



JOONDALUP

Performing Arts and Cultural Facility





A dedicated performing arts and cultural facility within the Joondalup City Centre will provide local opportunities for residents to participate in and experience cultural events. Generating new visitors from across the metropolitan area as well as tourists, such a facility will boost the local economy, create new jobs and further establish the Joondalup City Centre as a destination and the capital of the Northern Corridor of Perth.

As the major northern regional centre for Perth's metropolitan area, Joondalup is an established business, education, entertainment, retail and tourism precinct. It is also a destination City for residents, visitors and tourists alike.

To complement existing facilities, the City has considered and researched the need for a purpose-built performing arts and cultural facility within the Joondalup City Centre. Such a facility will provide an outlet for cultural expression and experience, boost the economy and allow Joondalup to host prominent events and exhibitions that celebrate and encourage the arts.

Background

Since the 1990s, the City has considered the need for a dedicated performing arts and cultural facility. As the City's population has continued to grow, and as the City has established itself as the principal business, educational, entertainment and retail precinct within the northern corridor of Perth, the need for such a facility is now more pertinent.

Extensive research has been commissioned by the City of Joondalup for this project with several studies being undertaken since 2001. The most recent feasibility study (2012) further supported the development of a performing arts and cultural facility in Joondalup.

In April 2013, the City commenced an international architectural design competition for the project, receiving 21 submissions. ARM Architecture was endorsed by Council as the winner of the architectural design competition for their Art Box concept in April 2014. A People's Choice vote was also undertaken and was awarded to ARM Architecture.

Should the facility proceed, it will be located at 3 Teakle Court, Joondalup, which adjoins Central Park and the Joondalup Learning Precinct (Edith Cowan University, North Metropolitan TAFE and Western Australian Police Academy). This property, owned by the City, is ideally located close to public transport and facilities to maximise potential and usage.

Strategic planning

The development of the performing arts and cultural facility is one of the core initiatives identified in *Joondalup 2022: Strategic Community Plan 2012-2022*, and is considered a critical transformation project to achieve key outcomes.

The Plan provides the structure for the City's future, and outlines key goals for the coming years. It was developed based on a comprehensive community engagement process to ensure it aligned with the aspirations, expectations and vision of local residents and businesses.

As part of this Plan, the performing arts and cultural facility is identified as important to contributing to the growth of the Joondalup City Centre into a Destination City, capable of attracting and providing economic benefits and other outcomes for residents.

These outcomes are connected to the Plan's strategic areas of "Economic prosperity, vibrancy and growth" and "Community wellbeing".

The Plan identifies that a performing arts and cultural facility would:

- establish a significant cultural facility with the capacity to attract world-class visual and performing arts events
- invest in publicly accessible visual art that will present a culturally-enriched environment
- promote local opportunities for arts development
- meet the City's aspirations of establishing a thriving cultural scene within the City.

The facility also links to the City's *Expanding Horizons: Economic Development Strategy*.

This strategy states that development of major strategic projects including the performing arts and cultural facility will enhance Joondalup as a major destination and provide greater recognition of the City as meeting the requirements of a Primary Centre as defined by State Government.

The facility will be a key driver of strategic employment creation and is therefore supportive of the City's Economic Development Strategy.

Proposed inclusions

The proposed performing arts and cultural facility will feature:

- an 850 seat main auditorium of international standard, including a fly tower, with lighting and acoustic specifications of a high standard
- a 200 seat black box theatre to accommodate a variety of non-traditional theatre stagings and performances
- a range of rehearsal spaces that could also serve as places for small performances and general community activities
- theatre support spaces such as a box office, green room, make up and change areas, backstage workshops and storage
- a dedicated art gallery
- Jinan Chinese Cultural Garden
- conferencing and exhibition spaces
- spaces for the practice of fine arts and crafts
- curatorial space
- bar and catering facilities
- office and managerial spaces
- multi-storey car parking to cater for staff and patrons of the facility and day-time public parking.

Social and Economic Benefits

To be ideally located within the heart of the Joondalup City Centre, close to public transport and amenity, the project has strong support from industry stakeholders and community groups.

Extensive research and feasibility studies indicate the facility will:

- support an estimated 609 jobs (directly and indirectly) during construction
- create 47 jobs (directly and indirectly) through the operations of the facility and supplies purchased
- lead to the creation of 91 additional jobs across the retail, food and beverage and tourism industries as a result of increased visitation and tourism in the region
- foster a culture of inclusion and civic participation, facilitate the development of cognitive skills and self-confidence and support mental and physical health and wellbeing
- increase access to art and cultural experiences
- connect audiences and artists
- increase creative output in the region and the pool of creative individuals – leading to the growth of creative industries such as advertising, software programming, publishing and architecture.

The inclusion of these aspects will deliver positive economic and social return on investment to the City of Joondalup and its ratepayers.

Social and Economic Return on Investment

Social Return on Investment (SROI)	When projected over the life of the project (to 2050) and discounted to present value, social benefits are estimated to be in excess of \$60million.
Economic Return on Investment	Considering economic benefits and costs only, the analysis calculates a Net Present Value (NPV) for the project of \$126.9million and an economic Benefit Cost Ratio (BCR) of 1.902.*
Total Benefit Cost Ratio (BCR)	This project BCR, including all economic benefits as well as social benefits identified through the Social Return on Investment analysis is 2.34.*

* The BCR is calculated by dividing the present value of all benefits by the present value of all costs. For a project to be viable, the BCR must have a value greater than 1. If the BCR is greater than 1, the net present value (NPV) is positive and vice versa. BCR's are used when choices have to be made between mutually exclusive viable projects. Further details on the BCR and NPV for the project are included in section 7 of the Business Case.

Financial projections

Financial modelling has been assessed by City officers and independent, external experts – experienced in the construction and management of similar facilities.

These costs have been considered and included as part of the City's *20 year Strategic Financial Plan*. Over the last four years the City has restructured its finances and implemented operational savings that will achieve in excess of \$110million over the next 20 years.

Monetary projections are based on modelling. Should the project progress, there will be ongoing reviews and opportunities to improve financial assumptions and projections.

Design and construction

Based on current market rates the project is estimated to cost \$99.7million to plan, design and construct. The City has already implemented strategies to fund the costs and if the project proceeds, will have a projected \$37.5million in reserves to help fund the project. The remaining costs will be funded by a \$10million grant and the balance by borrowings.

In addition, funds from Tamala Park land sales are forecast to provide an additional \$46million to the City during the operating stage of the performing arts and cultural facility. Income from these sales will be used to pay down debt associated with the facility.

Project Costs Per Rateable Property

Expense	Annual Cost per Rateable Property
Debt servicing for first 15 years until debt is paid off.	\$33.00 (average over 15 years).
Average annual total net cost after funding.	\$55.27 (Average per year over the 40 year life of the project).

Annual operating costs

Based on detailed modelling and reviews of similar facilities in Australia, it is anticipated that an ongoing annual contribution of \$863,000 will need to be made to the facility by the City. This represents 21% of the total projected expenses of the facility; which is lower than other comparable facilities in Australia that require up to 37% of their expenses to be funded.

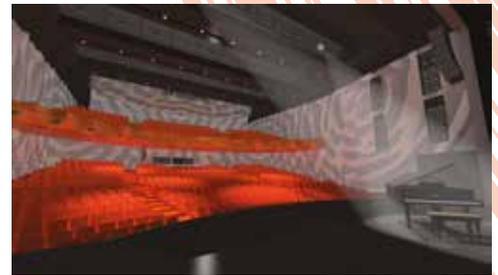
A depreciation expense of \$1.5million per year is estimated.

Annual Operating Cost of Joondalup Performing Arts and Cultural Facility (JPACF) compared to Existing Services

Service item	Annual Cost per Rateable Property
JPACF	\$13.77
Leisure Centres	\$10.44
Community Facilities	\$64.79
Parks, Foreshore and Ground Hire	\$246.55
Libraries	\$105.95

Business Case

Based on population forecasts, market analysis and feasibility studies; there is evidence that there is currently a significant under-provision of performing arts and cultural facilities within Perth's northern corridor.



Additionally, research indicates that such a facility will be extensively used, generate employment opportunities and encourage exposure to and uptake of the creative arts among City residents and residents of neighbouring localities.

The plan to include a multi-storey carpark as part of the construction, which can be used by patrons to the area, will also help alleviate future parking needs within the vicinity of the facility.

The City has prepared an extensive Business Case for the proposed facility, with the input of external experts, to assess the feasibility of a purpose-built facility. The working name for the project is the Joondalup Performing Arts and Cultural Facility (JPACF).

The Joondalup Performing Arts and Cultural Facility Business Case has been developed by City officers and external consultants. The studies and reports undertaken since 2001 have been incorporated into this Business Case.

It includes a thorough, expert-reviewed, analysis of the feasibility of the project in terms of:

- needs of the growing metropolitan population
- demand of the local population to access such facilities
- ability to attract major performing arts companies
- capital construction costs
- ongoing operational costs/revenue
- design options to maximise flexibility
- assessment of social and economic impacts

- sources of funding
- risk assessment (including variability of cash flows, returns and impacts on the City).

The Business Case has been reviewed and approved by Council for the purpose of public comment.

Have your say

The City of Joondalup requires feedback on the Joondalup Performing Arts and Cultural Facility Business Case from City residents and ratepayers, businesses and stakeholders groups.

Feedback received will inform Council in its decision-making process.

The Business Case will be open for comment for 42 days from **Thursday 16 February 2017**. Comments and submissions can be made by completing the online comment form available at joondalup.wa.gov.au. Hard copies of all documents, including the online comments form, can be made available upon request. Submissions must be received by **Thursday 30 March 2017**.

To view the draft Business Case and supporting materials visit joondalup.wa.gov.au

In addition to the information available online, the City will be holding two community forums during the public comment period. Dates and venues to be announced.

For further information please contact the Senior Projects Officer **(08) 9400 4292**.



T: 08 9400 4000
F: 08 9300 1383
E: info@joondalup.wa.gov.au
90 Boas Avenue Joondalup WA 6027
PO Box 21 Joondalup WA 6919



joondalup.wa.gov.au

This document is available in alternate formats upon request.