

8 REPORTS DIRECT TO COUNCIL**8.4 COMMUNITY SERVICES****8.4.2 THE EVENTS CENTRE CALOUNDRA - NATIONAL STRONGER REGIONS FUND ROUND THREE**

File No:	Statutory Meeting 25 February 2016
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Attachments:	Att 1 - Costs associated with potential improvements to The Events Centre 11
	Att 2 - Potential improvements to The Events Centre..... 13
	Att 3 - Summary of other NSRF projects 21

PURPOSE

The purpose of this report is to present to Council for consideration the elements and costs associated with the National Stronger Regions Fund Round Three application. The report also seeks an increase of \$1,434,475 to Council's capital works budget over the next four years to allow for a project to the value of \$10 million to be applied for through the National Stronger Regions Fund.

EXECUTIVE SUMMARY

On 23 July 2015 Council adopted The Events Centre Facility Development and Maintenance Plan. This plan informs future development of The Events Centre over a fifteen year period to maximise benefits from required maintenance and capital investment in the venue. At this meeting, Council also resolved that the redevelopment of The Events Centre should be given priority consideration for any future rounds of National Stronger Regions Fund or other relevant funding programs that become available.

The National Stronger Regions Fund (NSRF) is a Commonwealth government funding program with an allocation of \$1 billion over five financial years from 2015-2016. The NSRF provides funding for capital projects which involve the construction of new infrastructure or the upgrade or extension of existing infrastructure. The NSRF has a strong focus on projects delivering an economic benefit to regions and employment creation. There have been two funding rounds conducted to date. There is currently approximately \$500 million remaining in uncommitted program funds for allocation in Round Three and subsequent rounds.

At the January 2016 Ordinary Meeting, Council authorised the Chief Executive Officer to develop and submit a funding application under Round Three of the National Stronger Regions Fund for the redevelopment of The Events Centre Caloundra.

Applications for funding are due on 15 March 2016 and it is expected that announcements regarding successful projects will be made in July / August 2016.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "The Events Centre Caloundra - National Stronger Regions Fund Round Three"
- (b) confirm a matching allocation to the National Stronger Regions Fund an application for the Events Centre Caloundra to the amount of \$5 million and refers this amount to the budget years 2016/17 to 2019/20
- (c) authorise the Chief Executive Officer to submit to the National Stronger Regions Fund an application for The Events Centre Caloundra a project package to the value of \$10 million and
- (d) in the event that Council's application to the National Stronger Regions Fund Round Three is unsuccessful, the original program of works as adopted by Council on 23 July 2015 for the financial years 2016/17 to 2019/20 (value of \$3,565,525) is reflected in those respective years budgets.

FINANCE AND RESOURCING

At the Ordinary Meeting held on 23 July 2015, Council endorsed an initial five year program of works for The Events Centre Caloundra to the value of \$4,589,850. Commencing in the 2015/16 financial year, major projects identified include the seating replacement for the main theatre and the renewal of the air conditioning system in the Beausang Room. Both of these projects will be delivered in the coming months. Once this financial year is complete, the funds identified for the following four years (2016/17 to 2019/20) equate to \$3,565,525.

In addition, Council was successful in obtaining funding to deliver a project to the value of \$665,000. Funds received from the State Government's Local Government Grants and Subsidies Program (LGGSP) equate to \$266,000, with Council's contribution required to be \$399,000. This funding is required to be expended by October 2016. Due to this condition of funding, the Playhouse Theatre project within The Events Centre has to be treated as a separate project and cannot be incorporated into the NSRF process. The request for Council's contribution to the Playhouse Theatre project will be made through the 2016/17 Capital Works budget process.

As per the report presented to and adopted by Council on 28 January 2016, it was intended that the amount identified in Council's future capital works program, being \$3,565,525, would be utilised as Council's matching program funding with an application in the vicinity of \$7 million put forward.

As outlined in the Proposal section of this report, it is now recommended that Council's matching contribution over the next four years is increased to \$5 million and an overall project to the value of \$10 million put forward in the application. In terms of impact on Council's overall budget, these funds (\$1,434,475) would be required to be derived from the Community Facilities and Buildings program within the overall capital works budget. An increase in funding in The Events Centre will require some other projects within this program to be deferred or alternatively, further funds provided within this program and/or the overall Council budget.

CORPORATE PLAN

Corporate Plan Goal: *Service excellence*
Outcome: 2015-2016 significant operating project
Operational Project: P8 - Events Centre Maintenance

CONSULTATION

Internal Consultation

- Manager, Project Delivery
- Manager, Property Management
- Coordinator, Facilities Management
- Coordinator, Funding Partnerships
- Coordinator, Major Projects

External Consultation

Regional Development Australia Sunshine Coast (RDASC) has been informed of Council's intention to submit this project for submission under Round Three of the NSRF. RDASC have indicated that as part of the development of Council's application they will assist to facilitate project advocacy and application support.

The General Manager of The Events Centre, Caloundra has been consulted on the development of a funding application for the redevelopment of that facility. Furthermore, the General Manager has discussed this application with The Events Centre Board.

It is understood from previous communications that the Member for the Federal Electorate of Fisher supports the submission of a NSRF application for this project. A formal letter of support will be sought from the Member for Fisher to accompany Council's NSRF application for this project.

Community Engagement

The General Manager of The Events Centre, Caloundra has consulted widely with artists, performers, industry bodies, schools and patrons to inform the proposed scope for the redevelopment of the venue.

PROPOSAL

The NSRF Grant presents an opportunity to refurbish The Events Centre to be an exciting, vibrant and iconic performing arts and conference centre that showcases dynamic entertainment and corporate events for the diverse and growing Sunshine Coast community and visitors alike.

The Events Centre Caloundra is one of the largest local government owned performance and events centres in Queensland and provides a broad range of access and services for all Sunshine Coast residents and visitors.

In line with Sunshine Coast Council Performance and Community Venues Service Plan 2014 - 2029, a Facility Development and Maintenance Plan was commissioned to identify requirements for refurbishment, maintenance, compliance, redevelopment upgrades and enhancements for service delivery to facilitate the requirement for The Events Centre to attain and retain (over a 15-year horizon) an industry position as a premier performing arts venue for the Sunshine Coast.

Recent capital works and the Local Government Grants and Subsidies Program funding of the Playhouse Theatre redevelopment will functionally enhance parts the building, however the 30 year old facility is in need of strategic investment in renewals and enhancements to maximise a diverse range of significant benefits for the Sunshine Coast.

The proposed upgrade will generate a broad range of economic, employment, cultural and community benefits as well as a sustainable business model for facility operations. These outcomes directly support priority actions and/or desired outcomes of the Sunshine Coast Council Corporate Plan 2014-2019, Sunshine Coast Performance and

Community Venues Plan 2014-2029, Sunshine Coast – The Natural Advantage: Regional Economic Development Strategy 2013-2033 and Sunshine Coast Destination Tourism Plan 2012-2016. In a local context the proposed upgrade aligns with the Caloundra Economic Revitalisation Study Research and Recommendations Report and CBD upgrades.

The immediate upgrade capital investment projects identified present a logical integrated approach to address critical issues, provide ample design/construct time, minimise operational downtime, maximise efficiencies and achieve diverse beneficial outcomes.

The NSRF presents an opportunity to address the strategic investment required for capital projects over staged time periods. The investment addresses business attraction, audience satisfaction, regional economic benefits, community pride, cultural lifestyle and development, business continuity and reputation. Attachments 1 and 2 list the options of works between a \$7 million allocation and a \$10 million allocation, with Attachment 1 providing a budget breakdown of both options. Also included in these attachments are items that will not be able to be delivered in either scenarios as thus remain 'unfunded' items that were identified in The Events Centre Facility Development and Maintenance Plan.

A \$7 million application would address minimum industry levels of service including:

- Compliance with some accessibility requirements within practical means
- Renewal or replacement of key functional assets
- Potential health and safety issues addressed.
- Increased comfort for patrons, with particular emphasis on air conditioning.
- Improved presentation of the facility and significant amenity enhancements.

A \$10 million application would address:

- Compliance with 'new-build' building compliance and health and safety legislation
- Complete accessibility in public areas including provision of lift from basement car park and improved access to front entrance.
- Air conditioning to all interior spaces designed specifically for people movements and volumes expected in such a facility
- Facilities that cater for large volumes of patrons at peak times
- Street presence and external appearance that enhances the iconic nature of the facility and presents an image that is used widely in promotion of the region
- Security systems and processes provide for the safety of patrons and staff and provide necessary records in the event of an incident
- Plant, equipment and materials that support sustainable practice in terms of cost and environmental performance

There has to date been two rounds of the NSRF. Whilst success cannot be guaranteed, projects of a similar nature throughout other parts of Regional Australia have been funded. Attachment 3 identifies a listing of similar projects which are comparable to The Events Centre Caloundra application which have been successful in NSRF Rounds One and Two.

Legal

There are no significant legal implications associated with the recommendations in this report. The obligations that would be established on Council if any project applications under Round Three are successful would be governed by a Commonwealth Funding Agreement, which would be reviewed by Council's Chief Legal Officer prior to execution.

Policy

The development of the recommendations in this report has occurred in accordance with Council's Funding Partnerships Policy.

Risk

There are not significant risks associated with Council's consideration of the recommendations in this report. The approach of seeking formal support from the relevant Federal Member of Parliament and other key stakeholders is recommended to improve the likelihood of successful assessment outcomes.

Previous Council Resolution**Ordinary Meeting 23 July 2015 - Council Resolution (OM15/121)**

That Council:

- (a) receive and note the report titled "The Events Centre Caloundra - Future Capital Works Program"*
- (b) note that \$450,000 has been approved by Council in 2015/2016 operational budget for The Events Centre*
- (c) refer for consideration in the 2015/2016 budget review an amount of \$982,675 for The Events Centre for the 2015/2016 capital works budget for those works as outlined in Appendix A*
- (d) refer for consideration to future capital works budgets for The Events Centre the following amounts as outlined in Appendix A:*
 - (i) 2016/17 capital works program: \$1,024,325*
 - (ii) 2017/18 capital works program: \$889,500*
 - (iii) 2018/19 capital works program: \$713,650*
 - (iv) 2019/20 capital works program : \$938,050*
 - (v) An indicative budget of \$500,000 in each of the years 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25 capital works program and*
- (e) in respect of (d) above, the council also consider timely adjustments to the capital works budget where external funding opportunities are available.*

Ordinary Meeting 28 January 2016 - Council Resolution (OM16/10)

That Council:

- (a) receive and note the report titled "National Stronger Regions Fund - Round 3" and*
- (b) authorise the Chief Executive Officer to develop and submit a funding application under Round 3 of the National Stronger Regions Fund for the redevelopment of The Events Centre, Caloundra and*
- (c) authorise the Chief Executive Officer to develop and submit a funding application for a second project under Round 3 of the National Stronger Regions Fund, with the project application to be either –*
 - (i) the Automatic Waste Collection System (Stage 1a) – Maroochydore City Centre - if matters associated with the eligibility of the project are addressed prior to 15 March 2016 or*
 - (ii) the expansion of the Coolum Library - if matters associated with the eligibility of the Automatic Waste Collection System (Stage 1a) project cannot be resolved prior to 15 March 2016.*

Related Documentation

- Round Three NSRF Program Guidelines – Department of Infrastructure and Regional Development
- Sunshine Coast Council Corporate Plan 2014-2019
- Sunshine Coast Performance and Community Venues Plan 2014-2029
- Sunshine Coast – The Natural Advantage: Regional Economic Development Strategy 2013-2033
- Sunshine Coast Destination Tourism Plan 2012-2016
- The Events Centre Development and Maintenance Plan
- The Events Centre Project Management Plan

Critical Dates

The National Stronger Regions Fund guidelines require submission of Round Three applications by 15 March 2016. However, due to the high volume of last minute applications being lodged, it is preferable to lodge applications by 11 March 2016 as the grant portal can experience technical difficulties potentially resulting in a failure to lodge by the closing date.

Consideration of the recommendations in this report will provide sufficient lead time for the development of appropriate application for The Events Centre project for lodgement by the closing date for Round Three.

Implementation

Subject to Council's consideration of the recommendations in this report, the application for The Events Centre project will be completed by no later than 8 March 2016 to enable the Chief Executive Officer to authorise lodgement by 11 March 2016.

Council's standard method of confirmation for the matching funding requirement is a letter from the Chief Executive Officer indicating Council is committed to the project applications and Council's contributions are included in its endorsed capital works schedule. Subject to confirmation of funding contributions from the NSRF, the Chief Executive Officer will advise Council of the application outcomes and through a budget process, seek Council endorsement of its final project contributions to enable the execution of funding agreements.

In respect to the delivery of the project, the Major Projects Delivery branch would take carriage of this activity, in consultation with the management of The Events Centre.