Queensland Country Bank Stadium because of an event at the stadium. Dean Street and land in proximity to Dean Street are located within the 'parking area' this local law applies.
- Local Law 51 – Alcohol in Public Places. Further consideration would need to be given to this local law if activities associated with the Townsville Concert Hall on each potential development sites results in the consumption of intoxicating liquor in parks and/or on roads.
- Local Law – V8 Supercars Event Parking Area 2011. This local law is not relevant to the development of the Townsville Concert Hall on each potential development site.

It is recommended Council's local laws are reviewed once details of the Townsville Concert Hall are confirmed, including the development site, and once the development has been approved / land designated.

13. BENEFITS REALISATION

Key Findings:

- **The Hive site performs well for its capacity to realise liveable communities, economic growth and revitalising places**: The location of the Hive site on Flinders Street, will afford benefits of co-location with immediate access to restaurants and bars in Flinders Street and to Palmer Street (following construction of the Plume Street Bridge). The site is close to the Museum of Tropical Queensland and to its adjacent site which could also accommodate a cultural or other tourism facility.
- **The Strand site is similar to the Hive site**: The location of the Strand site can elevate the vibrant tourism and entertainment precincts in Flinders Street that can aid in the delivery of greater short and medium term cityshaping and economic benefits.
- **Dean Street has significant potential to create multiple art and cultural development activities within a broader precinct environment**: The wider footprint at the Dean Street site will afford more opportunities to develop and cultivate arts and cultural activities. While the site is close to Palmer Street (350m away), the pedestrian route through Central Park is 900 m (longer than a comparable journey from The Hive, assuming construction of the Plume Street Bridge at 430 m). The site is also further away to both the western and eastern sides of Flinders Street (approx. 800m away).

13.1 PURPOSE

The purpose of this section is to present the benefits expected from the development of the Townsville Concert Hall (TCH), provide a summary of performance of the potential sites for the TCH against the expected benefits, and outline how the expected benefits will be maximised and monitored through the development of a benefits realisation plan/ implementation plan.

The approach to benefits management is based on the Business Case Development Framework (DSDILGP, 2021), including the Benefits Management Guide, which articulates the key steps in identifying, analysing, planning, monitoring and reporting, and realising project benefits throughout the project development lifecycle.

The approach involved examining the key findings of the earlier stages of the TCH Detailed Business Case (DBC), including the Service Needs Assessment and Site Options Analysis, to identify benefits sought by key stakeholders and the community.

The expected benefits of the project were then derived through a review of recent national and international research that considers the value of the arts and culture, and the delivery of social infrastructure to support arts and culture.

The expected benefits have been aligned with the strategic goals and objectives of key local and State government policies, which set the context for the project and from which consistent themes emerge around the aims and benefits of arts and social infrastructure.

13.2 POTENTIAL SITES

Three sites have been short-listed for the development of the TCH (see Section 7 and associated facilities based on a range of contextual, cultural and functional criteria. All the sites are located within the Townsville city centre, on the outskirts of the CBD. Table 13.1 provides key details of each of the sites and Figure 13.1 shows the location of the sites with reference to the Townsville CBD.

Table 13.1. Details of potential sites

Potential Sites	Location	Site description	Site area	Development inclusions
The Hive	Flinders and Wickham Streets, on the north-eastern edge of the CBD	Currently, the site largely comprises vacant land, car parking areas, and underutilised buildings. The site adjoins Molly Malone's Irish Pub and the Queens Hotel (on the same block). Nearby uses include Anzac Memorial Park (The Strand), Breakwater Ferry Terminal, Breakwater Marina, The Ville Resort and Casino, Townsville Entertainment and Convention Centre, Museum of Tropical Queensland, and Reef Headquarters Aquarium. Food and beverage uses along Flinders Street lead into the CBD proper. The planned Plume Street bridge will connect the site to the Palmer Street dining precinct. Public transport bus services run past the site, including services 200, 201 and 206 with bus stops within 100m of the site.	1.86ha	• Theatre – 1,000 seats • Black box studio • Pedestrian access via Flinders Street • Vehicular access through 4 street frontages
The Strand	On the opposite side of the road to The Hive, at the corner of The Strand and Sir Leslie Thiess Drive, just outside the CBD	Currently, the site comprises the Townsville Bowls Club, The Strand Car Park, Enterprise House and open space including the North Queensland Garden of Remembrance. Adjoining the site to the west is open space including Anzac Memorial Park, and to the north is Breakwater Villas apartments. Nearby uses include Breakwater Ferry Terminal, Breakwater Marina, The Ville Resort and Casino, Townsville Entertainment and Convention Centre, Museum of Tropical Queensland, and Reef Headquarters Aquarium. The planned Plume Street bridge will connect the site to the Palmer Street dining precinct. Public transport bus services run past the site, including services 200, 201 and 206 with bus stops within 100m of the site.	1.089 ha	• Theatre – 1,000 seats • Black box studio • Pedestrian access via The Strand • Vehicular access predominantly through Sir Leslie Theiss Drive, with minor service access through The Strand and to the north of the site
Dean Street	Between Morey and Rooney Streets, south-east of the CBD, across Ross Creek	Currently, the site comprises the Dean Street Car Park and three community buildings including facilities for the RSL, Townsville Brass Band and Althea's Community Hub (homeless support services). Surrounding uses include Queensland Country Bank Stadium and Central Park to the west, Townsville Fire and Rescue Service and medium density residential zoning to the north, and railyards and industrial land to the east and south.	4.48ha	• Theatre – 1,000 seats • Black box studio • Pedestrian and vehicular access could be created at Dean Street and Morey Street

Potential Sites	Location	Site description	Site area	Development inclusions
		Pedestrian access to Palmer Street dining precinct requires a journey via the signalized intersection adjacent to the Stadium, travel along the Central Park walking path and crossing the signalized intersection at Palmer Street. A public transport bus service runs past the site, service 209, with stops within 200m. The site is closer than other sites to the main bus hub at Ogden Street, some 800m away.		

Source: AECOM.

Figure 13.1. Location of Potential Sites

Source: AECOM.

13.3 EXPECTED BENEFITS

Addressing the service need identified in the TCH DBC Service Needs Assessment has the potential to deliver a range of legacy benefits for Townsville city and the North Queensland region.

The expected benefits have been derived from a review of recent national and international research that considers the value of the arts and culture, and the delivery of social infrastructure to support arts and culture.

It has been long accepted by governments, industry and the private sector internationally and domestically that transformative and regenerative beneficial impacts can be derived from investment in cultural facilities. The dividends of investment are both economic, in terms of job creation, tourism and productivity gains, but also social, in terms of strengthening inclusiveness and participation in cultural activities, developing creative and innovative skills and industries and enhancing quality of life.

This section addresses the identified benefits of investing in a concert hall in Townsville within four categories of:

- Development of the arts
- Liveable communities
- Economic growth
- Revitalising places.

Each category is considered independently in this analysis but each is interrelated and the synergies collectively create significant benefits for the people, communities and industries of Townsville and the broader region. The categories and the key findings from the research that relate to each of the categories are outlined below.

13.3.1 Development of the Arts

Investment in major arts infrastructure and initiatives has been shown to activate communities with high-quality and accessible arts and cultural experiences that celebrate the unique stories of a place. The TCH will provide leading arts infrastructure that is inclusive and fit for purpose where creative practice can be experienced. It will provide opportunities:

- To foster innovation in the arts through program development that engages and challenges new and existing audiences
- For community members to experience the arts through programs, festivals, performance, activities, events and exhibitions
- To grow and retains local creative talent within the state.

The TCH also has the potential to be a powerful celebration of First Nations arts and cultures. Arts infrastructure and initiatives are known to provide opportunities to celebrate and share the many cultures, languages and traditions of Aboriginal and Torres Strait Islander peoples; to engage and partner with local First Nations peoples and communities to design and deliver arts, culture and creative services; and increase career and development opportunities for Aboriginal and Torres Strait Islander practitioners at all levels.

Importantly, the TCH will position Townsville to be culturally vibrant and well-positioned to leverage the Brisbane 2032 legacy.

13.3.2 Liveable Communities

Investment in arts and cultural infrastructure promotes social cohesion in our communities by facilitating shared experiences, promoting a sense of place and providing insight into our local and national identities. Further, arts and cultural participation supports cultural identity, economic empowerment, community connectedness and wellbeing among these communities.

Results from the National Arts Participation Survey (Australia Council of the Arts, 2020) highlight the importance of arts and creativity to express ourselves and stimulate a community's collective mind, the arts and creativity support, an ability to think creatively and develop new ideas, an understanding of other people and cultures, a sense of wellbeing and happiness, and help deal with stress, anxiety and depression.

The National Arts Participation Survey and Queensland Government's 10-year roadmap for arts, culture and creativity also identify, alongside other research into understanding the value of arts and cultural infrastructure, there is evidence for the power of arts and creativity to address mental health challenges and prevent suicide, reduce loneliness, support greater engagement in health and social services, and strengthen the ability to think creatively – a critical skill for the future.

13.3.3 Economic Growth

Arts and creativity are a critical component of and engine for economic growth, innovation and jobs – locally and nationally. Arts and cultural experiences are known to boost local economies through cultural tourism, creating jobs, skills development, and developing local arts enterprise.

Research shows the arts to be powerful drivers for regional, domestic and international tourism (Australia Council, 2018). It also shows creative skills have been integral to the fast-growing industries in Australia over the past

decade, and creative employment is growing at a rate nearly twice that of the Australian workforce. Results from the National Arts Participation Survey (Australia Council of the Arts, 2020) show Australians recognise the importance of arts and culture for bringing customers to local businesses.

13.3.4 Revitalising Places

Arts, culture and creativity are well known to rejuvenate spaces and places, foster development and enhanced attractiveness. Research links investment in arts and cultural pursuits and infrastructure to the emergence of vibrant creative and cultural quarters that can change cities. The arts experience extends outside public buildings to activate community spaces, to grow audiences and foster collaborative relationships and business acumen.

The TCH has the potential to activate spaces and places in Townsville, through the delivery of arts and cultural programs and activities such as public art that builds new audiences and fosters cultural tourism, and in doing so preserve and celebrate Townsville as an anchor to Queensland stories. This includes improving the vitality and depth of the night-time economy. The TCH is anticipated to be a catalyst for the revitalisation of the Townsville city centre, delivering high-quality public spaces and supporting urban regeneration.

13.3.5 Summary of Expected Benefits

Table 13.2 summarises the relationship between the benefits sought by the project, current local and State government policies, and benefits expected by the project.

Table 13.2. Expected Benefits

Benefits sought	Benefits expected
Development of the arts – Enhancing the local and regional arts and cultural offer and facilitating the advancement of local arts groups and programs	
• Development of the performing arts industry in Townsville • A large venue suitable for acoustic performances • Potential for a black-box theatre to support additional local or smaller touring productions • Opportunities to attend and experience performing arts in an appropriate setting • Facilities that meet the needs of touring groups	• Expansion and development of the performing arts industry in Townsville • Opportunity to retain the region's developing and emerging arts and culture population • New purpose-built facility to view and engage with performances/ cultural opportunities • Increase in number (and quality) of performances • Increased annual visitation from state and national performances • Increased opportunity to showcase First Nations stories • Building of demand over time for opportunities to further develop the performing arts in Townsville (such as the establishment of a regional conservatorium)
Liveable communities – Improving liveability, through enhanced community cohesion, health and wellbeing, and acceptance of diversity	
• Position Townsville as a vibrant, liveable and innovative city	• Contribution to community transformation/ cohesion/ thriving communities/ enhanced sense of place/ belonging • Improved health and wellbeing • Reduced social exclusion and isolation • Increased cultural literacy • Improved educational attainment through enhanced schools and colleges programs and partnerships and educational aspiration • Strengthened ability to think creatively • Greater opportunity to recognise and celebrate the diversity of the city, region and state • Enhanced opportunities for First Nations people to connect with cultures and places, and to engage with the community • Increased access to and participation in culture regardless of background or ability • Greater opportunity to reflect a diversity of artistic talent

Benefits sought	Benefits expected
Economic growth – Stimulating economic growth, expanding local and regional employment and business activity, and growing, supplementing and diversifying the local and regional tourism offer	
• A prosperous economic future for the region • Unlock the potential for business and industry development • Increase in employment opportunities in Townsville • Increase in existing business activity and creation of new business opportunities in Townsville • Increased taxation revenue to all levels of government from increased economic activity • Increase tourism visitation to Townville • Catalytic infrastructure to deliver a step change in anticipated growth	• Stimulation of economic growth in Townsville • Increase in employment opportunities (number and diversity) in Townsville • Increase in existing business activity and creation of new business opportunities in Townsville • Increased taxation revenue to all levels of government from increased economic activity • Increased opportunities for First Nations businesses that are part of, or support, the arts and cultural sector • Increased opportunity to position Townsville as a leading destination for First Nations tourism experiences • New visitor attraction of a national/ world standard • Increase in tourism visitation to Townsville City • Increased spending by tourists through visits primarily to visit the Concert Hall • Increased spending by tourists through extending trips to take part in cultural activities •
Revitalising places – Cultivating the identity and vibrancy of the city, creating a destination and fostering civic pride	
• Activation of the city centre • Activation and diversification of the night-time economy	• Opportunity to recognise the centrality of First Nations people and cultures to our local and regional identity • Enabling new quality places where people want to live, work, play and learn • Creating a more vibrant city, strengthening its attractiveness and liveability • Increased footfall in neighbouring areas, increasing perceptions of safety and vibrancy, and contributing to economic growth • Reduced crime through enhanced activation of areas and times •

Source: AECOM.

13.4 STRATEGIC ALIGNMENT

The TCH is expected to support many of the strategic goals and objectives for Townsville city and the broader North Queensland region. It will align with local plans such as TCC's Corporate Plan by supporting the community to embrace and participate in the arts through to plans such as the Australia Council for the Arts' Corporate Plan which envisions connecting all Australians through art and creativity.

The expected benefits have been aligned with the objectives and priorities of current local, state and national government policies to illustrate the value of delivering the TCH.

This strategic alignment shows the expected benefits are anticipated to align with all pillars of Australia's cultural policy *Revive*, all key pillars of the Queensland Government's vision for arts, culture and creativity, and all goals of TCC's strategy for visual and performing arts. The benefits also align with three of the five objectives of Australia Council for the Arts' strategic objectives, two of four objectives of the State Infrastructure Strategy, and four of nine goals of TCC's liveability strategy.

Table 3 lists the policies reviewed, provides an overview of each of the policies and identifies how they align with the identified benefit categories.

A level of alignment and synergy is apparent when analysing the role that a future concert hall could play in delivering significant benefits for the communities and industries of Townsville and the broader region. Whilst the benefits are multiple, the impact for the creative arts industry could be transformational; and with this the ability to regenerate and transform the city centre are significant. The capacity for a new concert hall facility to integrate modern, world-class social infrastructure and catalyse new and existing private development has the potential to ignite parts of the city centre. This opportunity, located on the correct site could provide a vibrant element in a wider precinct that drives a prosperous and productive city centre.

Table 13.3. Alignment with Strategic Policy

Policy	Overview	Alignment			
		Development of the Arts	Liveable Communities	Economic Growth	Revitalising places
National					
Creativity Connects Us, Corporate Plan 2022-2026 (Australia Council for the Arts, 2022)	Five-year strategy to continue the Council's long-term commitment to enabling artists, creative workers and arts and cultural organisations to expand their reach to audiences while realising their creative potential, and the Council's commitment to First Nations arts and cultures	Strategic Objectives: 4, 5	Strategic Objectives: 3-5		
National Agreement on Closing the Gap (All Australian Governments and the Coalition of Peaks, 2020)	Aims to overcome the entrenched inequality faced by too many Aboriginal and Torres Strait Islander people so that their life outcomes are equal to all Australians				Outcomes: 15, 16
Revive: a place for every story, a story for every place – Australia's cultural policy for the next five years (Australian Government, 2023)	A five-year plan to revive the arts in Australia	Pillars: 1-5	Pillars: 1, 2, 4, 5	Pillars: 1, 2, 4, 5	Pillars: 1, 4
State					
Creative Together 2020-2030 (Queensland Government, 2020)	The Queensland Government's 10-year vision to see Queensland renewed and transformed – socially, culturally and economically – through arts, culture and creativity	Key Priorities: 1-5	Key Priorities: 2-5	Key Priorities: 1-5	Key Priorities: 3, 5
Queensland's Disability Plan 2022-2027: Together, a better Queensland (Queensland Government, 2022)	Designed to promote access and inclusion for all Queenslanders with disability		Outcome Area: 2		
Queensland First Nations Tourism Plan 2020-2025 – Voice of today: Stories for tomorrow (Queensland Tourism Industry Council, 2020)	Sets the framework to leverage our First Nations cultural heritage and stewardship of country, together with Queensland's distinctive mix of tourism product offerings, to inspire the development of a thriving First Nations' tourism sector			Goals: 1, 2, 6	

Policy	Overview	Alignment			
		Development of the Arts	Liveable Communities	Economic Growth	Revitalising places
Queensland Government's objectives for the community (Queensland Government, 2022)	Reflect the government's vision for Queensland and outline our plan to build future prosperity and growth across the state			Supporting jobs Growing our regions Building Queensland	
State Infrastructure Strategy 2022 (Queensland Government, June 2022)	Presents a vision of the Queensland Government's infrastructure requirements over the next two decades. The strategy sets out the state's objectives for infrastructure and the priority actions that will drive the future we want for Queensland	Objective: 2	Focus Area: 4	Objective: 1	Objective: 2
Towards Tourism 2032: Transforming Queensland's visitor economy future (Department of Tourism, Innovation and Sport, 2022)	Plan to set the direction of tourism in Queensland for the next 10 years			Phase 1 Actions	
Regional					
North Queensland Regional Plan (Queensland Government, 2020)	The principal aim of the Plan is to determine how land use and infrastructure planning can best support economic growth and population change in the region over the next 25 years and beyond		Key Goal: 3	Key Goal: 1	
Local					
Townsville City Council Arts for the Future Strategy 2020-2024 (TCC, 2020)	Focuses on the future of arts and culture in Townsville through engagement with stakeholders and the community to identify gaps so that TCC's infrastructure, programs and services continue to be relevant, inclusive and accessible	Goals: 1-4 Community-identified Priorities	Goals: 1, 2 Community-identified Priorities		
Townsville City Council Corporate Plan 2021-2026 (TCC, 2021)	Sets the direction for what TCC focuses on as it works to grow Townsville. The Plan outlines the areas of focus, priorities and specific initiatives Council has committed to implementing, driving and advocating	Goal: 4	Goals: 1, 4	Mission Goal 4	Goal: 4

Policy	Overview	Alignment			
		Development of the Arts	Liveable Communities	Economic Growth	Revitalising places
Townsville City Council Liveability Strategy 2020-2024 (TCC, 2020)	Seeks to strengthen Townsville's liveability assets and improve Townsville's liveability challenges through a comprehensive and citizen-centric approach. The aim is to achieve this through the strategic alignment of land use planning, infrastructure investment, environment protection, sustainable design and community development strategies		Goals: 3, 4, 7, 9		
Townsville City Deal (TCC, 2016a)	Framework to transform Townsville and drive economic growth		Objective: 4	'Capital of North Queensland' Initiative	Objective: 1
Townsville Waterfront Priority Development Area Development Scheme (Queensland Government, October 2015)	Applicable to all development on land and water within the boundaries of the PDA	Preferred land use			

Source: AECOM.

13.5 SUMMARY OF BENEFITS & DIFFERENTIATING FACTORS

This section provides a concise summary assessment of the different sites under investigation in terms of how the potential benefits can be derived at each, enabling some consideration of the differential advantages that exist between the sites. Any advantage needs to be examined in consideration with the costs of construction, statutory approvals impact, broad risks and complementary catalysing impacts and cityshaping potential of each site.

Table 13.4. Summary of Expected Benefits for Potential Sites

The Hive	The Strand	Dean Street
Development of the arts – Enhancing the local and regional arts and cultural offer and facilitating advancement of local arts groups and programs		
• The site has the capacity to meet the benefits established and set out above. • The site would provide a suitable location for the facility and enable expansion and development of the performing arts industry • An iconic facility in an established and accessible urban setting would lift the interest and patronage of arts performances • The site would enable an increase in the number of performances and annual visitation rates • The site has the capacity to celebrate and showcase First Nations stories	• The site has the capacity to meet the benefits established and set out above. • The site would provide a suitable location for the facility and enable expansion and development of the performing arts industry close to a water setting and on the well-patronised Strand promenade • An iconic facility bookending the Strand would lift the interest and patronage of arts performances • The site would enable an increase in the number of performances and annual visitation rates • The site has the capacity to celebrate and showcase First Nations stories •	• The site has the capacity to meet the benefits established and set out above. • The site would provide a suitable location for the facility and enable expansion and development of the performing arts industry on the wider Dean Street site but it is noted that this would take a number of years to develop and in the meantime the concert hall would likely be the only facility in this location • An iconic facility in a location close to the Queensland Countrybank Stadium has the potential to lift the interest and patronage of arts performances,. • The site would enable an increase in the number of performances and annual visitation rates • The site has the capacity to celebrate and showcase First Nations stories • Site has the greatest potential for the development of additional and co-located arts and cultural facilities.
Liveable communities – Improving liveability, through enhanced community cohesion, health and wellbeing, and acceptance of diversity		
• The site affords the potential to improve the liveability of the city for its inhabitants and visitors • The site would deliver a significant community transformation and urban infill opportunity, revitalising an area of the city centre already undergoing positive development change • The facility, located at the Hive site affords significant opportunity to provide enhanced educational, arts and cultural immersion, creative and First Nations participation and celebration	• The site affords the potential to improve the liveability of the city for its inhabitants and visitors, complementing the already popular Strand promenade and public amenity • The site would deliver a significant community transformation, revitalising an area of the Breakwater and Strand that would benefit from an investment uplift • The facility, located at the Strand affords significant opportunity to provide enhanced educational, arts and cultural immersion, creative and First Nations participation and celebration	• The site affords the potential to improve the liveability of the city for its inhabitants and visitors • The site would deliver a significant community transformation revitalising an area at the edge of the city centre • The facility, located at Dean Street affords significant opportunity to provide enhanced educational, arts and cultural immersion, creative and First Nations participation and celebration

The Hive	The Strand	Dean Street
Economic growth – Stimulating economic growth, expanding local and regional employment and business activity, and growing, supplementing and diversifying the local and regional tourism offer		
• Site has significant capacity for complementary development, both on the larger footprint of the Hive site and within adjoining areas, to stimulate economic growth. • New owners are seeking to create a mixed use development to complement existing nearby tourism, retail and entertainment activities	• Site has capacity for additional development, and there is potential for complementary development within adjoining sites and across the breakwater location it. The Site sits at the entrance to the Breakwater.	• Site has good potential for development to stimulate economic growth through broader precinct development in the longer term..
Revitalising places – Cultivating the identity and vibrancy of the city, creating a destination and fostering civic pride		
• Site has significant potential to realise benefits due to being closest to the city centre and the proposed Wickham Street footbridge, with immediate access to restaurants and bars, and good capacity for co-location with complementary development.	• Site has good potential to realise benefits due to being within easy access of the city centre, the Strand, the Ville Resort-Casino and the Townsville Entertainment and Convention Centre, with good access to restaurants and bars, and capacity for co-location with complementary development in nearby areas.	• Site has potential to realise benefits allied to plans for a future arts and cultural precinct at the wider Dean Street site. • The surrounding streets of Morey Street, Dean Street and Boundary Street have had recent upgrades to accommodate active transit in the form of a principal cycle network route.

Source: AECOM.

The benefits analysis in Table 13.4 highlight the similarities for each of the three sites but also draws some distinction between each to illustrate that there is potential to derive greater benefits at certain sites.

13.5.1 The Hive

The Hive site performs well for its capacity to realise liveable communities, economic growth and revitalising places but is similar to the Strand site for its potential for development of the arts.

The Concert Hall plays an integral role in the urban fabric of the city, effectively 'completing' Flinders Street at the Hive location. Here, the building will form a very strong visual marker along the axis of Flinders Street, as well as from across Ross Creek albeit past existing waterfront buildings. The Hive site has immediate access to restaurants and bars in Flinders Street, and to the three hotels on the site (assuming Queen's Hotel is revitalised). With the proposed new footbridge walking distance to Palmer Street is approximately 350 metres. The site has adjoining on-site area for a future facility such as a Regional Art Gallery. It is close to the Museum of Tropical Queensland and to its adjacent site which could also accommodate a cultural or other tourism facility.

Coach set down bays can be provided on site on new internal road. Capacity for front door drop-off on Flinders Street.

13.5.2 The Strand

The Strand site creates the potential for a book-end feature to one of the most iconic health and well-being promenades in Queensland. The Strand site has potential to create a signature statement linking the water with the city and entrance to a future tourism hub at the Breakwater.

Both the Hive and Strand sites will be developed within and close to existing vibrant tourism and entertainment precincts, realising greater short and medium term cityshaping and socio-economic benefits. Similarly, any future plans for regeneration and activation at the Breakwater could be enhanced more immediately by development of the Hive and Strand sites. Similar to the Hive, the Concert Hall would play key role in the urban fabric of the city and will work well with The Strand parkland if used for outdoor events, as compared to the Dean Street site.

The building will have a powerful identity at the eastern termination of The Strand parkland, and will be highly visible from Ross Creek (unless hidden by a future development). The plan is easily accommodated within the site and

has space around it. It offers distinct addresses on The Strand for both the Concert Hall and Black Box theatre. The site is 300 metres to the restaurants and bars in Flinders Street and is 620 metres to those in Palmer Street when the proposed footbridge is installed. The footbridge will provide a pleasant walking experience across the creek to and from the Palmer St precinct.

NOTE: Since the original site options report was developed between June to August 2022, concept planning for a Breakwater Master Plan has gained momentum with a potential road realignment on Sir Leslie Thiess Drive. This realignment would have an impact upon the location of a concert hall on the Strand site and potentially compromise the siting of the facility on this part of the site. At this stage there is no direction to alter the design, but this realignment will have to be taken into consideration at future stages of the project.

13.5.3 Dean Street

The Dean Street sites most significant and beneficial differentiating attribute is its potential to be the first step (and piece of infrastructure) in the creation of multiple arts and cultural development activity within its wider footprint, compared to the other sites. However, this needs to be qualified by stressing these developments, if funded, will take years to realise and construct and should be considered more long term than expected medium term. It has the potential to provide an iconic structure if carefully designed with the existing mature treescape on site. It is accepted that the nearby Queensland Countrybank Stadium provides an additional sports and entertainment facility that will soon have a Hilton hotel complex (820 m from concert hall site). Any development on Dean Street will benefit from this close accessibility to the new hotel accommodation.

13.6 BENEFITS MANAGEMENT

In accordance with the DSDILGP Business Case Development Framework (BCDF), benefits management involves five main (and frequently overlapping) stages during the life cycle of a proposal, as well as ongoing program management and delivery. These are:

- Identify
- Analyse
- Plan
- Monitor and report
- Realise.

This section considers only the first stage of benefits management. Benefits management is an ongoing and iterative process that evolves as the project progresses through the BCDF stages and the investment lifecycle itself.

Ongoing benefits planning, monitoring and reporting ensures the focus on benefits continues and benefits realisation evaluates whether benefits have been delivered and where necessary, highlights actions required to achieve maximum realisation. The management of the TCH expected benefits can shape future investment in arts and cultural infrastructure and initiatives in Townsville and North Queensland.

To support subsequent stages of benefit management for the TCH establishment of measures to gauge the progress of expected benefits is required. The measures represent key indicators based on each of the expected benefits and provide the basis for identifying trends over time.

The measures outlined are intended to be as simple as possible, to allow the outcomes to be both identifiable and relevant in the North Queensland regional context, are based on existing data sources and are intended to support the identified strategic goals and objectives.

Baseline measures should be established as soon as possible, and targets set with benefit owners. The measures should be adapted over time to support the progress of the project and reported on as updated data becomes available.

Table 13.5. Benefit Measures

Expected benefit	Measure
Development of the arts – Enhancing the local and regional arts and cultural offer and facilitating advancement of local arts groups and programs	
Expansion and development of the performing arts industry in Townsville	Number of additional cultural facilities/ events/ opportunities
Opportunity to retain the region's developing and emerging arts and culture population	Number and size of arts and cultural employment, groups and businesses
New purpose-built facility to view and engage with performances/ cultural opportunities	Increase in place experience performance rating for "Cultural and/or artistic community" each time the Townsville Liveability Survey is completed
Increase in number (and quality) of performances	Number of performances
	Number of attendees at performances
Increased annual visitation from state and national performances	Number of state/ national performances
Increased opportunity to showcase First Nations stories	Number of performances recognising and reflecting First Nations stories
Liveable communities – Improving liveability, through enhanced community cohesion, health and wellbeing, and acceptance of diversity	
Contribution to community transformation/ cohesion/ thriving communities/ enhanced sense of place/ belonging	Increase in place experience performance rating for "Things to do in the evening" each time the Townsville Liveability Survey is completed
	Increase in place experience performance rating for "Sense of belonging in the community" each time the Townsville Liveability Survey is completed
	Increase in related score of care factors each time the Townsville Liveability Survey or Community Attitude survey is completed
Improved health and wellbeing	Health characteristics of Townsville population
Reduced social exclusion and isolation	Response in Townsville Liveability Survey, data from the Social Atlas, volunteering rates
Improved educational attainment	Number of people with year 12, post secondary and vocational qualifications
Greater opportunity to recognise and celebrate the diversity of the city, region and state	Number of participants
	Diversity of participants
Greater opportunity to reflect a diversity of artistic talent	Diversity of performers/ performances
	Diversity of people employed by sector
Enhanced connection with and understanding of First Nations peoples, cultures and places	Number of opportunities to experience First Nations performances
Increased access to and participation in culture regardless of background or ability	Affordability of activities and services
	Accessibility; built and experiential accessibility features
Economic growth – Stimulating economic growth, expanding local and regional employment and business activity, and growing, supplementing and diversifying the local and regional tourism offer	
Stimulation of economic growth in Townsville	Gross Regional Product (GRP)
Increase in existing business activity and creation of new business opportunities in Townsville	Business turnover
Increase in employment opportunities in Townsville (both direct arts and indirect business activity)	Number employed in arts sector
Increased taxation revenue to all levels of government from increased economic activity	Taxation revenue to all levels of government
Increased opportunities for First Nations businesses that support the arts and cultural sector	Value of First Nations business sector in Townsville
New visitor attraction of a national/ world standard Increase in tourism visitation to Townsville City	Visitor numbers (day, overnight & international by activity undertaken)
	Return visitors to Townsville
	Length of stay

Expected benefit	Measure
Increased spending by tourists through visits primarily to visit the Concert Hall Increased spending by tourists through extending trips to take part in cultural activities	Visitor expenditure
	Tourism Gross Regional Product (GRP)
Increased opportunity to position Townsville as a leading destination for First Nations tourism experiences	Number of First Nations performances
	Number of visitors participating in First Nations experiences
Revitalising places – Cultivating the identity and vibrancy of the city, creating a destination and fostering civic pride	
Quality places where people want to live, work, play and learn	Number of visits to site
	Length of stay on site/ in precinct
	Responses to Townsville Liveability Survey
A more vibrant city, strengthening its attractiveness and liveability	Responses to Townsville Liveability Survey
Increased footfall in neighbouring areas, increasing perceptions of safety and vibrancy, and contributing to economic growth	Number of visits to surrounding areas
	Sense of neighbourhood and personal safety
Opportunity to recognise the centrality of First Nations people and cultures to our local and regional identity	Number of elements of built form and activities representing First Nations peoples and cultures

Source: AECOM.

14. REVIEW OF ENVIRONMENTAL FACTORS

Key Findings:

- The following provides a summary of the key findings from this section:
- The three sites have varying degrees of flood immunity at 1% AEP (100 year) flood depths, being full flood immunity for The Strand; flooding up to 0.5 m confined only to the far north-west corner of The Hive; and, flooding up to 0.75 m confined to the edges of Dean Street. Only Dean Street contains any flood risk within the proposed development footprint for the TCH.
- The sites are at risk of varying degrees of storm tide inundation, being medium and high storm tide inundation across the southern portion of The Hive site extent and proposed development footprint; medium storm tide inundation across the northern portion of The Strand and proposed development footprint; and medium and high storm tide inundation across the entire Dean Street site extent and proposed development footprint.
- The sites have varying degrees of Geotech issues, being land contaminated by a petroleum product or oil storage and minimal risk of erosion across a large portion of The Hive site extent and proposed development footprint; acid sulphate soils extending across large areas of the Strand site extent and proposed development footprint; and land contaminated by landfill and risk of erosion across much of the Dean Street site extent and proposed development footprint.
- Cultural heritage impacts the sites to varying degrees, whereby The Hive includes two State heritage and two local heritage places, three of which are contained within the broader Hive Development footprint, and one adjoins a State heritage place; The Strand adjoins one State heritage place; and Dean Street neither includes nor adjoins any heritage places.
- No Native Title determinations or ILUAs apply to any of the sites; however, it is assumed that Native Title is extinguished across the extent of the three sites that will accommodate a concert hall. It is recommended however that specialist advice is sought for clarification and confirmation of this status
- No matters of local or State environmental significance intersect any of the sites; however, the northern portion of The Strand site extent and proposed development footprint is mapped as intersecting with two MNES - the Cleveland Bay-Magnetic Island DPAA (Dugong Protection Area - Type A) and the Great Barrier Reef.
- The sites are all subject to the same airport environs constraints.
- The Legal, Regulatory and Approvals Pathway report documents the legal and regulatory considerations pertaining to each of the sites, including those that apply to the environmental factors summarised in this section.
- The environmental assessment identified very few material issues for either of the three sites, on balance, Dean Street has greater environmental risk due to its previous history as a landfill and risk of storm surge. The Hive and The Strand have relatively similar environmental risk.

14.1 APPROACH

The approach taken for this summary of overarching environmental factors for the three potential sites is based on desktop analysis as outlined below:

- **Flood immunity**: Flooding has been considered for each of the sites in order to understand the extent of inundation and potential remediation that might be required to create flood resilience for any future facility. TCC's TownsvilleMAPS – Flooding was used to assess flood risk. The State Planning Policy (SPP) requirements for flood are triggered by the flood mapping contained in local government planning schemes.
- **Storm surge inundation**: Storm surge has been considered for each of the sites in order to understand the extent of inundation and potential remediation that might be required to create storm surge resilience for any

future facility. The State Planning Policy Interactive Mapping System (SPPIMS) was used to assess storm surge risk. The 2017 SPP interests have not been incorporated into the Townsville City Plan.

- **Geotech**: Analysis of geotechnical matters across the sites provides an indication of any subsurface and soil contaminants or encumbrances that might directly impact the future development of the facility. The specific parameters examined, and the sources used for analysis include:
  - Acid sulfate soils (ASS) examined using TCC's TownsvilleMAPS – Townsville City Plan – ASS
  - Contaminated land examined using searches of the Environmental Management Register (EMR) and Contaminated Land Register (CLR)
  - Erosion examined using SPPIMS – Erosion Prone Areas
  - Geology examined using Queensland Globe – Detailed Surface Geology
  - Unexploded ordnance (UXO) examine using the Development Assessment Mapping System (DAMS) and Department of Defence UXO Mapping Application.
- **Cultural heritage:** The cultural significance of heritage places and heritage areas, including places of Aboriginal and Torres Strait Islander cultural heritage, has been considered for each of the sites in order to understand where development may need to support long-term conservation. TCC's TownsvilleMAPS – Cultural Heritage, which is consistent with the State mapping but also includes local heritage significance, was used to identify where cultural heritage places and areas occur. A search of the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DTATSIPCA) Aboriginal and Torres Strait Islander Cultural Heritage Database and Register was also undertaken to identify any registered locations within proximity of the sites.
- **Native Title:** Consideration has been given to Native Title requirements through a search of the National Native Title Tribunal (NNTT) National Native Title Register, Register of Native Title Claims, and Register of Indigenous Land Use Agreements (ILUA). Advice would need to be sought from Native Title experts/ relevant legal representatives to determine if Native Title has been extinguished over the sites or if there are certain obligations that need to be carried out to enable development of the TCH.
- **Environmental:** Matters of local environmental significance (MLES), matters of state environmental significance (MSES) and matters of national environmental significance (MNES) have been considered to understand any issues that might require addressing in terms of areas of non-development and requirements for permitting and approvals. TCC's TownsvilleMAPS – Natural Assets, SPPIMS – Biodiversity, and Department of Climate Change, Energy, the Environment and Water (DCCEEW) Protected Matters Search Tool (PMST) were used to assess environmental matters.
- **Airport environs:** Airport environs overlay codes from the Townsville City Plan have been considered to understand any development issues that might require addressing in terms of ensuring the safe and efficient operations of the airport and aviation facilities in Townsville.

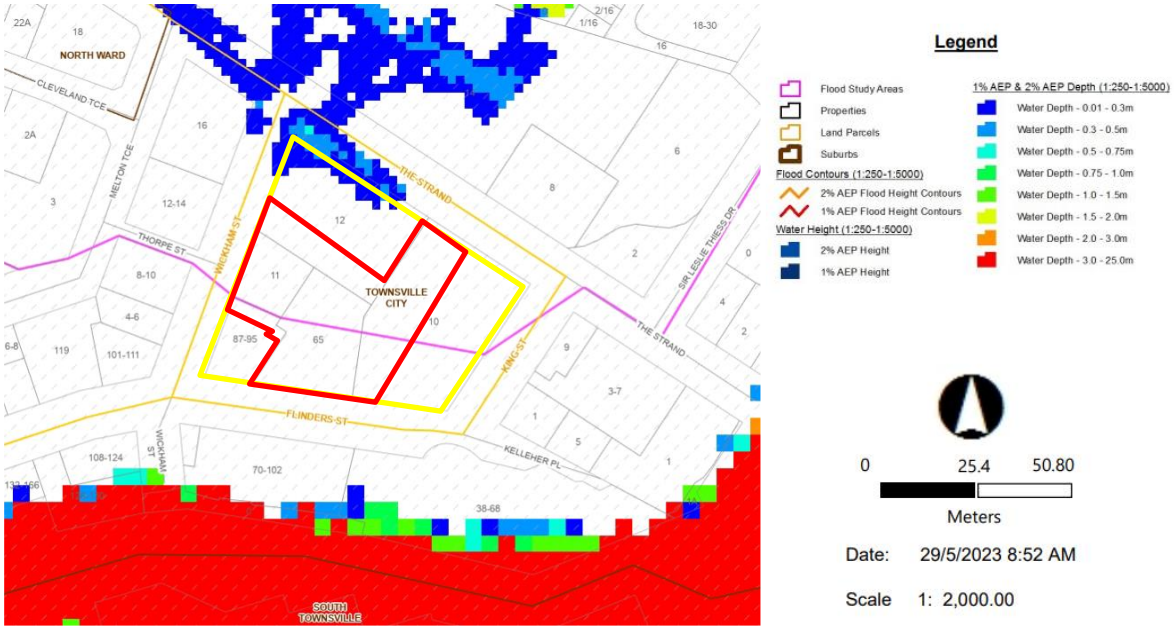
The Legal, Regulatory and Approvals Pathway report documents the legal and regulatory considerations pertaining to the environmental factors for each site.

14.2 THE HIVE – ASSESSMENT

14.2.1 Flood Immunity

The Hive has a flood hazard up to 0.5 m confined to the north of the site extent at 1% AEP (100 year) flood depths (Figure 14.1). There is no flood hazard mapped within the proposed development footprint.

Figure 14.1. Flooding, The Hive

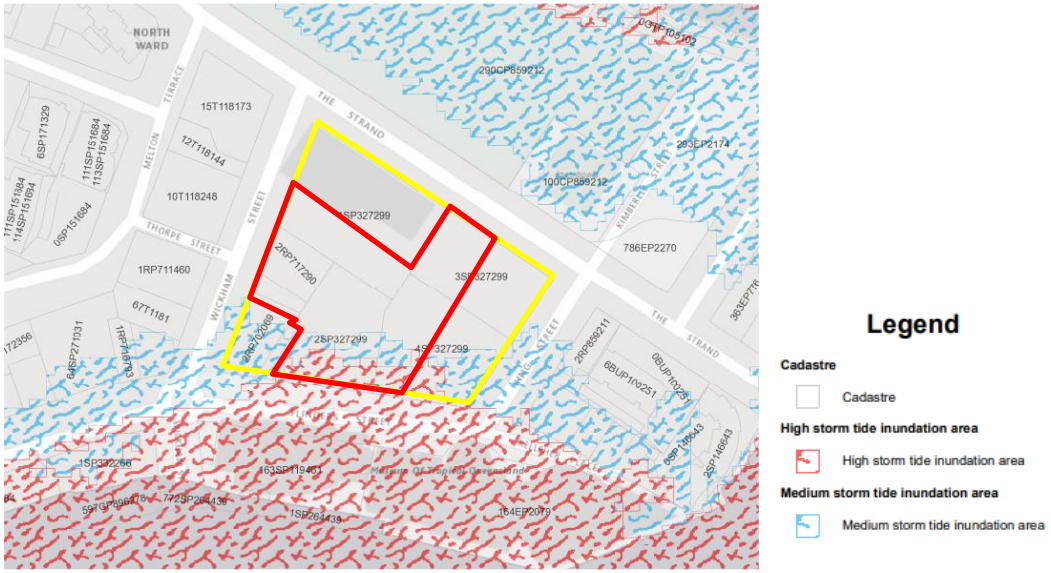


Source: TCC (2023d)

14.2.2 Storm surge inundation

The Hive is at risk of medium and high storm tide inundation along the southern edge of the site extent and proposed development footprint (Figure 14.2).

Figure 14.2. Storm Tide Inundation, The Hive



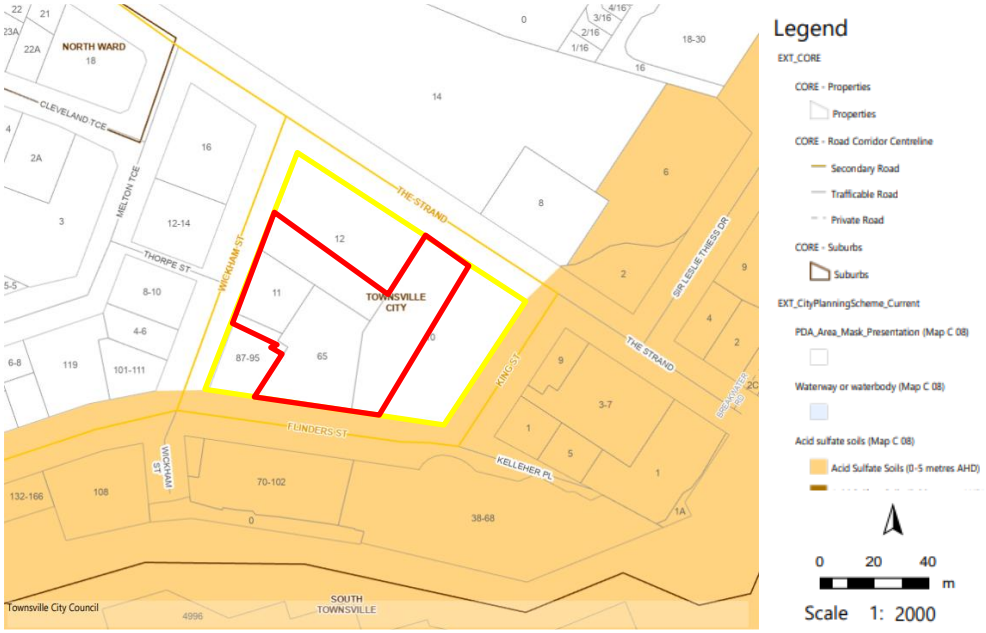
Source: DSDILGP (2023d)

14.2.3 Geotech

Acid Sulfate Soils

The Hive is not subject to ASSs; though, ASS abut the southern and eastern extents of the site (Figure 14.3).

Figure 14.3. Acid Sulfate Soils, The Hive



Source: TCC (2023a)

Contaminated land

Table 14.1 identifies the EMR/ CLR status of The Hive. The listing on the EMR indicates some future decontamination may be required.

Table 14.1. Contaminated Land, The Hive

Lot on Plan	EMR/CLR Status
1RP702069	Not listed on EMR/ CLR
2RP702069	Not listed on EMR/ CLR
2RP717290	Not listed on EMR/ CLR
1SP327299	Listed on EMR on 24/07/1994 for a notifiable activity 29 – Petroleum product or oil storage. Not listed on CLR
2SP327299	Listed on EMR on 24/07/1994 for a notifiable activity 29 – Petroleum product or oil storage. Not listed on CLR
3SP327299	Listed on EMR on 24/07/1994 for a notifiable activity 29 – Petroleum product or oil storage. Not listed on CLR
4SP327299	Listed on EMR on 24/07/1994 for a notifiable activity 29 – Petroleum product or oil storage. Not listed on CLR
2RP701585	Not listed on EMR/ CLR
1RP711511	Not listed on EMR/ CLR

Source: Department of Environment and Science (DES) (2022a, 2022b)

Erosion

The Hive is at risk of erosion along the southern edge of the site extent and proposed development footprint (Figure 14.4).

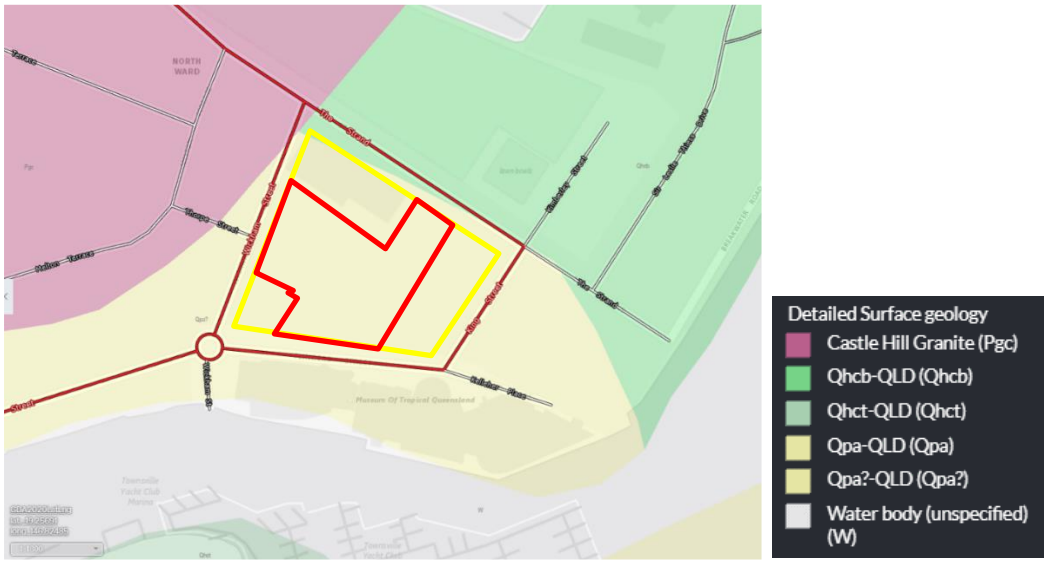
Figure 14.4. Erosion Prone Areas, The Hive

Source: DSDILGP (2023c)

Geology

Figure 14.5 shows the different geological formations in the vicinity of The Hive. The Hive site sits atop Pleistocene formations of clay, silt, sand gravel and alluvium deposits.

Figure 14.5. Geology, The Hive



Source: Queensland Government (2023)

Unexploded Ordnance

No unexploded ordnance risk is present in the vicinity of The Hive.

14.2.4 Cultural heritage

The Hive site extent includes two State heritage places and two local heritage places (Figure 14.6). The proposed development footprint encompasses the two State heritage places and one of the local heritage places. The site extent and proposed development footprint adjoins one State heritage place to the north. The heritage values are as follows:

- State significance
  - Telecasters North Queensland Ltd Building, also known as Queens Hotel, corner of The Strand and Wickham Street;
  - Tattersalls Hotel, corner of Flinders and Wickham Streets; and
  - Anzac Memorial Park, The Strand, north of the site extent.
- Local significance
  - Criterion Hotel, corner of The Strand and King Street; and
  - Tattersalls Hotel, corner of Flinders and Wickham Streets.

There are no Aboriginal or Torres Strait Islander cultural heritage points recorded on the DTATSIPCA Cultural Heritage Database and Register in or adjoining The Hive.

Figure 14.6. Cultural Heritage, The Hive

Source: TCC (2023b)

14.2.5 Native Title

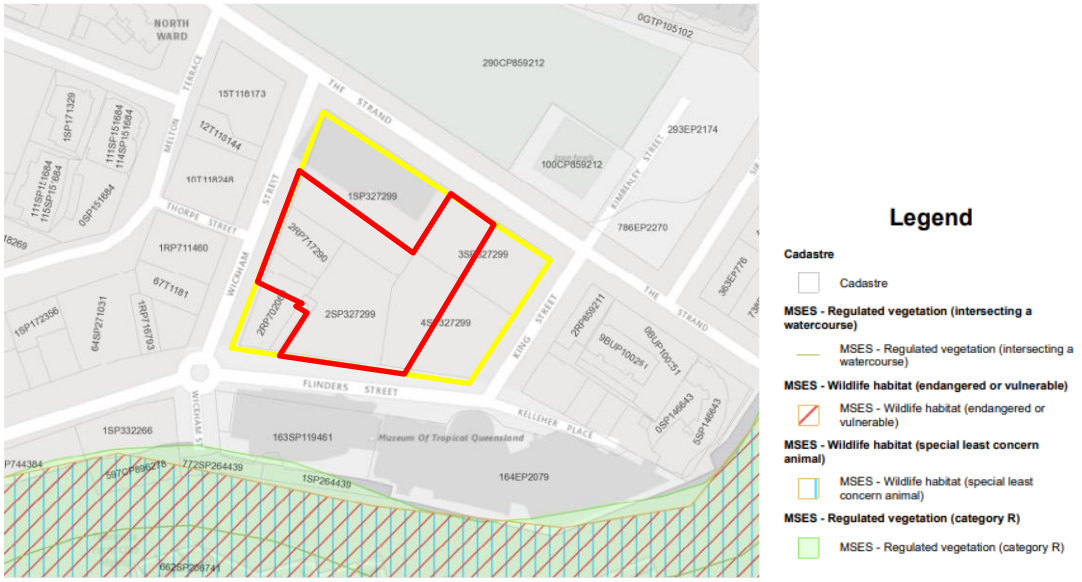
A search of the NNTT registers provided the following details for The Hive:

- The site extent is subject to registered Native Title application QC 2016/007 for the Gurambilbarra Wulgurukaba People
- No Native Title determinations apply to the site extent
- No ILUAs apply to the site extent.

14.2.6 Matters of Environmental Significance

The Hive site extent does not intersect with any MLES, MSES (Figure 14.7) or MNES.

Figure 14.7. MSES, The Hive



Source: DSDILGP (2023b)

14.2.7 Airport Environs

Figure 14.8. Airport Environs, The Hive

The Hive is included in the Airspace more than 90m above ground level, Airport light intensity – 6km radius, and 8km distance from airport runway layers on the TCC Airport environs constraint map (Figure 14.8).

Figure 14.8. Airport Environs, The Hive

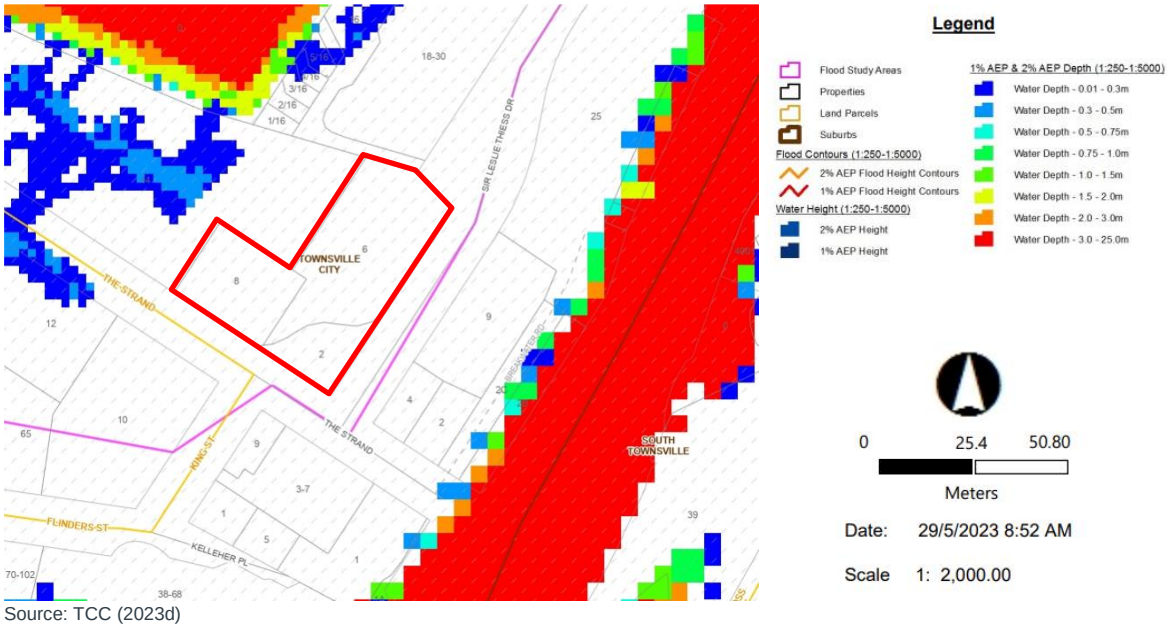
Source: TCC (2023c)

14.3 THE STRAND – ASSESSMENT

14.3.1 Flood Immunity

The Strand site extent and proposed development footprint have flood immunity at 1% AEP (100 year) flood depths (Figure 14.9).

Figure 14.9. Flooding, The Strand



Source: TCC (2023d)

14.3.2 Storm Surge Inundation

The Strand is at risk of medium storm tide inundation in the northern portion of the site extent and proposed development footprint (Figure 14.10).

Figure 14.10. Storm Tide Inundation, The Strand

Source: DSDILGP (2023d)

14.3.3 Geotech

Acid Sulfate Soils

ASS (0-5 m AHD) extend across much of The Strand site extent and proposed development footprint (Figure 14.11).

Figure 14.11. Acid Sulfate Soils, The Strand

Source: TCC (2023a)

Contaminated land

Table 14.2 shows that no EMR or CLR records are registered for The Strand.

Table 14.2. Contaminated land – The Strand

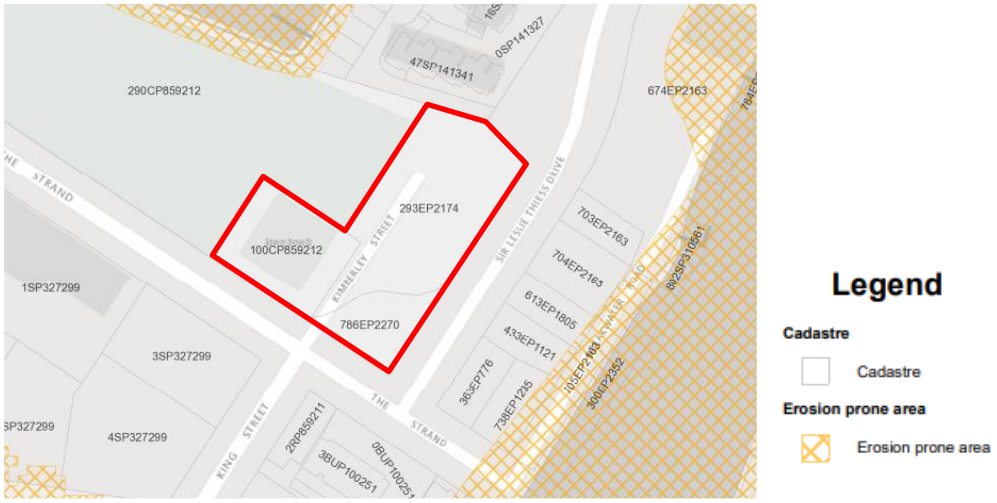
Lot on Plan	EMR/ CLR Status
293EP2171	Not listed on EMR/ CLR
786EP2270	Not listed on EMR/ CLR
100CP859212	Not listed on EMR /CLR

Source: DES (2022a, 2022b)

Erosion

The Strand is not mapped as being at risk of erosion (Figure 14.12).

Figure 14.12. Erosion, The Strand



Source: DSDILGP (2023c)

Geology

Figure 14.13 shows the different geological formations in the vicinity of The Strand. The Strand site sits atop Holocene formations of moderately well-sorted fine to coarse grained quartzose, sand and gravel.

Figure 14.13. Geology, The Hive

Source: Queensland Government (2023)

Unexploded Ordnance

No unexploded ordnance risk is present within the vicinity of The Strand.

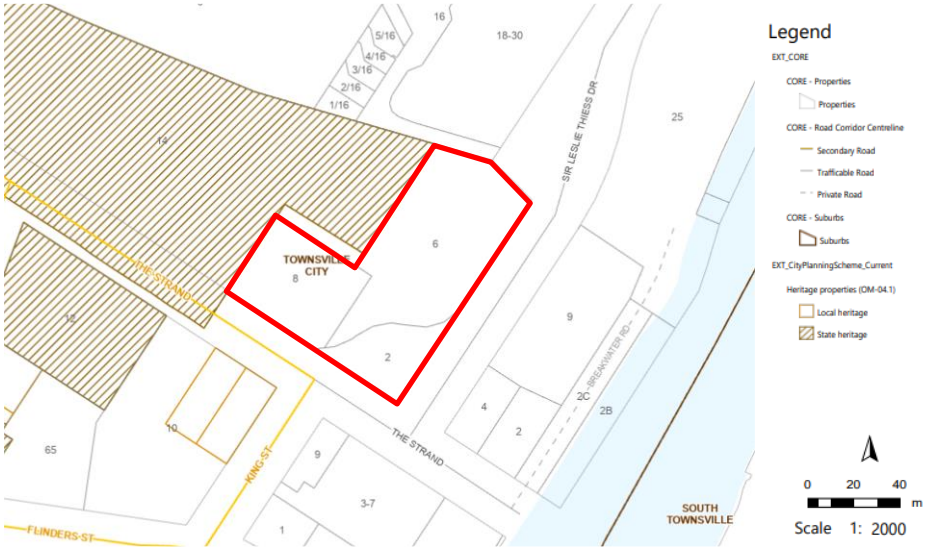
14.3.4 Cultural Heritage

The Strand does not include any State or local heritage places (Figure 14.14); however, it adjoins one State heritage place to the west, as follows:

- State significance: Anzac Memorial Park, The Strand, north of the site extent.

There are no Aboriginal or Torres Strait Islander cultural heritage points recorded on the DTATSIPCA Cultural Heritage Database and Register in or adjoining The Strand.

Figure 14.14. Cultural Heritage, The Strand



Source: TCC (2023b)

14.3.5 Native Title

A search of the NNTT registers provided the following details for The Strand:

- The site extent is subject to registered Native Title application QC 2016/007 for the Gurambilbarra Wulgurukaba People
- No Native Title determinations apply to the site extent
- No ILUAs apply to the site extent.

14.3.6 Matters of Environmental Significance

The Hive site extent does not intersect with any MLES or MSES (as shown in Figure 14.15). Figure 14.16 shows the northern extent of the site is mapped as intersecting with MNES, including:

- Protected Areas – Marine (Cleveland Bay – Magnetic Island DPAA)
- World Heritage Properties, National Heritage Place (Great Barrier Reef).

Figure 14.15. MSES, The Strand

Source: SPPIMS (2023)

Figure 14.16. MNES, The Strand

Source: DCCEEW (2023)

14.3.7 Airport Environs

The Strand is included in the Airspace more than 90m above ground level, Airport light intensity – 6km radius, and 8km distance from airport runway layers on the TCC Airport environs constraint map.

Figure 14.17. Airport Environs, The Strand

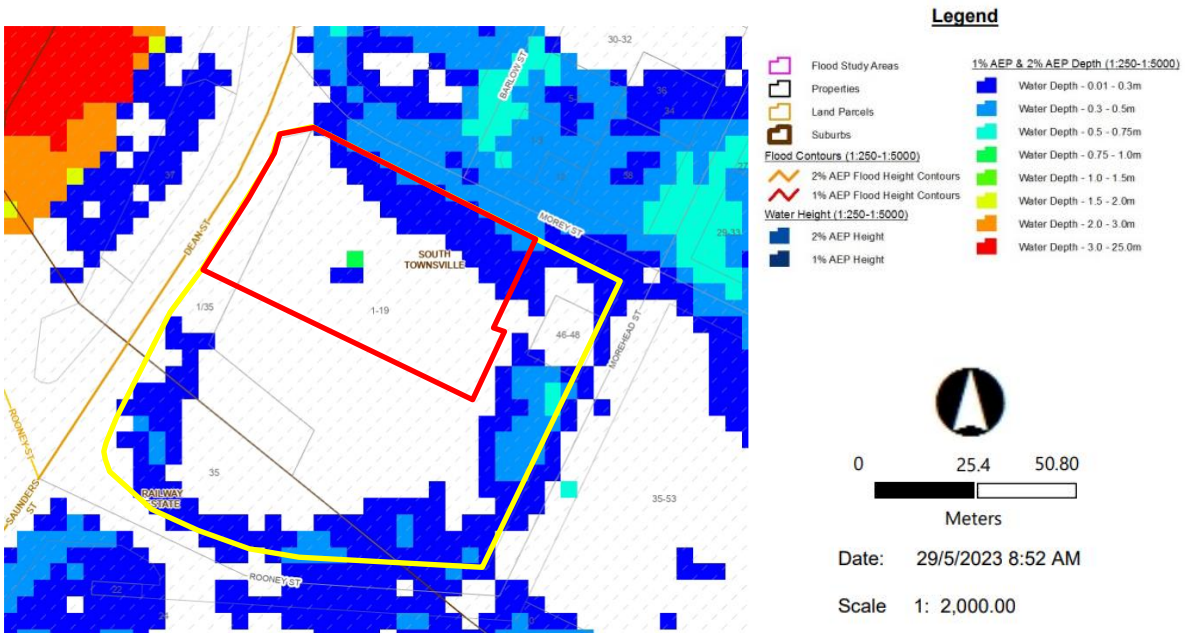
Source: TCC (2023c)

14.4 DEAN STREET – ASSESSMENT

14.4.1 Flood Immunity

Dean Street has flood hazard up to 0.75 m confined to the edges of the site extent (Figure 14.18). The proposed development footprint has flood hazard up to 0.5 m along the north-eastern edge.

Figure 14.18. Flooding, Dean Street



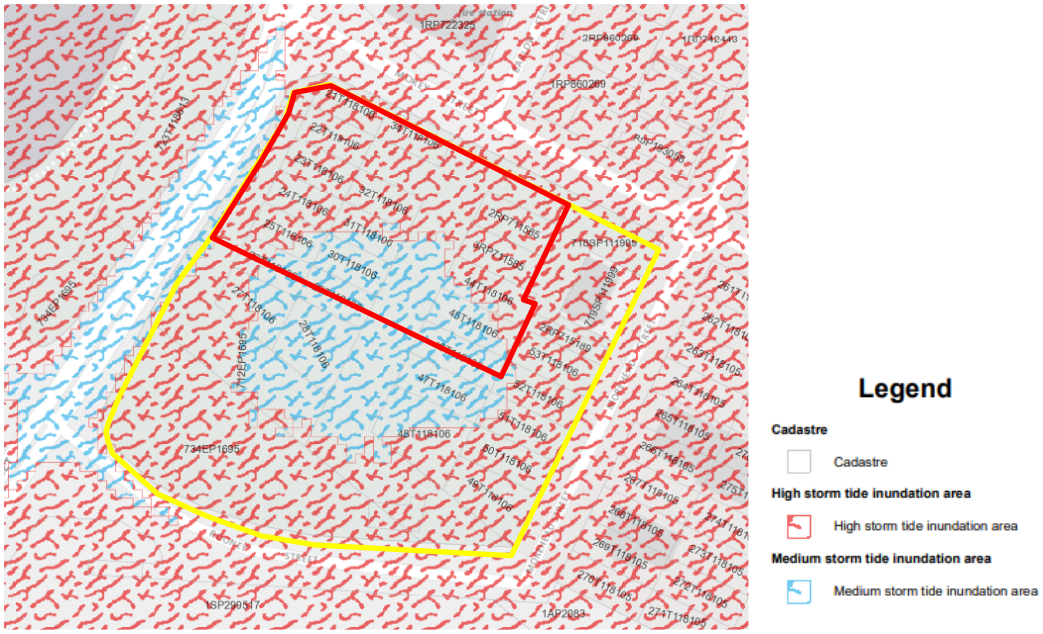
Source: TCC (2023d)

14.4.2 Storm Surge Inundation

Dean Street is at risk of medium and high storm tide inundation across the entirety of the site extent and proposed development footprint (Figure 14.19).

It is noted that the areas of storm tide inundation differ across the local and state mapping layers, whereby the State mapping layer considers the centre portion of the site to be at risk of medium storm tide inundation while the local mapping layer considers the centre portion of the site to not be at risk of storm tide inundation.

Figure 14.19. Storm Tide Inundation, Dean Street



Source: DSDILGP (2023d)

14.4.3 Geotech

Acid Sulfate Soils

Dean Street is not subject to ASSs (Figure 14.20); though, ASS do abut the western extent of the site.

Figure 14.20. Acid Sulfate Soils, Dean Street

Source: TCC (2023a)

Contaminated Land

Table 14.3 identifies the EMR/ CLR status of Dean Street. The listings on the EMR indicate some future decontamination may be required.

Table 14.3. Contaminated land, Dean Street

Lot on Plan	EMR/ CLR Status
21T118106	Listed on EMR for landfill. Not listed on CLR.
22T118106	Listed on EMR for landfill. Not listed on CLR.
23T118106	Listed on EMR for landfill. Not listed on CLR.
24T118106	Listed on EMR for landfill. Not listed on CLR.
25T118106	Listed on EMR for landfill. Not listed on CLR.
26T118106	Listed on EMR for landfill. Not listed on CLR.
29T118106	Listed on EMR for landfill. Not listed on CLR.
30T118106	Listed on EMR for landfill. Not listed on CLR.
31T118106	Listed on EMR for landfill. Not listed on CLR.
32T118106	Listed on EMR for landfill. Not listed on CLR.
34T118106	Listed on EMR for landfill. Not listed on CLR.
44T118106	Listed on EMR for landfill. Not listed on CLR.
45T118106	Listed on EMR for landfill. Not listed on CLR.
46T118106	Listed on EMR for landfill. Not listed on CLR.
712EP1695	Listed on EMR for landfill. Not listed on CLR.
718SP111999	Listed on EMR for landfill. Not listed on CLR.
2RP711585	Listed on EMR for landfill. Not listed on CLR.
3RP711585	Listed on EMR for landfill. Not listed on CLR.

Source: DES (2022a, 2022b)

Erosion

Dean Street is at risk of erosion, including for most of the proposed development footprint (Figure 14.21).

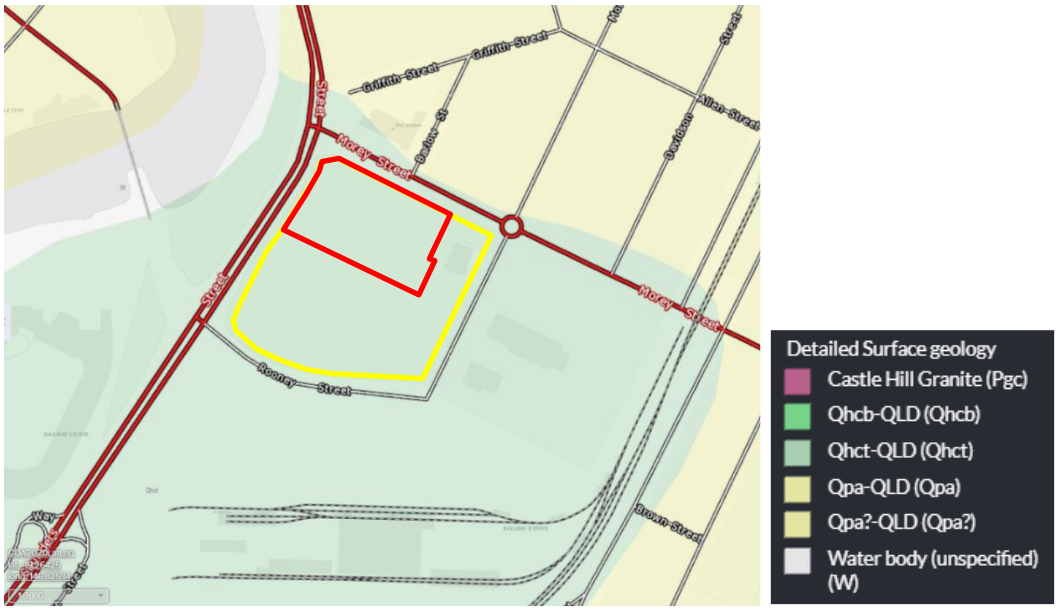
Figure 14.21. Erosion, Dean Street

Source: DSDILGP (2023c)

Geology

Figure 14.22 shows the different geological formations in the vicinity of Dean Street. Dean Street sits atop Holocene formations of silt, mud and mangrove flats.

Figure 14.22. Geology, Dean Street



Source: Queensland Government (2023)

Unexploded Ordnance

No unexploded ordnance risk is present within the vicinity of The Strand.

14.4.4 Cultural Heritage

Dean Street does not include or adjoin any State or local heritage places.

14.4.5 Native Title

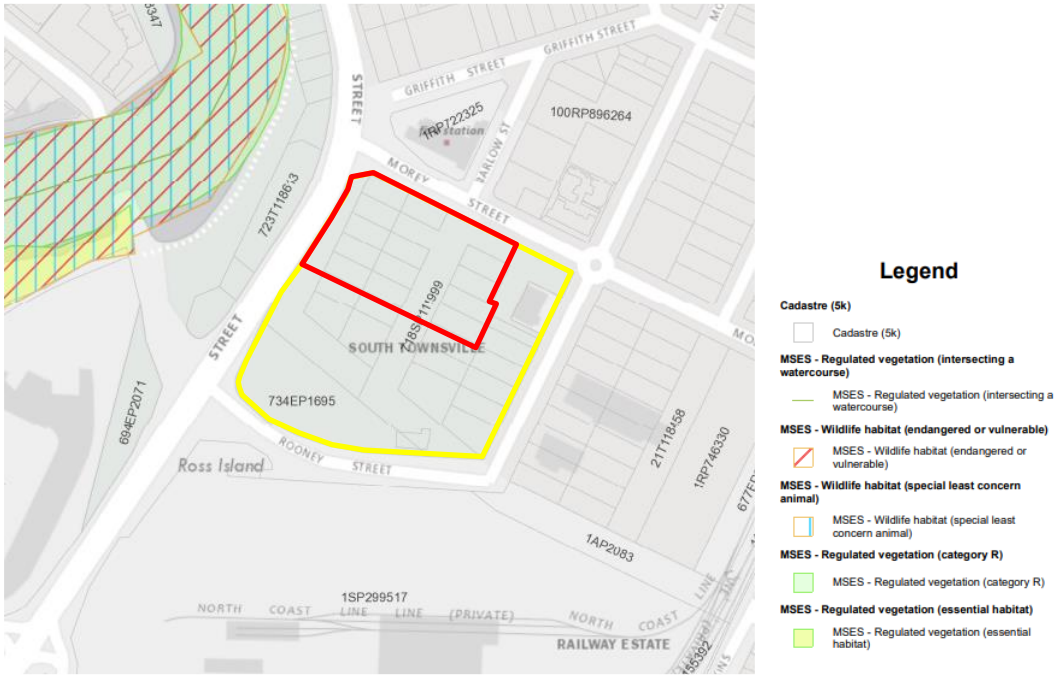
A search of the NNTT registers provided the following details for The Strand:

- The site extent is subject to registered Native Title application QC 2016/007 for the Gurambilbarra Wulgurukaba People
- No Native Title determinations apply to the site extent
- No ILUAs apply to the site extent.

14.4.6 Matters of Environmental Significance

Dean Street does not intersect with any MLES, MSES (Figure 14.23) or MNES.

Figure 14.23. MSES, Dean Street



Source: DSDILGP (2023b)

14.4.7 Airport Environs

The Strand is included in the Airspace more than 90m above ground level, Airport light intensity – 6km radius, and 8km distance from airport runway layers on the TCC Airport environs constraint map.

Figure 14.24. Airport Environs, Dean Street

Source: TCC (2023c)

15. DELIVERY ARRANGEMENTS

Key Findings:

The following provides a summary of the key findings from this section:

- A concert hall is a unique type of venue, with only a few in existence across Australia. Most of these facilities exist in large metropolitan centres, with Geelong the only non-capital city location to have a concert hall.
- State Governments traditionally play a lead (if not exclusive) role in the funding, construction and ongoing operations of major/specialist cultural infrastructure projects, including in regional areas.
- Local governments have traditionally not participated in the construction or operation of concert halls. Where local governments have made capital contributions, they are traditionally less than 5% of construction cost.
- In all cases, the operations of the facility are independent from the owner of the facility, either through an independent board (via a government controlled trust that owns the asset) or a long-term operating agreement/lease to a key user group.
- Federation Concert Hall (owned by Hotel Grand Chancellor Hobart) is an example of a successful collaborative ownership model. However, like public facilities, this facility required considerable capital subsidy for construction and its primary user group (Tasmanian Symphony Orchestra) requires considerable ongoing subsidies to pay for the long-term lease of the facility.
- Two delivery models have been recommended - one each for a public facility or a collaborative ownership model (where the owner of The Hive site retains ownership of the land).

15.1 APPROACH

The purpose of this section 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.

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

- Case Study Research: Examined 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: Based on the case study research, the range of options for key delivery parameters were examined and recommendations (and alternatives) provided regarding the ideal set of parameters to be adopted for the Townsville Concert Hall.

The detailed assessment of delivery options is included in Technical Appendix M.

15.2 FACILITY BENCHMARKING

The delivery considerations of following venues were profiled:

- Acoustic venues/Concert Halls:
  - Queensland Performing Arts Centre (QPAC), Brisbane
  - Melbourne Recital Centre
  - Geelong Arts Centre (noting similar population size to Townsville)
  - Perth Concert Hall
  - City Recital Hall (Angel Place), Sydney
  - Federation Concert Hall, Hobart.
- Other non-acoustic arts/cultural venues (profiling a diverse 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.
- Recent tripartite investments into regional art infrastructure (notably:
  - Rockhampton Art Gallery (opened 2022)
  - Cairns Performing Art Centre (opened 2018)

The outcomes of the benchmarking are profiled in Table 15.1 below.

Table 15.1. Facility Benchmarking - Large Acoustic Venues, Outcomes Summary

Facility	Ownership	Capital Funding	Construction	Operating model	Operational funding
Queensland Performing Arts Centre	State Government	State Government	State Government	Trust – State Government	State Government
Melbourne Recital Centre	State Government	State Government	State Government	Trust – State Government	State Government
Geelong Arts Centre	State Government	State Government	State Government	Trust – State Government	State Government
Perth Concert Hall	State Government	State Government	State Government	Major user head lease	State Government
City Recital Hall (Angel Place), Sydney	Private	Private	Private	Trust – City of Sydney	State Government
Federation Concert Hall, Hobart	Private	PPP	Private	Private & lease with major user	Australian Government

Source: AEC
Note: operational funding indicates primary/largest grant source

With key considerations and findings from the analysis of the delivery, ownership and operation of seven similar facilities in Australia including:

- **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 arts agencies, with smaller contributions coming from local governments.

15.3 RECOMMENDED DELIVERY MODEL

The recommended delivery model for the project will depend on the project proponent's preferences for a public facility or a collaborative ownership structure – a decision that will incorporate the selection of a preferred site (noting that The Hive is privately owned).

The components of the delivery model and their relative benefits and risks are outlined in Table 15.2 below.

Table 15.2. Recommended Delivery Models

Consideration	Public Facility	Collaborative Ownership
Delivery considerations		
Asset ownership	Queensland Government (Arts Queensland)	Private owner
Project funding	Grant funding be sourced to contribute to the construction cost of the facility.	Grant funding be sourced to contribute to the construction cost of the facility (potentially with a contribution from the land owner if The Hive site is taken forward)
Project construction	Queensland Government (Department of Energy and Public Works) + Managing Contractor	Private owner + Managing Contractor with oversight from Queensland Government (Department of Energy and Public Works)
Asset operation	Queensland Government (Queensland Performing Arts Centre) + local user advisory board	Long-term lease of facility to new Townsville City Council-led 'Arts Trust', which has an operating agreement with major user (such as AFCM)
Operational funding	Queensland Government (Arts Queensland)	Queensland Government (Arts Queensland)
Benefits and Risk Consideration		
Benefits	• Simpler delivery pathway (State Government project) • Better control over engaging Managing Contractor and specific construction quality requirements (facility acoustic performance)	• Better opportunity to catalyse associated development (accommodation, food and beverage) • Potentially lower construction cost to government • Potentially higher non-arts uses (i.e. conferences and events, similar to Federation Concert Hall in Hobart) • Potentially quicker construction and delivery (no tenure issues to resolve)
Risks	• Potentially higher construction cost to government • Land tenure issues to be resolved prior to construction (Dean Street and The Strand require tenure change and The Hive is privately owned)	• Requires multiple points of negotiation with private asset owner • Construction will require oversight to ensure specific quality requirements met (facility acoustic performance)

Source: AEC

Following the analysis throughout the DBC it needs to be noted that:

- The Queensland Government does not have any current or forecast funding to support the development of the facility as outlined in Table 15.2.
- While the QPAC Board has also neither considered nor endorsed the proposed operating model for the proposed facility, it does have the required expertise and delivery frameworks to do so.
- Although Townsville City Council is one of the larger local government authorities in Australia, local government participation in asset ownership, project funding and project construction of similar facilities is rare and should be judiciously considered before an undertaking be made to lead the project's development.

Townsville City Council Involvement in Project Delivery

It is important to note that it is not recommended Townsville City Council participate in asset ownership, project funding or project construction.

- Compared to the Queensland Government, Townsville City Council is unlikely to have:
- The financial capacity to hold such a significant asset (considering the need to account for depreciation and budget for asset renewal, the current financial model assumes these renewals need to be funded from general revenue, as the facility revenue will not generate sufficient cashflow)
- The financial capacity to fund the facility from the organisations balance sheet or to borrow to fund the construction of the facility (considering the facility is unlikely to be able to generate sufficient income to cover operating costs, let alone repay interest on loans)
- Experience in delivering assets of such scale and technical requirement (for acoustic performance)

Lessons from The Glasshouse, Port Macquarie

The above risks were realised during the delivery of "The Glasshouse" theatre (588 seats), convention centre and art gallery complex in Port Macquarie.

In 2008, the New South Wales Government removed the Port Macquarie-Hastings Council over poor financial management and delivery of the project. The cost to deliver the asset increased from an estimated $6.7 million in 2002 to $66 million in 2008, with the total cost of construction borne by the council via local rate payers (ABC, 2008).

A New South Wales Government inquiry found that the council were previously warned it could not meet expected construction budgets and failed to exercise prudent financial management. Current operating losses are approximately $1.2 million (Daily Telegraph, 2021).

While Port Macquarie-Hastings Council has a resident population of approximately 90,000 residents (compared to Townsville City Council with approximately 200,000), the risks associated with consideration and delivery of large cultural infrastructure by local governments remain a relevant consideration.

16. CONCLUSIONS & RECOMMENDATIONS

16.1 CONCLUSIONS

The core conclusions developed during this DBC include:

- The current performing arts facilities in Townsville were not designed to cater to a local population of nearly 200,000 people, nor a broader regional Northern Queensland population of nearly 400,000 people.
- Townsville has a lack of suitable venues catering to a full spectrum of performing arts activities, which is a key barrier to growing Townsville's arts and cultural sector.
- There is sufficient demand for acoustic events in Townsville to support the development of a dedicated acoustic-based facility (a concert hall).
- Building a concert hall will enable the Townsville Civic Theatre to host additional events (primarily theatrical performances).
- Construction of the concert call would satisfy a range of strategic objectives for all levels of government involved.
- While all sites assessed can achieve the ultimate and intended goals of development, the preferred site for the construction of the concert hall is The Hive (followed by the Strand as an alternative site) due to the higher capacity to generate the magnitude of non-use benefits (cityshaping benefits) that could be achieved through development on these two sites.
- The total outturn cost of constructing a concert hall in Townsville is estimated at $212 million. This cost can be reduced to $189.11 by removing the secondary performance space (black box theatre).
- Construction of a concert hall would generate considerable economic benefits to Townsville, including:
    - $16.8 million in GRP once operational (including a $8.8 million directly).
    - 633 FTE jobs during construction (including 285 FTE directly)
    - 174 FTE jobs at steady state operations (including 118 FTE directly).
- At a 4% discount rate, the TCH is estimated to support a present value contribution to GRP (including direct and flow-on activity) of approximately between $325 million and $330 million at a 4% discount rate. This contribution to GRP is higher than the total present value of initial capital costs, asset renewal costs and operating/ maintenance costs (combined) at a 4% discount rate.
- Sensitivity analysis of key cost and benefit parameters indicates a positive NPV and BCR above 1 can be achieved for all site options, both under the full facility development and excluding black-box scenarios, where assumptions of benefits and costs are more favourable than the base assumptions used in the modelling. Under the full development scenario, the Hive site option returned a positive NPV and BCR above 1 across 20% of the simulations run, with the Strand achieving a positive NPV on 16% of iterations and Dean Street on 17%. Excluding the black-box, the Strand returned the highest number of iterations with a positive NPV/ BCR above 1 at 37%, followed by the Hive at 35% and Dean Street at 34%.
- Concert halls are significant cultural assets, with only a small number of large facilities operating around Australia. In all bar one case, state governments have played a lead role in asset ownership, funding, construction. The Queensland Government will need to be involved in the funding and delivery of the asset. Although Townsville City Council is one of the larger local government authorities in Australia, local government participation in asset ownership, project funding and project construction of similar facilities is rare and should be judiciously considered before an undertaking be made to lead the project's development.
- All concert halls across Australia are financially supported by their respective state governments. For the proposed facility to be financially sustainable, an annual subsidy of approximately $1.5 – 2.6 million is required for the facility to remain operationally viable (either directly to the facility or to a major user to obtain a head lease of the facility).

16.2 RECOMMENDATIONS

Based on the considerations undertaken in the DBC, the following recommendations are made to the Australian Government, the Queensland Government and Townsville City Council.

Considering the balance of risks, costs, benefits and broader cityshaping factors, the analysis demonstrates that variances do exist between the sites and subject to commercial outcomes a preferred order for site selection would be the Hive, the Strand and Dean Street. Notwithstanding, the analysis undertaken for the detailed business case shows that each site has potential to competently accommodate a future concert hall facility, albeit with different capacity to deliver city-shaping benefits sought from the project.

It is important to note that there are a range of public and public private partnership delivery and operational options available subject to the commitment of government(s) and/or further investigations/arrangements pursued by the Project Proponent.

Recommendation 1: The project sponsors (the Australian Government, the Queensland Government and Townsville City Council) nominate a Project Proponent to carry the project forward. Consistent with the delivery of similar facilities of this nature across Australia, it is recommended that this proponent is the Queensland Government.

Recommendation 2: The Project Proponent undertake a value-management engineering process (with all relevant parties, including a facility user reference group) to identify opportunities to reduce the total capital cost of the project. This stage should include acoustic engineering to ensure construction quality (facility acoustics) is maintained.

The purpose of this stage is to deliver a facility design that delivers a strong socio-economic benefit to the region. Based on the quantified socio-economic benefits of the project, the cost of construction would need to reduce by approximately 25% to 30% of the current cost range to achieve a positive BCR.

Recommendation 3: The Project Proponent undertake market sounding with a number of potential managing contractors to test the contractor market for willingness, capacity and commitment to a project of this nature, timing and style of delivery and procurement.

Recommendation 4: The Project Proponent commence negotiation with the preferred site owner and a major user group (such as AFCM) to confirm interest in a collaborative ownership model to deliver the proposed Townsville Concert Hall. The core areas requiring agreement include terms relating to ownership, operation and project funding (both construction and ongoing operations).

Recommendation 5: The Queensland Government implement a Ministerial Infrastructure Designation (MID) to facilitate planning approvals for the project.

Recommendation 6: Dependent upon the preferred site selection, the Queensland Government commence efforts to resolve Native Title, if required.[35]

Recommendation 7: The Project Proponent commence early contractor involvement with potential managing contractors (in partnership with the site owner).

Recommendation 8: An independent 'Townsville Arts Trust' (a public, not-for-profit company limited by guarantee with an independent, government appointed skills-based board) be established to take a head lease on the facility.

Recommendation 9: The current position from the Queensland Government is that there is no commitment to ongoing financial support beyond the initial matched funding of $50 million for the construction of the facility. However, consistent with the delivery of similar facilities of this nature across Australia, the DBC findings suggest that due consideration should be given to provide ongoing financial support/ assistance to the proponent to maintain operational viability of the Townsville Concert Hall.

[35] It is assumed that Native Title is extinguished across the extent of the three sites that will accommodate a concert hall. It is recommended however that specialist advice is sought for clarification and confirmation of this status.

Recommendation 10: The construction cost of the facility be sourced from grant funding (not debt funded) as the DBC shows that facility has no annual surplus from which to fund debt.

NOTE - The recommendations set out above are based on a willingness of government(s) to:

- Establish an independent governance structure to manage the facility (and potentially manage all arts facilities in Townsville on behalf of Townsville City Council).
- Provide annual recurrent funding that is required for ongoing operations.
- Provide the required grant funding for construction.

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BRISBANE
Level 5, 131 Leichhardt Street
Spring Hill QLD 4000
Australia
T: +61 (0)7 3831 0577

DARWIN
Level 1, 48-50 Smith Street
Darwin NT 0800
Australia
T: 1300 799 343

TOWNSVILLE
233 Flinders Street East
Townsville QLD 4810
Australia
T: +61 (0)7 4771 5550

MELBOURNE
Level 13, 200 Queen Street
Melbourne VIC 3000
Australia
T: +61 (0)3 8648 6586

SYDNEY
Level 14, 25 Bligh Street,
Sydney NSW 2000
Australia
T: +61 (0) 2 9283 8400

PERTH
Level 2, 580 Hay Street
Perth WA 6000
Australia
T: +61 (0) 8 6555 4940

AFFILIATED OFFICES:

BANGKOK
2024/129-130 Sukhumvit 50
Prakanong Klongtoey,
Bangkok, Thailand 10260
T: +66 2 107 0189

SHANGHAI
Level 35, 1st Building,
700 Liquan Road, Putuo District,
Shanghai, China 200333
T: +8618 516293312

aecgroupltd.com

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