

Joondalup Performing Arts and Cultural Facility

Business Case

Part Two - Appendices

January 2017



A Global City: Bold | Creative | Prosperous

Summary

Appendix 1 - Project Philosophy and Parameters Report: City of Joondalup (2010)

The purpose of the project philosophy and parameters is to articulate, for historical purposes, the intent of Council progressing the project and the objectives of the project. There are six project objectives listed in the Project Philosophy and Parameters and these are cross-referenced in the business case.

Appendix 2 - Joondalup Performing Arts and Cultural Facility Market Analysis and Feasibility Study: Pracsys (2012)

In 2012 the City undertook a comprehensive market analysis and feasibility study for the development of a performing arts and cultural facility in the City. This study reinforced the notion that there is currently a significant under-provision of performing arts and cultural facilities within the northern corridor of Perth.

Appendix 3 - Joondalup Performing Arts and Cultural Facility - Architectural Design Competition Design Report: ARM Architecture (2013)

The submission by ARM Architecture was voted the winner of the 2013 Architectural Design Competition and was considered to be an exciting concept that captures the imagination of the users/patrons and reflects the aspirations of the City. The concept delivers a built form of significant aesthetic merit that will greatly enhance the streetscape and fits seamlessly with both Central Park and Jinan Gardens. The design concept is highly functional with scope for flexible use of spaces. The design demonstrates a good balance between innovation, contextual variation and the efficient use of space. The concept design formed the basis for the schematic design process which was undertaken in 2016 (Appendix 13 refers).

Appendix 4 - JPACF - Financial and Scenario Evaluation: City of Joondalup (January, 2017)

This is an internal City report which provides further details to the financial part of the Business Case (section 6). The report provides financial details on:

- The estimated capital cost to plan, design and construct
- Funding sources
- Projected annual subsidy to fund operations
- Cost per ratepayer per year towards the annual subsidy
- Estimated depreciation expenses per year
- Total costs and whole of life impacts
- Detailed analysis and research for financial modelling
- Potential improvement to financial assumptions and projections.

The report is limited to the direct financial impacts to the City..

Appendix 5 - Economic Activity Report: Australian Performing Arts Centres Association (July, 2015)

APACA represents organisations throughout Australia and prepare reports on operating activities of performing arts facilities.

This report served as a reference and research document to verify and confirm the findings of the Market Analysis and Feasibility Study (2012). The report was also used as an

input/reference point to the operational assumptions, occupancy projections and average subsidy figures as contained in the financial evaluation (Appendix 4 refers) and business case.

Appendix 6 - Venues and Charges Report: Australian Performing Arts Centres Association (July, 2015)

This report is designed as a tool to allow performing arts centres to review the salaries and charges associated with arts centre operation, or in some cases, benchmark performance. Managers of existing or proposed arts centres can use this information when setting or reviewing salaries and charges, or more broadly, in the development or review of business cases. The report was used as a reference point in the financial projections (Appendix 4 refers) and business case.

Appendix 7 - Examining Perth's Performing Arts Infrastructure: Committee for Perth (2013)

This report summarises research of infrastructure in the Perth and Peel region in comparison to other capital cities. The research evaluated facilities in the wider region, including the catchment area of the JPACF, and the following observations are worth noting:

- Perth will need adequate performing arts infrastructure to meet the demand of an estimated population of four million people, indicating that Perth will need infrastructure that is of comparable size and quality to that of metropolitan Melbourne today. This means that the number of performing arts venues in Perth will need to approximately double.
- There is a need for more theatres with a capacity of 800 to 1000 seats.
- There is a shortage of affordable, appropriately sized rehearsal space in the region.
- There is significant evidence that Perth's people not only have a growing appetite for arts and culture but that there remains untapped potential for audience growth.

Appendix 8 - Joondalup Performing Art Centre Facility Social Return On Investment - Technical Appendices: Pracsys (September, 2016)

Social Return On Investment (SROI) can be defined as: *"a framework for understanding, measuring and accounting for the social value of projects, programs, organisations, businesses and policies"*. SROI analysis places a monetary value on the social impact (the benefit) of an activity and compares this with the cost incurred in creating that benefit.

Appendix 9 - A Review of the Joondalup Performing Arts and Cultural Facility's Financial and Options Evaluation: Rudi Gracias (September, 2016)

This review covers the Financial and Options Evaluation as it applies to the auditoria, rehearsal rooms, management, income generators and operating costs (pre-opening and operating). Additional comments and observations were provided regarding the functioning of the JPACF as a fully integrated destination venue servicing a diverse constituency.

This report was used to provide input to the financial projections (Appendix 4 refers) and validate several of the key assumptions.

Appendix 10 - City of Joondalup Performing Arts and Cultural Facility Assumptions Review: Paxon Group (September, 2016)

Paxon reviewed the existing assumptions in the draft Business Case and undertook further financial analysis of the following components of the JPACF: repairs and maintenance; food and beverage; utilities; capital replacement costs; and also provided comment on the operation of the art gallery and exhibition space, conferencing and events and opportunities for grants and sponsorships. This report was used to provide input to the financial projections (Appendix 4 refers).

Appendix 11 - City of Joondalup Financial Evaluation and Review - Briefing Note: Pracsys (September, 2016)

Pracsys was re-engaged to review costs assumptions for the art gallery, community use rooms and conferencing and events areas of the facility following the reconfiguration of these areas through the schematic design process. This report was used to provide input to the financial projections (Appendix 4 refers).

Appendix 12 - Financing Review: City of Joondalup (September, 2016)

This report includes a detailed consideration of financing options for the City and an evaluation of those options. Although the main driver for this review is the JPACF project, it is more practical and meaningful to evaluate the impacts of different financing options on the overall City finances, and therefore the recommendations from this report do not feed into any other part of the JPACF Business Case or financial projections.

Appendix 13 - Joondalup Performing Art Centre Facility – Schematic Design Report: ARM Architecture (July, 2016)

The document covers the overarching strategy for the project from its initial design inception, as well as the detailed planning and technical specifics of all aspects of the brief. It's the culmination of work from a skilled team of consultants and specialist sub-consultants. This report is used as the basis of the capital costs within the financial projections.

Appendix 14 – Joondalup Performing Arts and Cultural Facility – Review of JPACF Business Case: Deloitte (November 2016)

This document provides a review and comment of the JPACF Business Case, in particular:

- The financial projections and the basis of the key financial assumptions and supporting information.
- The sources of funding (in particular progress with assets sales, grant and WATC debt funding) and the proposed financing strategy for JPACF.
- Risks, sensitivity analysis and potential variability of cash flows, returns and impact on the City.
- The Social and Economic Impact Analysis.
- The Cost Benefit Analysis.