

# Sunshine Coast Entertainment, Convention and Exhibition Centre

Implementation Strategy

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# 1 Introduction

The concept of a major venue for the Sunshine Coast region has been on the agenda of the Sunshine Coast council(s) for some time, with several feasibility studies conducted to date. However, none of the concepts investigated to date have come to fruition.

In January 2010, the Sunshine Coast Regional Council obtained Commonwealth Government funding support for the planning phase of an entertainment and exhibition centre and in July 2010, Ranbury Management Group was appointed by Council to lead a consortium of consultancy firms in this planning project.

**This report presents a summary of the key components required to deliver the Sunshine Coast Entertainment, Convention and Exhibition Centre and Precinct in light of the various issues and challenges identified by the consultant team during the project.**

At the conclusion of Stage 1 of the investigations in February 2011<sup>1</sup>, the consultant team had concluded that:

- There were valid, substantive and compelling economic and social justifications for developing a major regional Entertainment, Convention and Exhibition Centre at the Sunshine Coast
- There are sufficient needs and demands to develop an Entertainment, Convention and Exhibition Centre in the immediate future based on current population levels, and this argument is strengthened by the anticipated population and business tourism growth in the region
- The Centre should be designed and managed as a multi-function facility capable of hosting major entertainment events, business conventions and both industry and public exhibitions
- The Centre should be designed, developed and operated within the context of a range of civic, cultural and community facilities within the Maroochydore principal activity centre, and not as a traditional stand-alone venue
- The site currently allocated towards a “regional arts and exhibition centre” within the Maroochydore Principal Activity Centre Structure Plan is an excellent location for the Centre but is too small
- However, the exact site area and configuration for the Centre can be easily provided as part of the next master planning phase of the overall development without any fundamental impact on adjoining or other land uses or transport networks within the Principal Activity Centre

As the consultant team work on the proposed Sunshine Coast Entertainment, Convention and Exhibition Centre (and Precinct) progressed subsequent to that stage 1 report, two issues emerged that led to a re-consideration of the implementation strategy for the project:

➤ **Site control**

During stage 2 of the study there was a continued degree of uncertainty regarding the development of a new Maroochydore city heart on the Horton Park Golf Course.

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<sup>1</sup> See Ranbury Management Group Stage 1 Lead Report, Sunshine Coast Entertainment, Convention and Exhibition Centre 24 February 2011 (Version 9)

This issue arose from the lack of a binding agreement between the Horton Park Golf Club and the Sunshine Coast Regional Council for the proposed sale of the Golf Course to enable Council to proceed with development of the site in accord with the Structure Plan. At the time of this report (late October 2011) negotiations between Council and the Golf Club had reached an agreement for the transfer of the site to the Council. However, the site will not be available for development until a new golf course is developed elsewhere, and relocation of the Club has occurred (potentially a period at least 3 years).

➤ **Funding availability**

Further work in relation to the cost of, and funding options for, the Centre (and Precinct) has strongly indicated that, in the context of the ongoing Global Financial Crisis and 2011 natural disasters in Queensland, there is little prospect of the Centre attracting the traditional funding source – a Queensland Government grant - to meet the majority of construction costs. The most likely funding strategy will include a diversity of public and private sector financial resources, with an initial approach to the Commonwealth and Queensland Governments to provide the platform for later approaches to the private sector<sup>2</sup>.

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<sup>2</sup> See Ranbury Management Group Funding Options Analysis Report August 2011

## 2 Confirmation of Project Outcome

### 2.1 Creation of a Multi-Function Destination

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A key outcome of the consultant team's investigation into the Sunshine Coast Entertainment, Convention and Exhibition Centre was the realisation that the Centre needs to be situated within a network of civic, community and cultural facilities in order to be successful. This overall Precinct needs to fulfil a myriad of functions and roles in the context of the community's need for a Maroochydore "heart" and Council's city building and urban design goals for the Maroochydore Principal Activity Centre to have a strong identity or "sense of place".

International evidence points to the fact that contemporary entertainment, convention and exhibition centres are increasingly significant not just for the core functions suggested by their names, but as important cultural and community hubs and as key identities for connectivity across their local communities. In essence, communities with successful entertainment, convention and exhibition centres have a strong sense of "ownership" or pride in their venue because the facility is intrinsically important to the broader civic, community and cultural life of the city. Cultural vitality and identity are therefore derived in part from such successful centres.

The centres of the future must be a key member of the "family" of public architecture for their communities and celebrate both the city and the culture of the community.

Contemporary entertainment, convention and exhibition centres therefore require a different building type to those traditionally built last century. Contemporary centres need to integrate community and cultural activities and functions (both programmed and spontaneous) into the building fabric, blurring the traditional distinction between commercial events (traditionally held within a secure venue) and free events and displays (traditionally held in another location altogether).

This places a new responsibility and burden on contemporary centre design. An entertainment, convention and exhibition centre can no longer behave as "on or off" buildings dependent on the event or delegate calendar. They must be adaptable and flexible enough to amalgamate various diverse functions to respond to the city's civic, cultural and entertainment requirements.

Successful centres of the future will therefore provide flexibility in its functions:

- The core entertainment, convention and exhibition experiences
- Civic and urban design, a sense of community identity and pride
- Cultural distinctiveness and character, that evolves with the community
- Hospitality and entertainment dimensions across a broad scale (from formal commercial events through to ad-hoc community activities)
- Retail / market atmosphere

This flexibility can manifest in a variety of ways. For example, the building lobbies or pre-function convention centre spaces can operate as galleries from time to time displaying both traditional and innovative forms of art and creative pursuits. Video screens can connect visitors in real time to (say) other parts of the region or specific other sites around the work such as “sister” venues in other countries. Centres can sit alongside museums, galleries, libraries and retail/entertainment facilities or indeed become such uses from time to time.

The purpose of these centres moves away from just the processing of large congregations of people for a show or conference, towards culturally integrated civic buildings that bring the community together.

The Sunshine Coast Entertainment, Convention and Exhibition Centre therefore will play a fundamental role in the progressive development and evolution of a successful, vibrant “heart” for Maroochydore; a far more important role than perhaps is currently appreciated by the community.

## 2.2 Facility Size and Interactions

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The concept design for the Centre reflects the findings of the consultant team’s needs and demands analyses for the region.

The Centre design is based around a flexible auditorium/arena and separate exhibition hall. The project is accompanied by a range of flat floor meeting rooms to support conference breakout sessions and banqueting. Support spaces are provided to allow independent and concurrent operation of the major spaces.

The auditorium/arena is capable of holding 4,500 seats and subdividable to 2 x 1,000 seat and 1 x 2,500 seat arrangements. The Exhibition Hall is a flat floor space of 3,000m<sup>2</sup> sub dividable into 4 equal halls.

The general arrangement of the facility is for the floor of the two main rooms, the auditorium/arena and the exhibition hall is to be arranged for direct loading access with loading vehicles capable of entering the rooms.

The upper level of the facility will provide access to the upper tier of auditorium seating as well as meeting rooms and support foyer, amenities and bars.

The functional designs of the venues and the open space areas are to be developed to provide public gathering and celebration spaces for the regional communities’ numerous civic and cultural celebrations and events. The Centre will be based upon principles of inclusiveness and equity of access.

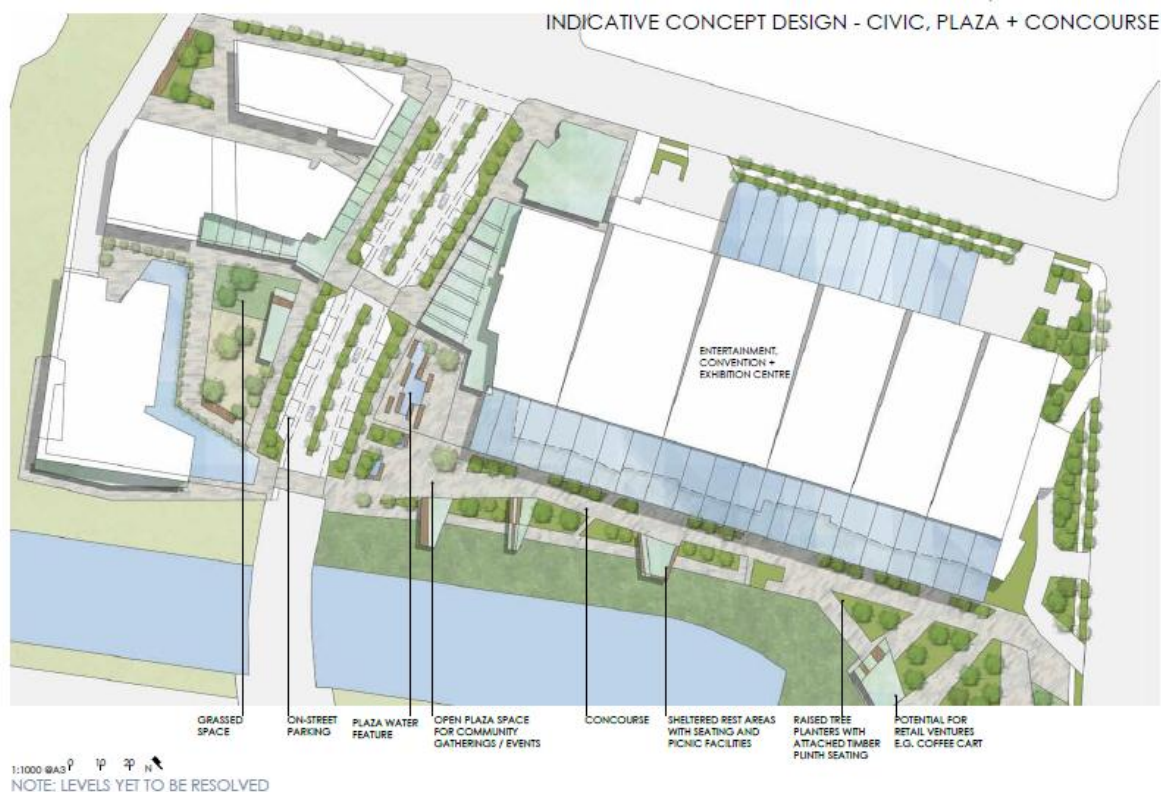
The venue is to be designed to accommodate world class performances and events.

The Design Report (a separate report prepared by the consultant team) provides a detailed statement of the urban design, building form and ecologically sustainable development principles of the Centre.



## 2.3 Precinct

The urban design objective of the civic precinct is to create an attractive destination that entices people for its outdoor leisure, cafés and restaurants, picnic areas, diverse commercial spaces, community entertainment spaces, landscaped open space and relaxing parkland. The character of the area will be highlighted via several key anchor points throughout the area: the civic space, the plaza, the concourse, the parkland, the Centre and adjacent civic and retail buildings. While being distinctive spaces, these key elements will knit together to form a cohesive overall precinct; the “heart” of Maroochydore. The overall design of the precinct will help create a new architectural language for the Sunshine Coast while maintaining distinct sub-tropical qualities.



### Civic Plaza

The civic plaza space (similar in size to King George Square, Brisbane) spans across the central boulevard and will provide for a variety of both day and evening activities. The community will enjoy a true Sunshine Coast experience with flexible, safe, sheltered open space and a thriving cafe and restaurant scene.

The six additional buildings that surround the plaza must enhance the overall civic and community function of the precinct, whilst providing opportunities for passive surveillance over public open space.

The plaza will be a gathering point between the active civic space and the concourse. It will be a meeting place, an events space, a place to relax, and a place to enjoy comfortable open space and the wonderful Sunshine Coast climate.

## Concourse

The concourse will provide a relaxing and sheltered break out space for the Centre whilst being a transitional space between civic / plaza areas and the parkland. People will be able to stroll along the concourse, mingle between the lush garden beds or grab a coffee from a small cafe. The design of the concourse plays a key role in ensuring the Centre engages with the surrounding urban open space and parkland.

## Parkland

The parkland will be a natural, green inviting space between the Centre for residents and visitors, while maintaining the opportunity for the space to be used for festivals and celebrations. The parkland will be a vibrant addition to Maroochydore's open space and parkland network.



## 3 Site Requirements

The proposed location for the Centre within the new principal activity centre of Maroochydore ideally suits the intended multifunction purposes of the Centre and Precinct. The site meets the following key requirements:

- Location in the context of the principal activity centre for the region
- Location relative to population centre (current and future)
- Access to road, rail and air transport systems, car parking and public transport
- Connectivity with pedestrian, cycle and open space networks
- Potential for future expansion
- Car parking
- Co-location with complimentary facilities and services

It would be extremely difficult for Council to achieve the desired project outcome if the acquisition of the Horton Park Golf Course was not achieved. Delivery of the project on an isolated or removed site will not yield the same use and integration, nor will it provide a civic hub which is used more regularly by the community, rather than just for “events”.

### 3.1 Location

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The Entertainment, Convention and Exhibition Centre and Precinct form an integral part of the Maroochydore Structure Plan and the proposed city “heart”. The project is of a scale where the relationship of the facility to its context is critical and means of ensuring this connectedness are fundamental to the success of the Centre.

Principally there are two spaces around the Centre itself; the urban (paved) plaza and landscaped (grassed) plaza that the building is immediately adjacent to.

The Entertainment, Convention and Exhibition Centre is intended to be integrally linked with key civic, community and cultural facilities:

- Community spaces including - library (learning centre), gallery spaces, Council customer service centre, community meeting and performance spaces, recreation areas, health services, child care centre, playgrounds, plazas and boulevard to the beach
- Commercial spaces including - offices, retail outlets, hotel, enterprise incubator, markets, restaurants, cafes, design centre, recording studio

### 3.2 Population

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From a population distribution perspective, almost one-third (30%) of the Sunshine Coast population will be contained in the Buderim, Maroochydore, Mooloolaba, Paynter-Petrie Creek area by 2026, suggesting that this sub region is the centre of the population.

This population density supports the decision to designate Maroochydore as the Principal Activity Centre for the Sunshine Coast region.

The Local Catchment recorded an estimated resident population of 283,000 in 2010 with the larger Regional Catchment recording an estimated 620,000 residents in 2010. The Sunshine Coast region is projected to record strong growth over the next 20 years with the Local Catchment projected to record almost 140,000 additional residents by 2030, equating to an average annual growth rate of 2.0%. The Regional Catchment is projected to record a marginally lower growth rate of 1.9% per annum with over 276,000 additional residents by 2030.<sup>3</sup>

## 3.3 Regional Planning

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Under the South East Queensland Regional Plan, Maroochydore is designated as the Principal Activity Centre for the region and as such is expected to accommodate regionally significant community, cultural and entertainment facilities.

## 3.4 Transport Access

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With the construction of Maroochy Boulevard, access by road from the Maroochydore town centre to the Sunshine Motorway is convenient and quick. This connection also facilitates access to the Sunshine Coast Airport. Several Queensland government projects will improve access to the town centre once completed and include:

- Coast Connect public bus transport system between Caloundra and Maroochydore
- Maroochydore Bus Interchange upgrade
- Multi Modal Transport Corridor between Caloundra and Maroochydore

The Caboolture to Maroochydore Corridor Study rail system is proposed to terminate at a station within the new Maroochydore town centre and will provide convenient access to public transport by 2026. Sunbus already provides a range of key local bus services from a major interchange at Sunshine Plaza to a number of other regional centres and will extend these to the Maroochy Transport Centre when in position.

## 3.5 Connectivity with Pedestrian, Cycle and Open Space Networks

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The Structure Plan proposes a number of pedestrian, cycle and open space networks which will provide connectivity to the town centre. These connections will allow for effective non-vehicular access by local residents to the proposed community facilities and help reduce the need for car parking provision. Siting the community facilities within or adjacent to open space will enhance the amenity as well as provide a civic/ community focus for major outdoor activities such as festivals or events.

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<sup>3</sup> See AEC Sunshine Coast Entertainment and Exhibition Centre Demand Assessment November 2010

## 3.6 Co-Located with Complimentary Facilities and Services

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As well as other Council owned facilities, Council should look at opportunities for co-location or adjacent location of the Centre with school, university, retail centre and other government agency facilities where appropriate. Co-location with complementary facilities is desirable and may have the following benefits:

- Increase usage of the facility
- Reduce the initial capital expenditure by shared use of spaces such as foyers
- Reduce operating costs through sharing of management and other staffing positions
- Provide revenue streams through provision of commercial services such as cafes, retail outlets, or through tenancy by independent operators

Some examples of potential co-location include:

- Education facilities such as Young Conservatorium of Music, Creative Arts Faculty of Sunshine Coast TAFE with the Centre
- Drama and dance studios with the Centre
- Hotel accommodation
- Libraries, specialist galleries and private collections

## 3.7 Future Expansion

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Council has previously endorsed the project team's recommendation that the following two areas be amalgamated to deliver the overall Entertainment, Convention and Exhibition Centre and Precinct outcome:

- 1.75 ha allocated for Performing Arts Centre
- 0.95 ha allocated for an outdoor amphitheatre

This yields a total site area of 2.7ha which would allow for the future expansion of the centre – in approximately 20 years' time (which would allow a doubling of exhibition hall space of approximately 3,000m<sup>2</sup> with the associated circulation and ancillary spaces). It is noted that this will require alteration of the dimensions of the site in order to accommodate the final design.

## 3.8 Car Parking

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Council initially proposed that the centre will require in the vicinity of 1,500 car parks to operate effectively.

However, it is noted that Brisbane Convention and Exhibition Centre has 1,500 car parks servicing a total of 34,775m<sup>2</sup> of "convention and exhibition space" (includes 4 exhibition halls, great hall, plaza ballroom and terrace room). This equates to about 1 car park per 23m<sup>2</sup>. By comparison, the proposed Sunshine Coast Entertainment, Convention and Exhibition Centre concept currently has 706 car parks servicing a total of 7,062m<sup>2</sup> (being the hall and auditorium/arena). This equates to about 1 car park per 10m<sup>2</sup>, which is approximately double the allowance at the Brisbane Convention and Exhibition Centre.

The delivery of 1,500 car parks within the site would equate to a two level car park across the entire site area, and it was considered that this number of car parks was excessive given their requirement for periodic use only, and they are unnecessary given the overall goals for the principal activity centre as a whole. It is also considered that 706 car parks can, on a desktop analysis, satisfy the requirements for the centre.

However, the determination of final demand for the Centre has not yet been carried out by a traffic and transport planner with consideration of the size and frequency of events, comparisons with other similar centres (for example, Mackay, Cairns and the Gold Coast) and consideration of other local factors like the potential for the shared use of facilities, coincidence of peak demands and proximity of alternate travel modes such as walking and public transport.

After completion of the appropriate analysis, should there be a requirement for additional car parks then the project team considers the following will assist in achieving the requisite numbers, without requiring additional car parks to be constructed on site. There will be a significant number of car parks (on street and off street) within a close walking distance of the Centre to adequately manage peak demands during entertainment events and public exhibitions. The proximity to the future parking station in the Maroochy Structure Plan is ideal for this site and could provide for some of the overflow demand. The timing of the development with respect to other adjoining or associated development (such as retail and hotels) will also be critical.

# 4 Delivery Timing

## 4.1 Demand

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Subject to land acquisition, funding confirmation and further business and community consultation being carried out, there is current demand to justify proceeding with the Entertainment, Convention and Exhibition Centre in the immediate future.<sup>4</sup>

Based on the resident population and business tourism within the Gold Coast and Mackay regions at the time that their convention centres were developed, a benchmark of approximately 200,000 residents and 750,000 business visitor nights are required to support a large regional facility. Cross referencing the projected number of visitors to the Sunshine Coast Entertainment, Convention and Exhibition Centre, it is estimated that approximately two thirds of visitors will be local residents with the remaining third comprising leisure and business tourists. Demand for entertainment and exhibition events will be largely driven by the resident population while demand for conference would be primarily driven by business tourism. Business tourism numbers are under what they could be for a region such as the Sunshine Coast as there is no regional scale facility to cater for demand from outside the regional catchment. Where such a facility is provided, it is expected it would compete with and draw participation from conferences and event facilities from outside the catchment (for example, elsewhere in Queensland and New South Wales).

Based on these benchmarks, **there is current demand to justify the development of the Centre on the Sunshine Coast.** This is primarily due to the large catchment population for the Sunshine Coast Entertainment and Exhibition Centre. The Centre addresses an existing market gap for larger scale entertainment and business facilities, which service the regional population and drive business tourism to the Sunshine Coast. A venue of this magnitude will be placed in a highly competitive market for convention facilities in South East Queensland. However, it faces little to no competition on a local sub-regional level.

## 4.2 Land Acquisition

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As of the time of this report (late October 2011), the status of Council's acquisition of the Horton Park Golf Course<sup>5</sup>:

- An agreement has been negotiated between the Sunshine Coast Council and the Club's board which was supported by the necessary majority of club's members at a meeting held on 20 September 2011.
- The agreement provides certainty for the club with members being able to play golf on the current site until June 2014. This affords the club the necessary time to develop their new golf course, and provides council with ownership of the land.

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<sup>4</sup> See Ranbury Management Group Stage 1 Lead Report, Sunshine Coast Entertainment, Convention and Exhibition Centre 24 February 2011 (Version 9)

<sup>5</sup> See Sunshine Coast Regional Council Media Release Future of Maroochydore CBD and Horton Park on course 30 August 2011

- Council's ownership of the land allows it to proceed with the marketing and investment development of the Maroochydore town centre.
- Under the key provisions of the agreement, the Club has been offered:
  - \$42 million in compensation for acquisition of the land for the development and relocation to the new golf course site.
  - Continued occupation of its current site until 30 June 2014.
- A new site for the club has been identified following a rigorous independent selection process. The proposed new site is located on David Low Way, on the corner of Finland Road, and is approximately 119 hectares and will accommodate 18 holes with space available for additional nine holes.

This means that any development of the Horton Park Golf Course, let alone the Centre and Precinct, is unlikely to commence until after 2015.

## 4.3 Civic and Cultural Precinct



**Figure 1**

Figure 1 illustrates the extent of the proposed Civic and Cultural Precinct. In essence, the project comprises:

- The Entertainment, Convention and Exhibition Centre
- Civic Plaza and civic space (Areas A and B)
- Centre Concourse (Area C)
- Parkland (Area D)
- 6 additional buildings around the Centre which are intended to accommodate a wide variety of uses including civic, commercial, retail and community uses (Areas 2 – 7)

It is considered that the development and delivery of the civic, community and cultural precinct is integral to the successful establishment and operation of the Centre itself.



Delivery of the Centre without the surrounding public plaza, civic space and parkland would result in the Centre presenting an incomplete and isolated appearance to the public, which would seriously compromise its establishment as an attractive and vital Centre.

In particular, it is essential that the delivery of the soft and hard landscaping surrounding the centre – being the civic plaza, concourse and parkland occur at the same time as delivery of the Centre.

However (subject to the comments in 4.4 below), whilst buildings 2 and 3 which are immediately adjacent to the Centre should be developed simultaneously with the Centre, it is not necessary for the remaining surrounding buildings (4 – 7) to be. Indeed, they could be developed well after (or even before) the Centre has been completed and is operating. The key proviso for this would be that the land for those buildings be maintained in an attractive condition pending development (for example, grassed and maintained).

## 4.4 Hotel

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As has been identified previously, although there are existing hotels in the region that can provide amenity for both conferencing facilities and accommodation, the region cannot reach its full potential as a Meetings, Incentives, Conventions and Exhibitions market destination without larger quantities of suitably rated beds/rooms located in the town centre. Preferably, suitable accommodation should be co-located with the Centre itself.

The consultant team analysis indicated that a hotel development on its own is unviable under current market conditions. However the addition of some 250 residential units has the potential to achieve a positive financial result that would be commercially attractive to a developer.<sup>6</sup> An “all suites” strata hotel project could also be a viable proposition next to the Centre.

It is considered that the development of a suitable hotel near the proposed Entertainment, Convention and Exhibition Centre must occur simultaneously with the Centre development, in order to maximise the marketing and promotion of the Centre in the lead up to, and post, opening of the Centre.

This conclusion has yet to be “market tested” with any representatives of the development industry; and such engagement is recommended as part of the next stage of work.

## 4.5 Surrounding Development

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Under the Structure Plan guidelines, Council anticipates that development on the Horton Park Golf Course site will (upon completion of any re-development) include approximately:

- 220,000 square metres of residential space (2,000 dwellings);
- 150,000 square metres of commercial space; and
- 65,000 square metres of retail space.

It is considered that the development of the Entertainment, Convention and Exhibition Centre with little regard to the timing of the intended surrounding development could seriously compromise the viability of the Centre. Fundamentally, the development of the Maroochydore Principal Activity Centre

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<sup>6</sup> AECgroup Entertainment, Convention and Exhibition Centre Hotel Feasibility Study August 2011

must be sufficiently progressed that it provides a sound civic, commercial, retail and perhaps residential base for the Centre to thrive.

## 4.6 Airport Upgrade

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It has previously been identified that there is a need to upgrade the Maroochydore airport in the future to accommodate an expanded business tourism market for the convention component of the Centre. Whilst it would be ideal for an airport upgrade to occur prior to or simultaneously with the delivery of the Centre, it could follow afterwards, though it is noted that this would impact on the growth of the convention business until completed.

It would appear that an upgrade is being actively pursued by Council with plans for a new, wider runway along an east-west alignment. It is understood that with approvals and funding, it is hoped construction will start in 2016 so the runway can be operational by 2020. This will open the door to new domestic, trans-Tasman and international destinations. The masterplan also includes aprons, taxiways, another terminal, more car parking facilities and commercial infrastructure to support the projected growth in tourism and the population of the Coast.

However with an anticipated cost of \$500 million, the main challenge for Sunshine Coast Regional Council, which owns and manages the airport, is obtaining of funding for the project at much the same time as it seeks funding for the Centre.

## 4.7 Public Transport

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The Maroochydore Structure Plan provides for the establishment of the dedicated transit corridor and for the transit station and interchange as major elements of a multi-modal public transport system that provides high quality public transport access to the Principal Activity Centre and connects Maroochydore to the Regional Transit System. In particular the Structure Plan provides for a public transport infrastructure network and services comprising the following:

- The dedicated transit corridor;
- A transit station and interchange that is centrally located in the Mixed Use Retail Core Area of the Maroochydore Central Precinct;
- Regional public transport including a transit interchange on Horton Parade prior to the establishment of the primary central transit station and interchange;
- Public transport routes servicing areas internal and external to the Master Planned Area and including provision for local people movers, local buses and feeder services; and
- Frequent connections of services to other centres in the Sunshine Coast sub-region.

However, the status and timing for delivery of these improvements is uncertain. Their delay will adversely affect the attractiveness of, and ease of access to, the Centre. Whilst it is preferable to have greater certainty around the timing of delivery before proceeding with delivery of the Centre, it is not a fundamental flaw if it is not delivered until after the Centre is completed.

## 4.8 Car Parking

The Centre concept design includes 706 car parks on one basement level under the building. However, it is intended that there will be a significant number of car parks (on street and off street) within a close walking distance of the Centre to adequately manage peak demands during entertainment events and public exhibitions.

The proximity to the future parking station in the Maroochy Structure Plan is ideal for this site and could provide for some of the overflow demand. The timing of the development with respect to other adjoining or associated development (such as retail and hotels) will also be critical.

An undersupply of car parks could seriously affect the viability of the Centre, in particular as an entertainment or exhibition venue, and therefore, there should be sufficient car parks constructed either prior to, or at the same time as, the Centre.

## 4.9 Conclusion

Due to the current uncertainty around land acquisition and funding availability, it is impossible to provide a definitive timeframe for the delivery of the Centre. However Table 1 summarises the key conclusions reached about development milestones that are required to occur for the timing of the Centre delivery to have the best chance at achieving viability upon opening and commencement of operation.

**Table 1 Influences for Timing of Entertainment, Convention and Exhibition Centre Development**

Prior to Centre Delivery	Simultaneous with the Centre	After Centre Delivery
<ul style="list-style-type: none"> <li>▪ Some commercial and retail development in the CBD to provide a definite linkage from Civic and Cultural Precinct to remainder of CBD</li> <li>▪ Road infrastructure</li> <li>▪ Trunk infrastructure, including water, electricity, sewerage, telecommunications</li> <li>▪ Public Transport</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hotel (and residential component of hotel development)</li> <li>▪ Civic plaza, parkland and concourse</li> <li>▪ Buildings 2 and 3 as civic facilities (immediately adjacent to Centre)</li> <li>▪ Public Transport</li> <li>▪ Car Parking</li> <li>▪ Airport Upgrade (ideally)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Surrounding commercial/civic buildings in Precinct (could be grassed over until sufficient demand)</li> <li>▪ Residential development</li> <li>▪ Commercial and Retail Development</li> </ul>

# 5 Procurement Options

Three project delivery options that Council could consider for the construction and operation of the Centre and Precinct are:

- **Base Case:** Council is responsible for the design, construction, operation and maintenance of all Centre and Precinct facilities;
- **Build, Own & Lease:** Council builds and owns the Centre and Precinct, but is only responsible for operating and maintaining some facilities while others are leased, or managed via service contracts, by the private sector; and
- **Public-Private Partnership:** Council establishes a PPP for the Centre and Precinct, with a private sector investor undertaking the design and construction of the entire Centre and Precinct. Responsibility for financing, operating and maintaining the Centre and Precinct will be dependent on differing levels of involvement in commercially viable aspects of the Precinct.

Council could also consider other forms of delivery mechanisms including joint ventures and alliances. Whilst the two former options rely on Government funding, the Public-Private Partnership considers alternative private sector delivery and participation.

The consultant team’s investigation of the potential for the Sunshine Coast Entertainment, Convention and Exhibition Centre to be delivered as a public-private partnership is summarised below.

## 5.1 What is a PPP?

PPPs realign the role of the public sector from a supplier to buyer of services. In PPPs, private firms take on the roles of designing, constructing, financing, operating and maintaining infrastructure, with the public sector managing service contracts and paying for the services delivered.

PPPs are a combination of more traditional forms of project delivery; a Design-Build-Operate-Maintain structure is a combination of a Design and Build contract and a separate management contract. PPP structures can be tailored to best meet the needs of the project in question, but should only be pursued where they can provide value to both proponents relative to alternative project approaches.

The structure of each individual PPP contract will vary from one project to the next depending on type, size and cost of the infrastructure, operating profitability, nature of the day-to-day operations and desired levels of government involvement. The following table summarises the most common forms of PPP currently being utilised by Governments in Australia.

PPP Structure	Description
Design-Build (DB)	The Government contracts with a private partner to design and build a facility in accordance with the requirements set by the government. After completing the facility, the government assumes responsibility for operating and maintaining the facility.

PPP Structure	Description
Design-Build-Maintain (DBM)	This model is similar to Design-Build except that the private sector also maintains the facility. The public sector retains responsibility for operations.
Design-Build-Operate (DBO)	Under this model, the private sector designs and builds a facility. Once the facility is completed, the title for the new facility is transferred to the public sector, while the private sector operates the facility for a specified period.
Design-Build-Operate-Maintain (DBOM)	This model combines the responsibilities of design-build procurement with the operations and maintenance of a facility for a specified period by a private sector partner. At the end of that period, the operation of the facility is transferred back to the public sector.
Design-Build-Finance-Operate-Maintain (DBFOM)	Under this model, the private sector designs, builds, finances, operates and/or maintains a new facility under a long-term lease. At the end of the lease term, the facility is transferred to the public sector.
Build-Own-Operate (BOO)	The government grants the right to finance, design, build, operate and maintain a project to a private entity, which retains ownership of the project. The private entity is not required to transfer the facility back to the government.
Build-Own-Operate-Transfer (BOOT)	The government grants a franchise to a private partner to finance, design, build and operate a facility for a specific period of time. Ownership of the facility is transferred back to the public sector at the end of that period.

## 5.2 Benefits of PPPs

PPPs have been widely adopted in other jurisdictions, in particular in the United Kingdom. Ultimately, these are risk management techniques through which project proponents (Sunshine Coast Regional Council in the case of the Centre and Precinct) can avoid downside risks (e.g. cost over runs and loss making operations) while maximising the likelihood of upside risks (e.g. cost savings and high quality services).

The key benefits (upside risks and avoided downside risks) as identified in reviews of other PPP projects can be summarised as:

- Construction time savings
- Construction cost savings
- Shifting of risks to the private sector
- Reduced lifecycle costs
- Greater public sector focus on outputs and value for money
- Improved service delivery and revenue opportunities

In order to determine potential net benefits from the PPP delivery model for the Centre and Precinct, it is necessary to analyse the level of savings achieved by other PPP arrangements and how these might apply to this project.

Unfortunately, despite the significant body of research, because most PPPs involve the establishment of new infrastructure, it is difficult for any analysis to determine precise levels of efficiencies for any industry (given the lack of “pre-PPP” compared to “post-PPP” for any singular project). This is particularly evident when attempting to quantify savings in lifecycle costs and improved revenue opportunities through private sector investment.

The following table summarises the outcomes of research papers reviewing the benefits of PPPs compared to traditional procurement methods:

Publication	Outcome
Infrastructure Partnerships Australia (2007). Performance of PPPs in Australia	<ul style="list-style-type: none"> <li>▪ Capital cost over-runs from contract stage through to final completion in traditional procurement projects was approximately 14.8%, whereas for PPP projects the capital cost over-run was only 1.2%</li> <li>▪ Traditional projects were 25.3% behind time for construction completion, whereas PPP projects were only behind in 13.2% of cases</li> </ul>
National Audit Office UK (2009). Private Finance Projects	<ul style="list-style-type: none"> <li>▪ 69% of PPP construction projects sampled were delivered on time and 65% were within the contracted price</li> <li>▪ Of those delivered late, 42% were delivered within 6 months of the agreed time, and under half experienced price increases</li> </ul>
University of Bristol (2007). The Simple Microeconomics of Public-Private Partnerships	<ul style="list-style-type: none"> <li>▪ PPPs are more beneficial when better quality infrastructure can significantly reduce operational costs, when infrastructure quality has a great impact on the quality of the service, and when demand for the service is stable and easy to forecast</li> <li>▪ This points to the suitability of PPPs in the transport and water sectors, where infrastructure quality is key and demand is relatively stable, whilst it suggests that PPPs are less likely to deliver efficiency gains for nursing homes and schools, where service quality is mainly determined by human capital investment and where demand evolves quickly over time</li> </ul>
National Audit Office UK (2007). Benchmarking and Market Testing the Ongoing Service Component of PFI Projects	<ul style="list-style-type: none"> <li>▪ Value for money testing undertaken on service components found that in some of these cases the value testing on PPP contracts had demonstrated that value for money was being achieved, but in other cases the outcome was uncertain</li> <li>▪ Cost savings under the PPP model were in the range of -2% to +6% from contract stage through to final completion when compared with the traditional procurement model</li> </ul>

Publication	Outcome
University of Melbourne (2008). Report on the Performance of PPP Projects in Australia when Compared with a Representative Sample of Traditionally Procured Infrastructure Projects	<ul style="list-style-type: none"> <li>▪ Capital cost over-runs from contract stage through to final completion in traditional procurement projects was approximately 18%, compared to PPP contracts which had an average cost over-run of 4.3%</li> <li>▪ Traditional projects were 25.9% behind time for construction completion, whereas PPP projects were only behind in 2.6% of cases</li> </ul>
Bond University (2009). A Survey of Alternative Financing Mechanisms for Public Private Partnerships	<ul style="list-style-type: none"> <li>▪ Capital costs for traditional projects were completed within budget for up to 55% of cases, compared to 79% for PPP contracts</li> <li>▪ Only 63% of traditional projects were completed on time for construction, compared to 74% for PPP projects</li> </ul>

## 5.3 Disadvantages of PPPs

There are a range of circumstances where a PPP structure may not provide Council with net benefits compared to traditional procurement, for example:

- Projects where either the nature of the asset being built or the low construction cost of the facility does not provide enough scope to realise any long run cost savings and efficiencies (i.e. through private sector investor innovation);
- Projects which would be unlikely to generate sufficient returns for a private sector investor or have high demand/revenue risks, thereby limiting the number of proponents willing to participate in the PPP;
- Projects with limited or unstable revenue streams and/or which are potentially loss-making and require operating subsidies may reduce the incentive to drive cost efficiencies;
- Projects where the public sector has unrealistic expectations on the levels of risk shifting, cost savings and additional revenue generating capability through private sector involvement through a PPP delivery model;
- Project which feature major components that have a community focus rather than a revenue or profit focus; and
- PPPs with ineffective contract provisions that do not clearly define facility ownership levels, as well as responsibility for all aspects of decision making (e.g. revenue generation, operations and maintenance/renewal).

In relation to this Entertainment, Convention and Exhibition Centre project, the benefits for Council in adopting a traditional procurement method as opposed to a PPP may include:

- Council would be able to assure the levels of customer service for each component of the facility;
- Council would have direct control over the quality of the facility and ongoing asset maintenance and renewal;
- Council would have greater control over facility use (and priority of use), particularly for ensuring the provision of unprofitable services to the community and the attraction of shows

and events that may not be targeted by a commercial operator with a revenue and profit maximisation focus;

- Council would retain ultimate ownership and decision making powers in relation to all aspects of the facility; and
- Council would be able to access a lower cost of funds than the private sector to construct the facility.

In addition, a PPP is essentially the combination of a design and build contract and management contract that frequently occur under a traditional procurement model, with the intent of achieving greater efficiencies through the bundling of these contracts. Therefore, it should be noted that savings may still be achievable without the need for a complex PPP arrangement by applying best practice to tender and contract management for separate capital and operating/ maintenance contracts.

## 5.4 Conclusions

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While a PPP has the potential to provide cost savings in the provision and operation of certain infrastructure projects, it would appear in this instance that **a PPP arrangement for the commercial aspects of the Sunshine Coast Entertainment, Convention and Exhibition Centre and Precinct may actually result in a higher cost of service provision.**

The following key points are noted:

- PPPs provide value for money when the provision of better quality infrastructure can significantly reduce operational costs and when infrastructure quality has a great impact on the quality of the service (e.g. transport, water, sewerage), but efficiencies from utilising a PPP delivery model are often not realised in industries where service quality is driven by human capital investment (e.g. community facilities) and demand is potentially unstable or uncertain
- Council may still be able to achieve similar savings from bundling of contracts without the need for a complex PPP arrangement by applying best practice to tender and contract management for separate capital and operating/maintenance contracts
- Council would have greater control over facility use (and priority of use) without the PPP, particularly for ensuring the provision of unprofitable services to the community and the attraction of shows and events that may not be targeted by a commercial operator with a revenue and profit maximisation focus
- A PPP arrangement for the commercial aspects of the Sunshine Coast Entertainment, Convention and Exhibition Centre and Precinct is unlikely to generate a sufficient return to become a profitable investment to any private sector investor and Council would be required to provide a subsidy to cover annual operating losses and a return on investment for the private sector operator
- Under a PPP arrangement, even though elements of risk may be shifted to private enterprise, Council will still be ultimately responsible to step in should the private sector enterprise fail
- Council has access to a considerably lower cost of funds from Queensland Treasury Corporation (QTC) than the private sector



# 6 Implementation Strategy

## 6.1 Introduction

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Given the consultant team's conclusion that a PPP is not an appropriate deliver model for the Sunshine Coast Entertainment, Convention and Exhibition Centre and Precinct, it is clear that the delivery of the centre will be predominantly reliant on government funding – a mix of Council and the Queensland and Australian governments.

There are a number of risks to Council securing the necessary funding commitment from the Queensland and Australian governments for the delivery of the Centre and Precinct:

- Site ownership and control
- Public (community) support for the Centre and Precinct
- Supporting documentation for funding applications

This Implementation Strategy outlines the key actions considered necessary to resolve these risks and enable funding to be secured, and hence the project to proceed.

The procurement strategy moving forward should be aimed at delivering an overall benefit to Council in terms of community engagement, and finalising the civic, community and cultural precinct design, both of which will improve the likelihood of receiving Australian and Queensland Government funding. Integral to this strategy is the conduct of an international design competition to generate community support, enhance the project's profile on a state-wide and national scale, and deliver the final concept design for the centre and precinct.

Whilst the design competition will need to be funded by Council and delays any application for government funding, there is very limited potential for Council to currently satisfy funding requirements in any event given the earliest access to the site is now anticipated to be in the year 2015. Therefore this strategy enables the project to progressed in a realistic timeframe whilst creating a greater profile for the project and generating community support during this period.

## 6.2 Site Negotiation and Acquisition

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Before Council can realistically progress the Centre, it must have certainty about the acquisition of the Horton Park Golf Course. Certainty can exist in the form of a binding agreement, even where the relocation (and therefore site availability and acquisition) may not occur for a longer period of time (such as three or four years).

As mentioned earlier, even though Council's agreement with the Club was endorsed by the majority of Club membership on 20 September 2011, it will only allow Council to proceed with the following steps to enable Council to be in a position to commence construction of the facility in 2015 at the earliest. The likelihood of 2015 being a commencement date for the Centre itself is remote, given the other pre-requisites and simultaneous requirements identified in Section 4 above which are required to be achievable in time for the Centre opening.

Rather, it is likely that construction of overall precinct road and infrastructure could commence first in 2015, followed by commercial or retail development. It is unlikely that the pre-requisites and simultaneous requirements that have been identified for construction of the Centre will have occurred until 2018 – 2020 at the earliest.

Therefore, the actions described in detail below are about progressively building certainty around the project to enable Council to be in a position to commence the detailed design and construction process at that future point in time.

## Program and Budget

Key aspects of the program are:

- Binding legal agreement finalised between Council and Club – Late 2011 to early 2012
- Construction of new golf course in another location – 2012 to 2014
- Vacant possession of the land – say aiming for July 2014

The budget for this scope of work does not form part of the Centre project.

## Scope of Civic, Community and Cultural Uses

A key component of the project is the co-location of other functions in and around the Centre itself. However, whilst the facility scope for the Entertainment, Convention and Exhibition Centre has been validated (through a number of means including the consultant team research and analysis), there has been no similar validation of the proposed facilities and uses to surround the centre.

The consultant team has suggested that the Entertainment, Convention and Exhibition Centre should be integrally linked with key civic, community and cultural facilities:

- Community spaces including - library (learning centre), gallery spaces, Council customer service centre, community meeting and performance spaces, recreation areas, health services, child care centre, playgrounds, plazas and boulevard to the beach
- Commercial spaces including - offices, retail outlets, hotel, enterprise incubator, markets, restaurants, cafes, design centre, recording studio

However, these potential facilities need to be validated through research, engagement and analysis.

The consultant team recommends that the necessary work will include the following elements:

- The development of a proposition for the scope of functions and associated areas for civic, cultural and community facilities to be located within the Precinct;
- The verification of the proposed scope via:
  - Demand assessment
  - Economic impact assessment
  - Social impact assessment; and
- Provision of a cost estimate which addresses:
  - development and construction costs for the verified uses (including estimate of fit-out costs); and
  - operating budget for verified uses.

## Step 1: Develop Scope of Proposed Civic, Cultural and Community Functions

The project team's place-making workshop with Council (conducted in late October 2010) identified a range of programs and facilities that will meet the requirements for a regional city centre civic space as follows:

Program/Facility/Focus	Within Centre	Same site or near	Walking Distance to Centre
Outwardly focussed with an engaging public realm		√	
Child friendly	√		
An art gallery and recording studio within the library or as stand alone elements		√	
Hotel			√
An arts, cultural and community enterprise incubator		√	
More extensive cafe's, bars, and restaurants			√
Housing			√
Commercial offices and Council administration			√
National arts or education - organisation	√	√	
Educational facilities		√	
More public space and civic square			√
Child care centre			√

This table is by no means comprehensive and does not reflect any existing Council policy or planning that may have been carried out. Additionally, it does not consider city centres of a similar size and the functions that might be expected to be accommodated to enable city making outcomes to be achieved.

In order to confirm which civic, cultural and community components should be incorporated into the Centre, there is a need to further develop the program and facility requirements by carrying out the following work:

- Obtain and review existing Sunshine Coast Regional Council social, community and cultural policy documents to identify elements that may be included in scope
- Consultation with Council officers
- Review of any forward plans for community and cultural facilities (including the priority infrastructure plan) to identify elements that may be included in scope
- Benchmarking of regional CBD facilities for cities of 350,000 (Sunshine Coast by 2030) for identification of elements that may be included in scope
- With Council formulate a social and cultural proposition and conduct workshop to consult with the community and appropriate stakeholders and validate proposition
- Conduct demand analysis for proposition

- Finalise proposition - outline the program and facility objective, the required area (in m<sup>2</sup>) and the location of the function

## Step 2: Development Budget

Based on the areas and functions proposed in the final proposition in Stage 1, a development budget which includes the fit-out of all areas for their intended purpose, can be developed to enable a full costing of the Precinct to be understood.

## Step 3: Operating Costs

In addition to the development budget, an operating cost budget (annual) is required for these additional uses, especially where they are intended to remain in Council ownership or control (for example, a library, art gallery or community centre).

## Step 4: Economic Impact Analysis and Social Impact Analysis

Once a scope proposition (functions and areas) has been developed the economic impacts and social impacts of that scope should be examined. This will enable Council to understand the benefits of the new facility to the region (both in terms of financial and social wellbeing).

## Step 5: Recommendation

The conclusions of this will be amalgamated into a final recommendation for the functions and areas which along with the Sunshine Coast Entertainment, Convention and Exhibition Centre will form the Civic, Community and Cultural Precinct, together with their justification, relevant costs and economic and social impacts. This recommendation can be used to support the existing Concept Design Report documentation in the Design Competition brief.

## Program and Budget

**The consultant team suggests that this work should be commenced as soon as possible once there is certainty regarding an agreement to acquire the land.** We estimate that the work could be carried out over a period of six months. The work effectively involves the same considerations as have been carried out for determining the preferred facility scope for the Entertainment, Exhibition and Convention Centre, but for a myriad of uses, such as library, administration centre, art gallery etc. Accordingly there would be need for a number of sub-consultants (including economic advisors, quantity surveyor, community planner) to be managed by a project manager and we envisage that a budget of between \$400,000 - \$600,000 would be required to adequately scope and support the proposed uses in the Precinct.

## 6.3 Design Competition

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The consultant team noted the strong support from within Council and key reference groups (such as the Urban Design Advisory Panel) for a competitive design process to inform the final blueprint for the Centre and Precinct as a means of ensuring that the design is influenced by Sunshine Coast architectural and urban design principles, rather than driven by the immediate cost and budgetary constraints.

The Centre and surrounding civic precinct have been identified as a key catalytic project for the new Maroochydore CBD, and the opportunity for creation of an iconic or “post card” quality building and civic plaza should not be ignored.

A design competition provides Council with the ability to progress the project and satisfy key elements of a funding submission. The design competition will relate not only to the Centre precinct which includes the Centre itself, but also the adjoining civic plaza, civic and cultural facilities, commercial/retail elements and the strong integration with the surrounding parkland.

## Benefits of Design Competition

The design competition provides Council with:

- The ability to generate significant community support for the facility prior to seeking Australian Government funding. This support is generated through not only the high profile design competition itself, but also recommended community engagement on the use of the facility prior to the design competition, together with community engagement on the submitted designs (prior to selection of the winning design). Not only is evidence of community engagement and support a requirement of any funding application, the greater the profile the project attains, then the greater the chance of securing Australian (and Queensland) government funding.
- A real concept design for the Centre (including perspectives and a “fly through” model). This design can be the basis on which Council seeks public sector funding, and private sector involvement.
- A confirmed cost estimate for the Centre and Precinct. To ensure that the design is achievable we recommend inclusion of a budget for the design with a requirement that the cost be verified by Council’s quantity surveyor (for consistency across all designs). This budget will be set by the work carried out by the consultant team.

## Appropriateness of Design Competition

The Australian Institute of Architects has released guidelines for the conduct of architectural design competitions. Those guidelines outline that it is appropriate to hold a design competition when the project:

- is of public significance
- will benefit from a wide degree of design investigation
- is to be on a significant or unusual site
- will benefit from the public interest that a competition can generate
- where design excellence is a high priority

A competition is considered inappropriate where:

- the project is required as a matter of expediency or urgency
- it is not possible to appoint an appropriate jury
- the budget is insufficient to cover the total cost of the competition
- an adequate brief is not available
- the Sponsor is unwilling or unable to ensure that the competition conditions provide for competitors to retain their intellectual property and moral rights in their designs

## Type of Competition

There are a variety of different types of design competition. Table 2 outlines some of them.

**Table 2 Types of Design Competitions**

Competition Type	Description
Project competitions	Project competitions lead directly to the construction of a specific project on a specific site. The objective in holding such a competition is to select the best design and architect for the project who will be commissioned to develop the design and complete the project.
Ideas competitions	Ideas competitions can be held for projects that may or may not be built. They are useful to explore significant design issues or design opportunities for significant sites.
Open competitions	Open competitions permit any architect to enter the competition and are appropriate where: <ul style="list-style-type: none"> <li>▪ all competing architects have an equal opportunity to be selected on the basis of design merit</li> <li>▪ the design objectives can be clearly stated</li> <li>▪ the project requires the widest exploration of potential solutions.</li> </ul>
Limited or select competitions	Limited or select competitions restrict entry for specific reasons, such as: <ul style="list-style-type: none"> <li>▪ the architect residing within a specified area</li> <li>▪ budget restrictions</li> <li>▪ awareness of and sensitivity to local, regional or cultural issues small projects.</li> </ul>
Commissioned competitions	Commissioned competitions are appropriate where the client wishes to have the design options for a project investigated by a small number of architects whose work is of interest. The architects are paid a fee to cover the costs of their work.
Student competitions	Student competitions are limited to those enrolled in a recognised architecture course. Winners are usually awarded a scholarship, fellowship or travel prize.

**We recommend an open competition carried out in a two stage process.** Two-stage competitions are appropriate for complex projects. They encourage architects to undertake a broad exploration of ideas and design concepts in the first stage and allow detailed development of limited number of designs in the second stage. A two-stage competition:

- attracts more entries by reducing the amount of work required in the first-stage submission;
- is an excellent process for selecting a limited number of promising concepts that can be further developed in the second stage; and
- provides the opportunity for comments by the client and the jury to be incorporated in second stage development.

## Construction Budget

Cost will be one of the principal determinants of the Sunshine Coast Entertainment, Convention and Exhibition Centre and Precinct project (both initial capital costs and subsequent operational and maintenance costs).

For that reason we recommend inclusion of a target budget of \$327.8 million (as per the estimate by Rider Levett Bucknall) in the Design Competition Brief. Council should appoint an independent quantity surveyor to verify the cost estimate of each design submitted (as part of the design competition process). **Competitors must be instructed not to exceed the budget in their designs.**

## Prize Money

The winner should be given the 1<sup>st</sup> prize money and if the project proceeds, this becomes part of the design fee for the project. The competition conditions should describe the nature and details of the intended contractual relationship if the project proceeds. The rules should also include a statement outlining the alternative compensation the client will pay the winning designer should the project not proceed beyond the competition stage. Should Council consider that the winning architect has insufficient experience or would benefit from assistance, the designer may be required to form an association with another consultant(s) to develop the design and complete the project. The consultant(s) should only be chosen with the agreement of the client and the winning architect.

The amount of prize money offered should be sufficient to attract competitors and should acknowledge the effort and expense competitors must apply to make the competition a success. The current schedule of prizes for architectural competitions recommended by the Royal Australian Institute of Architects is as follows:

- For competitions in which contestants are required to produce a design, the total prize money will be equal to the schematic design fee that would be due to an architect working under a direct commission (this equates to 0.63% of “construction cost” - the former industry benchmark for schematic design fees).
- The RAI A current Fee Guide for conventional projects is the reference for determining the appropriate total prize money.
- There shall be three prizes awarded. The prize money is to be allocated as follows; 1<sup>st</sup> prize 60%, 2<sup>nd</sup>.prize 30% and 3<sup>rd</sup>.prize 10%

The construction cost of the Centre and Precinct (ie. the overall precinct development budget of \$327.8M less design fees, charges, contingencies etc) is approx.\$200M. The schematic design fee recommended by the RAI A is considered too generous a basis for the prize pool (ie. \$1.26 million), especially in the current economic circumstances. The consultant team recommends a prize schedule based on design competitors being able to recoup a significant part of their costs in winning the competition. Therefore, we propose the following prize schedule:

- First Prize - \$180,000
- Second Prize - \$90,000
- Third Prize - \$30,000

Council may also wish to allow for the situation where it wants to utilise a concept or idea from one or more of the competitors (although they have not placed in the competition), in which case it is suggested an allowance of \$30,000 per such instance would provide an appropriate reward.

Allowing for say 3 of these payments, the total prize pool is recommended to be \$390,000.

## Actions to Progress Design Competition

The key actions necessary to progress the international design competition are:

- **Confirm feasibility** of holding a competition (and allocate the necessary budget including prize money).
- **Develop the Design Competition Brief and Competition Rules** – in addition to existing Concept Design Report<sup>7</sup> the Design Competition Brief will need to address such as competition conditions (including mandatory requirements), information about the site, the budget, program for the design competition and the project, submission requirements (including the number, type, size and scale of drawings (or models) and written information where required) and the terms and conditions of any commission to be offered to the winner.
- **Test the Design Brief** – it is important that the stated requirements in the brief are balanced against a competitor's freedom of design interpretation. The brief should inspire the imagination of potential competitors with a clear expression of the client's design objectives.
- **Obtaining Professional Endorsement** - endorsement of the RAIA, so that the competition can be promoted widely amongst the RAIA members to maximise interest and to engender confidence in the integrity of the competition.
- **Jury Selection and Invitation** - the jury should have from three to five members. Three jurors ensure different points of view are examined while five allows specialists or other relevant jurors to be included in decision making. The majority of jury members should be design professionals with substantial knowledge and skill. Projects such as these may benefit from inclusion of persons on the jury familiar with the particular requirements of such projects – for example designers of exhibitions that will occur in the Centre, a venue manager/operator, an event promoter or conference organiser. Their participation helps to ensure that specific needs or issues will be considered.
- **Announcing the Competition** - A registration fee may be charged for entering an architectural competition and if so the fee should be clearly stated in the conditions. The purpose of such a fee is to help meet the costs of competition information/documentation and to restrict entry to serious competitors only.
- First stage Judging and Shortlisting
- Second stage Judging and Shortlisting
- Competition Award

## Program and Budget

We have allowed for a 10 month process for the design competition which includes two months of preparation, a four and half month two stage design competition and the opportunity for community consultation before competition award.

In allowing for the design competition, costs for an external project manager, an architectural advisor and a quantity surveyor need to be included, in addition to the prize pool. We envisage that a budget of about \$600,000 would be required.

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<sup>7</sup> See Cox Rayner Entertainment, Convention and Exhibition Centre and Surrounding Precinct Design Report (15 August 2011)



## 6.4 Community Consultation

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In the context of Council's negotiation to purchase of the Horton Park Golf Course, it was concluded that the community engagement for the proposed Entertainment, Convention and Exhibition Centre should be targeted only at the core feasibility-related stakeholders until such time as Council had reached a legal agreement with the Golf Club for the acquisition of the site. At the date of this report, the negotiations to acquire the Horton Park Golf Course have not been concluded and extensive community engagement on the proposed Centre and Precinct has not been undertaken.

Any Government will want substantial evidence of community engagement on (and presumably support for) the Centre, its potential use and its design before it will approve any funding application.

The consultant team considers that there are four key opportunities for community engagement on the proposed facility:

- Engagement with the community about the project generally
- Engagement with the community specifically in relation to the proposed uses to be located around the Centre and within the Precinct to provide the activation and civic focus to the precinct as a year round destination
- Engagement with the community about the design competition submissions to gauge community reaction to the proposed design for the Centre and Precinct – this engagement could consist of public exhibition of the second stage submissions (from shortlisted competitors) prior to competition award to ensure that community feedback and sensitivity is taken into consideration in the judging and award process
- Engagement with the development industry to “market test” the consultant team's conclusions about the viability of obtaining developer contributions towards the Centre through either an adjoining hotel or the overall Principal Activity Centre development program.

### Program and Budget

The engagement is proposed to be dispersed throughout the next two and half years. Costs include preparation of consultation materials and a website and include the facilitation of community workshops and exhibitions. We have estimated costs at between \$200,000 - \$300,000.

## 6.5 Government Funding Application / Business Case

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Previous reports<sup>8</sup> undertaken as part of the feasibility study have examined the potential sources of funding for the Centre and Precinct, and concluded that whilst facilities of this nature have traditionally been funded by Queensland and Australian governments, a number of factors mean that it is now considered more problematic than in previous years for the bulk of money to be provided from Queensland or Australian government grants.

In particular, a special purpose grant is considered unlikely given the ongoing implications of the global financial crisis and the extraordinary government spending that has been required as a result of the 2011 floods and cyclone in Queensland and flooding in Victoria.

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<sup>8</sup> See Ranbury Management Group Funding Options Analysis August 2011

Additionally, the campaign for funds for the Sunshine Coast Entertainment, Convention and Exhibition Centre will be hotly contested against a number of relevant Queensland projects which would compete for the same funds from Queensland and Australian Governments.

For example, publicly known project concepts needing substantial government funding are the Cairns Entertainment Precinct and the Gold Coast Cultural Precinct.

However, given the likelihood (based on the analysis above) that the Centre and Precinct is unlikely to be constructed until 2018 - 2020, the potential for Australian and Queensland funding may well be more favourable than current circumstances. This timeframe allows for time to generate a national profile for the project, to lobby for the necessary funding and to allow Governments the ability for forward budgeting to incorporate the Centre into its future funding considerations. However, it cannot be concluded that the source of funding in 2020 will be the same as it is now; for example, the Regional Development Australia Fund is funding projects up until 2015. It is unclear whether the Regional Development Australia Fund will continue after that point in time.

Most Government funding applications are based on similar requirements, and accordingly, it is appropriate for Council to consider those requirements to determine what future work it needs to do so that it can be in a position to be "investment ready". In addition, Council should aim to satisfy all requirements of the Queensland Government's Project Assurance Framework, including the Strategic Assessment of Service Requirements, Preliminary Evaluation and Business Case.

Key elements that need to be formalised and presented to potential government funding agencies include:

- Project design (as per the design competition outcomes)
- Evidence of community engagement and support for the project
- Evidence of other funding sources – for example, a combination of community and corporate funding, Council funding and private sector funding
- Business case incorporating the scope and outputs of the project
- Project management plan including project timelines, milestones, budget and project costing
- Risk management plan
- Procurement management plan
- Detailed operational business plan for the facility after the project is completed

All of these requirements can be addressed by Council in anticipation of a detailed funding request. However, more importantly, Council needs to get the project on a national agenda with a reasonable lead time to enable sufficient time for marketing and lobbying in order to garner the requisite support at a Queensland and Australian level. There is also an opportunity for key project ambassadors to be involved in this process.

In addition to the above documentation, a quality marketing brochure would be a useful tool to assist in the marketing and lobbying campaign. This marketing brochure would not be developed until completion of the design competition (to enable incorporation of the winning design images), but it may also be a useful tool in continuing community engagement.

## **Program and Budget**

The current program shows the formal funding approach to the Queensland Government in mid-2016 to procure funding. The timing of this approach considers:

- Council's possession of the Principal Activity Centre land in 2015
- Council have undertaken key infrastructure works on the Principal Activity Centre land, and having commenced commercial, retail or residential development in the Precinct

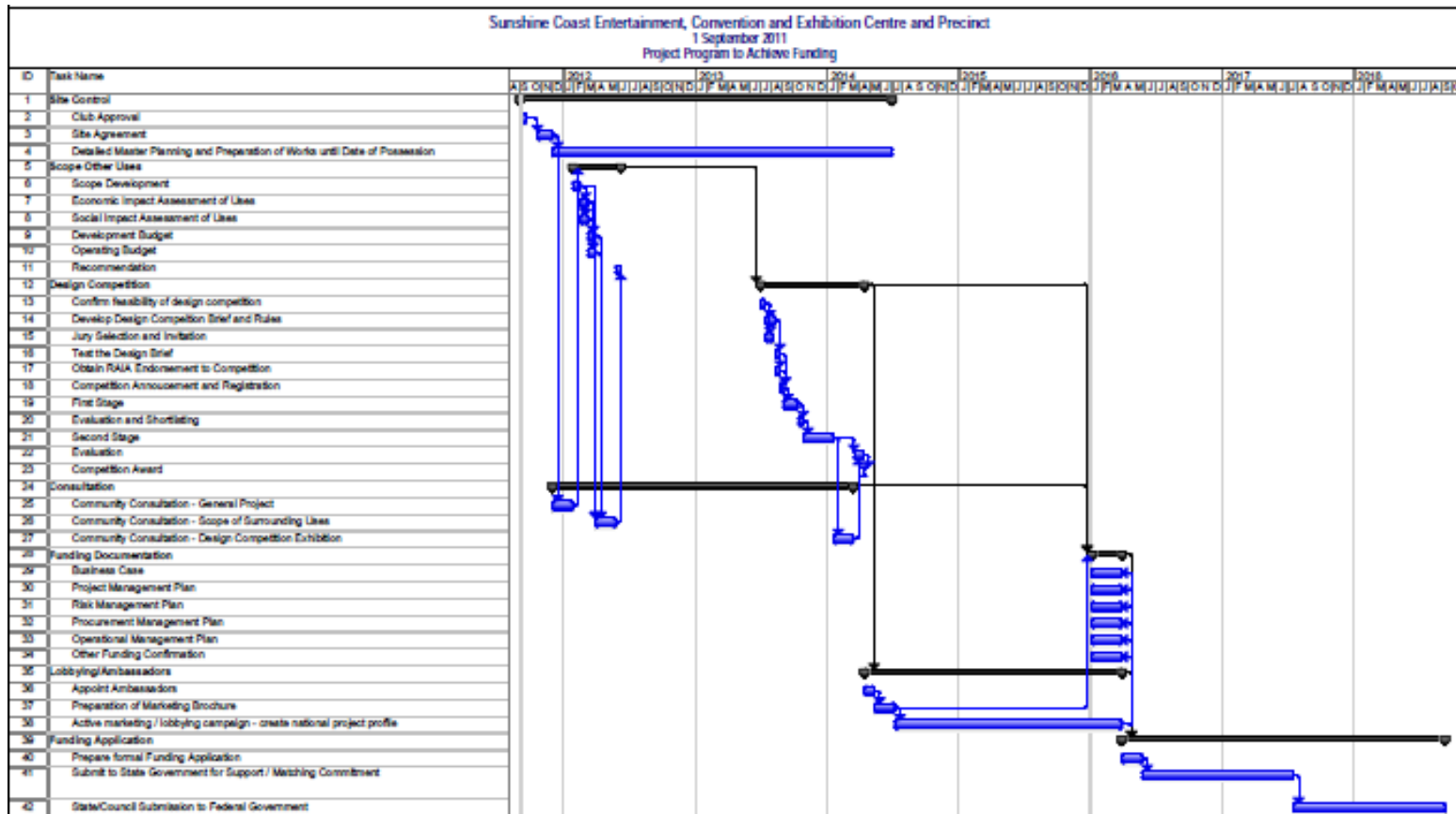
However, it is also considered that the Queensland Government should be linked into the project much earlier than 2016 to ensure that the Queensland Government can allow for the project in forward budget projections, and also that key Queensland Government feedback on the project can be incorporated as early as possible. Queensland Government endorsement will be essential, prior to a formal funding approach to the Australian Government which we have currently programed from mid-2017.

This approach allows for funding confirmation and commencement of the detailed design and construction of the Centre and Precinct anywhere from mid-2018, but more realistically, with a target construction commencement of 2020 (based on the project pre-requisites and simultaneous requirements outlined earlier).

Based on the work that has been carried out to date, and assuming the aforementioned actions are completed, we estimate that appropriate funding documentation could be prepared within six months from commencement of work for an estimated budget of \$500,000 - \$750,000.

# 7 Program

The following program illustrates the actions and associated timeframes to secure funding.



# 8 Budget

We have prepared the following budget estimate for Council as an indication of the likely costs involved in carrying out the steps identified in the program as necessary to be in a position to obtain funding to carry out detailed design and construct the Centre and Precinct.

We note that the estimates do not include costs relating to the proposed acquisition of the Horton Park Golf Course or the detailed master planning of the site in preparation for the development of individual parcels (which whilst related to the Entertainment, Convention and Exhibition Centre and Precinct are the subject of separate projects and budgets).

Work Item	Budget Estimate	Timeframe
Scope of Community and Civic Uses in Precinct	\$400,000 - \$600,000	6 – 9 months
Design Competition (including prize pool)	\$600,000	10 – 12 months
Community Consultation, including website, documentation and engagement workshops	\$200,000 - \$300,000	2 – 2.5 years
Funding Documentation including: <ul style="list-style-type: none"> <li>▪ Strategic Assessment of Service Requirement</li> <li>▪ Preliminary evaluation</li> <li>▪ Business case</li> </ul>	\$500,000 - \$750,000	6 months
<b>Total Cost Estimate</b>	<b>\$1.7m - \$2.25m</b>	
Contingency (10%)	\$170,000 - \$225,000	
<b>Total Cost Estimate (with contingency)</b>	<b>\$1.9m - \$2.5 million</b>	