

CAIRNS ENTERTAINMENT PRECINCT COMMITTEE 16 NOVEMBER 2011	7
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REPORT FROM THE PROJECT CONTROL GROUP

Linda Cardew : 26/7/18-04: #3382680

RECOMMENDATION:

That Council notes this report.

INTRODUCTION:

This report provides the Project Control Group's report on the status of the Entertainment Precinct Project to the Entertainment Precinct Committee, further to the approved project management and reporting framework adopted by Council on 28 July 2010.

This report summarises the project actions and issues arising over the period 4 October to early November 2011.

Reporting against project goals:

GOAL 1: TO MEET COMMUNITY NEED

1.1 Consultations

A consultation session with the Kookandji (Googanji) and Gimuy Yidinji (Elders) was held at Yarrabah on 26 October 2011, attended by approximately 8 Elders and others. This session completed the first round of consultations, leading to a Stage 1 report on the Indigenous Consultations and Design Recommendations for the architectural design team. Further consultations with clan groups will continue in the New Year. The Stage 1 report has been prepared by the Indigenous architectural adviser, Indij Design, and is provided as a separate agenda item.

Data has now been compiled in relation to Project Consultations and Communications with over 1350 community members, stakeholders and users consulted, or surveyed, regarding the project.

GOAL 2: HIGHEST AND BEST USE OF THE LAND

2.1 Framework, development and lease agreements

The project team has now provided its formal response to Ports "overriding objectives" (to demonstrate how the CEP will ensure all Ports operations will continue unaffected) and submitted the Design Guidelines to Ports North on 21 October 2011, as required by the proposed Framework Agreement.

2.2 Development applications

A schedule of development applications was presented to the last CEP Committee. A revised program to reflect recent Council decisions was presented to the PCG.

2.3 White's Shed

A revised program to reflect recent Council decisions was presented to the PCG.

GOAL 3: DESIGN EXCELLENCE AND SUSTAINABILITY

3.1 Design workshops

3.1 Design

Significant work has been undertaken by the design team to value manage the design, reduce risk, achieve greater efficiencies, particularly in the back of house and loading areas, and to test the inclusion of additional scope items within the target budget. Examples are the inclusion of a second balcony in the theatre, leading to a greater level of acoustic quality and audience experience, the re-introduction of the rehearsal space (suggested to be named the "studio") and the adaptation of the side stage as an additional "found" performance / rehearsal space.

This work is discussed in the Design presentation by CA Cox Rayner as a separate agenda item.

3.2 Carparking

The high cost of basement parking and the consideration of adverse ground conditions suggested that alternate parking options should be considered. Over the past month, the design team has developed more workable and efficient carparking on site, together with a more efficient structure that reduces both cost and risk. During the past month the use of alternate sites has been examined, with a formal report to be presented to Council at a later date.

GOAL 4: COMMUNITY COMMENT AND CRITIQUE

4.1 Communications Plan

Monthly reporting on the implementation of the communications plan and community engagement activities commenced in June 2011.

The Communications report from Marketing and Communications for October 2011 is presented as a separate agenda item.

GOAL 5: TO REFLECT THE CHARACTER OF THE CAIRNS REGION AND FAR NORTH QUEENSLAND

5.1 Invitation to Traditional Owners, tribal and clan groups

The character and spirit of the region and the Far North may be expressed through the design of the *place*, the form and elements of the building, the materials and finishes, and through public art.

Consultations are continuing as described above in this report. The Stage 1 Consultation and Design Recommendations report is presented as a separate agenda item.

GOAL 6: ECONOMIC GROWTH

6.1 Local employment

One of Council's goals for the project is the creation of employment opportunities. As previously reported, in the last round of tenders, from thirteen disciplines, ten disciplines included Cairns-based consultants as part of the team. Of those ten disciplines, Council appointed eight consultants with a Cairns-based component. With the Indigenous adviser, probity adviser, surveyor, solicitors, and the traffic engineers and civil engineers appointed in October, there are fourteen consultancies from Cairns engaged on the project.

The CEP project has recently been recognised in the State Government's Infrastructure Plan.

The CEP project and its opportunities, particularly in relation to employment and contractor opportunities was presented by the Project Manager to the DEEDI Major Projects Forum held in Cairns on 28 October 2011.

GOAL 7: SOUND FINANCIAL MANAGEMENT

7.1 Project cost management

The project Finance Report is presented as a separate agenda item.

7.2 Business planning, risk and procurement consultancy services

7.2.1 Strategic Assessment of Service Requirement (SASR)

The final version of the SASR was endorsed by Arts Queensland (AQ) on 24 June 2011.

7.2.2 Preliminary Evaluation (PE)

The PE was finalised in early September 2011 after addressing comments from Qld Treasury, and after finalising the financial and economic analyses with PricewaterhouseCoopers. The PE was submitted to Arts Qld and has been signed off by the Minister for The Arts, Ms Rachel Nolan. It was considered by the Cabinet Budget Review Committee in early October 2011. Shortly after, Arts Queensland directed Council to proceed to develop the Business Case on the basis of two options only – “Status Quo” or “do nothing” option, (that is, retain the Civic Theatre as is) and the development of the first stage only of Option 6 in the PE.

7.2.3 Business Case (BC)

The Business Case is based on the work that was done for the Preliminary Evaluation (PE) and submitted to the Entertainment Precinct Committee at its meeting in September 2011. The BC is a more detailed analysis of the project, including the operation of the facilities. After review of the draft by State agencies, and response by the project team to more than 160 questions and issues from 27 October to 9 November, the final submission was provided to Arts Queensland at close of business on 10 November and is to be made available as a public document, on Council’s website, on 11 November 2011. The Business Case is to be considered by the State Government’s Cabinet Budget Review Committee in mid November 2011, after which time a decision regarding State Government Funding towards the CEP project will be made.

A summary of the changes between the PE and the BC, as they were known in October 2011, were presented to the CEP Committee at its meeting of 19 October. Further analyses have continued throughout the past four weeks, with the Business Case amended to reflect that work, together with the questions and issues raised by the State agencies.

The Business Case is presented as a separate agenda item.

7.3 Project finance report

Council’s financial report for October 2011 is presented as a separate agenda item.

7.4 Council funding

On 21 September 2011, the CEP Committee resolved to commit funds of \$57.3 million to support the project, this sum being Council’s equal share with that requested from the State Government, and the contribution of \$40 million from the Federal government to deliver Stage 1 of the project at a cost of \$154.6 million.

The Financial Sustainability Review was presented by Queensland Treasury Corporation to Council on 25 October 2011, and will be formally presented to Council at its Finance and Administration Committee on 16 November 2011.

The PAF Business Case was considered by Council at a workshop on 10 November 2011 and is to be followed by a presentation to the CEP Committee, in the public forum, on 16 November 2011.

GOAL 8: TO IDENTIFY AND MANAGE RISK

8.1 Risk management plan

The risk management plan has been updated and is included as part of the Business Case.

GOAL 9: EFFICIENT AND EFFECTIVE PROJECT DELIVERY

9.1 Governance

Workshops for Councillors are now being held on at least a monthly basis. The last workshop was held on 10 November 2011.

GOAL 10: COST EFFECTIVE, EFFICIENT OPERATIONS

As described above, the Project Assurance Framework Business Case required the further development of operational costs and revenue. Opportunities to generate revenue from White's Shed are currently being examined and will be discussed in scheduled consultations with the community as soon as possible.

CONSIDERATIONS:

Corporate and Operational Plans:

Council's Corporate Plan 2009-2014 lists the establishment of a regional Performing Arts Centre and regional Museum advocacy as Corporate Projects.

Council's Cultural Plan 2009-2014 identifies the building of a regional Performing Arts Centre and the provision of support for the State Government in establishing a Regional Museum as Outcomes Strategy 1 for cultural facilities.

Statutory:

The processes outlined in this report are in accordance with the provisions of the *Local Government Act 2009*.

Policy:

The Terms of Reference for the Cairns Entertainment Precinct Committee are listed in Policy No 1:05:08.

Financial and Risk:

The consequences of delays to the project program were provided in a report to Council at its Ordinary Meeting of 26 October 2011.

Sustainability:

The issues detailed in this report include all elements of a quadruple bottom-line outcome.

CONSULTATION:

The Project Control Group and consultants to the project have been consulted in the preparation of this report.

OPTIONS:

The Committee may choose to note the report or not to note the report.

CONCLUSION:

This report provides a summary of the work undertaken over the past four weeks, and should be read in conjunction with the other agenda items.

ATTACHMENTS:

NIL

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Lyn Russell

Chief Executive Officer