

CAIRNS CULTURAL PRECINCT COMMITTEE 17 NOVEMBER 2010	2
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REPORT FROM THE PROJECT CONTROL GROUP

Linda Cardew: 26/7/18-02: #2831006

RECOMMENDATION:

That Council receives and notes this report.

INTRODUCTION:

This report from the Project Control Group to the Cairns Cultural Precinct Committee details the work that is currently in progress.

BACKGROUND:

At its Ordinary meeting of 28 July 2010 Council resolved to adopt the project governance structure for the Cairns Cultural Precinct project outlined in this report. At its Ordinary meeting of 27 October 2010 Council resolved that a Standing Committee be established. The establishment of a formal Council Committee to guide the Cairns Cultural Precinct project enables the project facts, debate and decision making to be undertaken transparently in a forum open to the public. All reports, agenda and minutes will be published to Council's website, allowing the history of the project to be reviewed at any time.

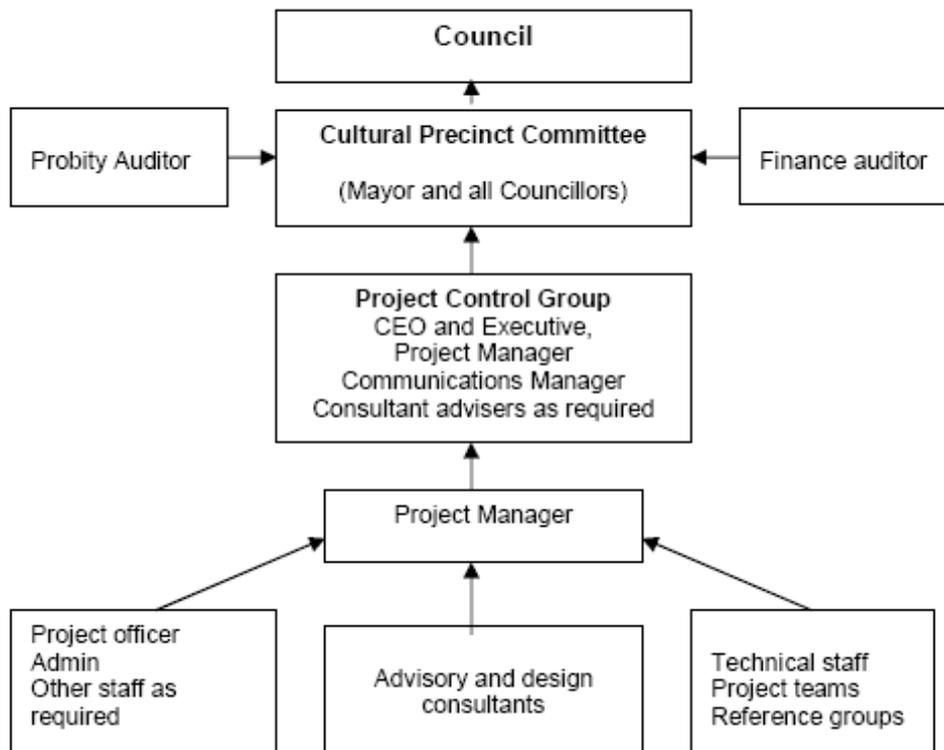
The Project Control Group comprises Council's Executive Team, the project manager and communications manager and will later include key consultants as required. The Project Control Group is a working group that meets on a monthly basis. The agenda items considered by the Project Control Group at its monthly meeting will be presented to each Cairns Cultural Precinct Committee meeting. As this is the first report to the Cairns Cultural Precinct Committee it summarises several months work. Particular issues requiring elaboration or a Council resolution will be dealt with in a report listed separately on the Committee's meeting agenda.

The Project Control Group last met on Monday 1 November 2010.

1. PROJECT GOVERNANCE

The Cairns Cultural Precinct project management and reporting structure was adopted by Council on 28 July 2010. The approved hierarchy of responsibility will support the principles of consistency, transparency and accountability in the delivery of the project. For the Committee's reference the approved structure is shown below.

Cultural Precinct Project - Decision making and reporting structure



The Cairns Cultural Precinct Committee is the chief client (community) representative, responsible for the direction of the project after receiving advice from the Project Control Group (PCG).

The role of the Committee is to review recommendations made by the PCG, to approve recommendations requiring a formal Council resolution, to review communications plans and be responsible for safeguarding the public interest.

Council considered two options in the establishment of the Committee: the first as a Standing Committee of Council, meeting monthly; the second as a Project Steering Committee. Although it is not Council's usual practice to establish a Standing Committee for a single project, the scale of the Cairns Cultural Precinct project and the public interest in its development suggested that a Standing Committee was the most suitable structure.

Adequate time will be available for the Committee to consider the numerous, complex issues that will emerge during the course of the project. Debate and decision making will be transparent and formal project reports will be publicly available and easily referenced over the life of the project. The Committee can make binding decisions, thus reducing the need for further detailed discussion at an Ordinary Council meeting.

The Standing Committee provides the most consistent, inclusive and transparent governance structure, demonstrating Council's commitment to a high level of public accountability.

The second option which was not preferred by Council, the “project” (or working) Steering Committee would have had no formal status under the Local Government Act. Council could elect to establish the Committee with as few or as many Councillors as it considered appropriate. Agendum and minutes were not required to be formally published and there would be no statutory requirement for regular, public reporting. As with other project committees, meetings would not generally be open to the public.

2. REPORTING AGAINST PROJECT GOALS

The planning, design and delivery of the Cairns Cultural Precinct is guided by the ten key goals and principles set out below. This allows progress to be monitored and assessed to ensure that Council’s objectives are being achieved.

Goal 1: To meet community need

Principles

- Council will determine current and future community need for the performing arts centre, museum car park, plaza and associated retail space through comprehensive research and consultation.
- Council will address the identified needs within the various policy and management frameworks of Council.
- The Cairns Cultural Precinct is to provide enduring, long term solutions to address current and future community need.

1.1 User needs analysis by Positive Solutions

Council’s Cultural Plan adopted in March 2009 identifies the delivery of a performing arts centre as one of its strategies. It also states that Council will support the State Government in establishing a regional museum. Council’s Corporate Plan adopted on 29 June 2009 commits to establishing a Regional Performing Arts Centre in a cultural precinct on the waterfront and the advocacy for the establishment of a Regional Museum.

A structured Performing Arts Centre user needs analysis was conducted through consultations with the community, arts organisations and others facilitated by the consultants Positive Solutions. The purpose of the consultation process was to explore current performance and production patterns, preferred seating capacities and stage configurations and likely levels of usage of facilities at a future Performing Arts Centre.

Positive Solutions also conducted a desktop review of previous museum studies, demand analyses and consultation with museum stakeholders and concluded that the development of a museum of significance would be justified. The findings supported Council’s position as stated in its corporate planning documents.

Preliminary business plans for both the Performing Arts Centre and Museum were prepared as part of the Cairns Cultural Precinct Concept Planning Report (2009) coordinated for Council by Project Services – a business unit of the Department of Public Works (Qld).

1.2 Indigenous need and use of the site

Indigenous use of the performing arts facilities has not yet been explored in detail. There is significant potential to develop performance and learning pathways through UMI Arts' arts hub. Discussions have commenced with the UMI Arts Board and the Aboriginal Centre for Performing Arts (ACPA). An initial meeting has been held with Tjapukai Aboriginal Cultural Park. Project staff look forward to establishing strong links and inclusive opportunities with the Indigenous communities and welcome the input of all.

The opportunity for a strong Indigenous presence in the Museum has been identified.

1.3 Educational needs and opportunities

Some preliminary consideration has been given to opportunities for partnerships with tertiary and training institutions and very early discussions held with JCU, the Aboriginal Centre for Performing Arts (ACPA), UMI Arts, DEEWR and private sector training providers.

1.4 Business community needs

The qualitative surveys conducted by Positive Solutions included reference to the business community. The main business community need is for a strong boost to the economy through the creation of jobs during the planning and construction phases and through the demand for services to support the operation of the completed facilities and the enlivening of the CBD through increased visitation and future development.

Goal 2: Highest and best use of the land

Principles

- The Cairns Cultural Precinct site is to be comprehensively masterplanned, taking into consideration its context within the CBD.
- The use of the site is to be optimised.
- Future land use and development is to reflect the value of the site.
- The built spaces are to provide long term solutions to current and future community need.

The public spaces and facilities within the Cairns Cultural Precinct are to meet the needs of the community and growing population for more than 50 years. Long term planning to achieve a sustainable outcome must consider environmental, social, economic and cultural outcomes.

2.1 Historical analysis of alternate sites

Correspondence received by Council indicates that formal discussions were held proposing the establishment of a major Museum for the Far North as far back as 40 years ago. Several major studies have been completed over the past decade, all of which present a vision and supporting evidence for the need for a place of significance where the stories of Indigenous heritage and the history of the Far North can be told. Previous site analyses and studies for a museum include the following:

- 1999 Cityport Heritage Precinct Proposal**
Cox Rayner
Explored conversion of White's Shed to a museum
- 2000 Cairns City Council Submission for funding under Millennium Arts Program**
Sought \$5m for the development of a museum at White's Shed.
- 2001 Feasibility Report, CBD Revitalisation Project, Cairns Regional Museum**
KPMG in association with Australian Museum Business Services
- 2003 Proposal to Establish a Far North Queensland Regional Museum**
Far North Queensland Museum Advisory Committee
- 2009 Cultural Precinct Concept Planning Report**
Department Public Works Project Services, Architectus and Total Project Group, Positive Solutions and Cairns Regional Council.

Since at least 1994 Council has been searching for an appropriate site for the development of a new Performing Arts Centre. The following sites have been examined by consultants engaged by Council. This list may not be exhaustive.

- 1994 Cairns Civic Theatre Extensions – A Development Plan**
Peddle Thorp Cleland Pty Ltd
This study examined options to redevelop the Civic Theatre.
- 2002 A Regional Performing Arts Centre for Cairns**
Positive Solutions
This study was a user needs analysis for a Performing Arts Centre for the next 30 years.
- 2003 Cairns Regional Performing Arts Centre – Site selection study**
Connell Wagner
This study examined the existing Civic Theatre site, Munro Martin Park, Greenslopes Street, the Pier carpark, the site of the Cairns Port Authority Building, the QR Marshalling Yards, Cairns Council Administration Building site (Spence Street).
- 2005 Cairns Regional Performing Arts Centre Regional Economic Impact report**
Cummings Economics
This report compared the “value add” and employment generated in a regional economy if the Performing Arts Centre proceeded, compared with the option of remaining with the existing Civic Theatre.
- 2006 The Cairns Cultural Hub – Phase 1 Report**
Cox Rainer
This was a Feasibility Study into the integration and collocation of a Regional Performing Arts Centre and a Regional Museum (Hartley Street site).

2009 Cairns Cultural Precinct Planning Report

Department Public Works Project Services, Architectus and Total Project Group, Positive Solutions and Cairns Regional Council
 Feasibility study, user needs analysis, concept drawings for performing arts centre, museum, plaza and carparking on site owned by Ports North under the Cityport and Seaport Masterplans.

2009 Cairns Cultural Precinct Development – Economic Impact Study

AEC Group

Examines the economic impact of the cultural and commercial activities on the Cairns Cultural Precinct site.

2.2 The Cairns Cultural Precinct site

The site is currently owned by Ports North Corporation Pty Ltd (“Ports”) and is identified as Strategic Port Land under the Ports North Land Use Plan, although Ports has clearly and publicly stated on many occasions that the site is not required nor intended for Ports’ future operational use. The Cairns Cultural Precinct comprises a site area of approximately 1.5ha which is part of a larger lot of Strategic Port Land (Part of Lot 10 on SP214821 and Lot 9 on SP113632) which encompasses Precinct 3 in the Cityport Land Use Plan and part of the Commercial & Business Planning Area in the Seaport Land Use Plan. Ports has advised that the final site configuration will be determined as part of lease negotiations at which point the specific site boundaries will be defined. The site sits back from the waterfront. Over the past two decades, nearby land, also owned by Ports and also located back from the waterfront, has been developed for commercial uses unrelated to the Ports operations.

A site plan (indicative only – subject to survey) is attached (Refer Attachment). Site masterplanning including traffic movement in and around the site is to be completed.

Ports North has confirmed on many occasions that the site is not required for Ports operations. In an open letter to the Weekend Post on 18 September 2010 the Chairman of Ports North, Dr Ken Chapman wrote:

“The area of White’s Shed and vacant land from wharf 1-6 and Wharf Street are not needed to service the shipping and have long been set aside for development under the Cityport Masterplan and the Seaport Masterplan. The cultural precinct can be built on the White’s Shed area and vacant land opposite the Convention Centre without impact on current or future uses of the wharves or growth of sea freight and is compatible with Cityport and Seaport Masterplans.”

2.3 Council’s commitment to the Cairns Cultural Precinct site**2.3.1 Council’s adopted Corporate Plan 2009-14**

“Establish a Regional Performing Arts Centre in a cultural precinct on the waterfront”

“Advocate for the establishment of a Regional Museum”

2.3.2 Council's adopted Cultural Plan 2009-14

"Plan and construct a Regional Performing Arts Centre and support the State Government in establishing a Regional Museum"

2.3.3 At Council's Ordinary Meeting of 11 December 2008 the following resolution was passed:

"BLAKE/COCHRANE

That Council

- a) agree to progress planning in respect of a cultural precinct, including a Regional Performing Arts Centre and a Regional Museum, in partnership with Cairns Ports Limited (CPL) under terms and conditions as identified in the attached Heads of Agreement between Council and the CPL; and*
- b) delegate the power to make, vary or discharge the Heads of Agreement attached to this report for ss36, 485 and 486 of the Local Government Act 1993 to the Mayor and Chief Executive Officer for s483 of the Act, noting that clause 3.3 of the Heads of Agreement requiring the feasibility and business case for a Regional Performing Arts Centre will include financial and legal review of the matters set out in clause 8.*

carried"

2.3.4 On 7 July 2010 the following Mayoral Minute was carried:

SCHIER

Councillors agree that over the next 18 months they will listen to any concerns of the general public and will comprehensively consult and work with the community to deliver the cultural facilities that the community wants and needs.

Councillors also:

- recognise that the region needs an enhanced performing arts centre, a project that has been in the making for more than a decade*
- following further advice and clarification from Ports North, believe that the waterfront site is ideal and does not impede future port development and maritime activities; and*
- welcome the State and Federal Governments' financial contribution and commitment.*

Carried: BLAKE/BONNEAU

2.4 Site transfer to Council

A site analysis for the purpose of the feasibility was undertaken for Department of Public Works (DPW) Project Services and Council by Architectus and Total Project Group in 2009. In 2010 after the feasibility was completed the State Government announced its intention to transfer the site to Council by way of a long term lease at a nominal rent.

2.5. The proposed terms of transfer

Ports North has advised that the site will, subject to Ports North Board and Ministerial approval, be leased by Ports North (Ports) to Council on a 99 year lease at a peppercorn rental. To date there have been no negotiations regarding lease conditions while Council's due diligence on the site continues. However, the terms proposed by Ports demonstrate Ports' intention to exercise a significant degree of control over the future design and site operations, both as Assessment Manager under the Ports Land Use Plan and as operator of the working port, to ensure that the port operations remain unaffected by the Cairns Cultural Precinct development.

Ports state that the lease will define a series of site requirements that will need to be complied with and signed off by Ports. These include, but are not limited to, design construction and operation, vehicle access for port activities, integration with the Cityport project, provision of transition and buffer zones to port operations at Wharves 7 and 8. Ports will develop Site Design Guidelines which will focus on buffer requirements and design interaction with Cityport and which shall inform designers of the key Ports operational requirements for the site. Compliance with these guidelines will be a lease condition. Ports propose that Council will be responsible for all site outgoings throughout the term of the lease including land tax, rates and services costs, all costs associated with the development and operation of the facilities both within the site and any adjacent works associated with the site development and all regulatory requirements relating to the development. The lease will require a timeline for the full site development to ensure that the site works are completed within an appropriate timeframe and if the development does not occur then conditions in the lease will allow Ports to terminate the lease. It is not clear at this stage whether "full site development" is to include the Museum.

In 2010 a preliminary analysis of the site within the broader CBD was undertaken as part of a CBD masterplanning process.

2.6 White's Shed

The development of the site is to include the State heritage listed building, White's Shed, which sits within part of a broader heritage listed waterfront precinct. Reports prepared for Ports in the mid 2000s detail the development issues inherent in any adaptive reuse of this building and the financial burden that would fall to a private developer.

Development of the site for a performing arts complex and car parking as Stage 1 will require heritage approval for the redevelopment of White's Shed. Redevelopment of White's Shed will be carried out in conjunction with the planning for the Museum, under the guidance of the owner/operator of the Museum and in the knowledge that funding has been committed. This will ensure that the preservation of the heritage listed elements of the building and machinery can be achieved as an integral part of the design of the new building.

Further analysis needs to be undertaken for the proposed retail, commercial or any educational use of the site. A feasibility assessment will be completed for the retail spaces to ensure floor area, location, cost of construction and rental income are optimised.

2.7 Site contamination

On 14 August 2010 Council received documentation from Ports confirming that (as with other Ports owned sites) the Cairns Cultural Precinct site is contaminated as a result of its former uses. The current extent of contamination is not known although an assessment was undertaken for Ports in 2005 which identified that contamination was present in the soil and that further evaluation should be undertaken to assess the risk of leaching to Trinity Inlet.

This pre-existing contamination is an issue which will be dealt with between Ports North and Council as part of future negotiations regarding Council's occupation of the site.

2.8 The Ports North Administration site

It has been suggested by some members of the community that the site on Grafton and Hartley streets currently occupied by Ports North for its administration facilities would provide a "better" alternative to the identified Cairns Cultural Precinct site. A report on this issue has been prepared and will be considered as a separate agenda item.

Goal 3: Design excellence and sustainability

Principles

- The Cairns Cultural Precinct is to be environmentally sustainable, demonstrating leadership by local government in the planning, design, construction and operation of public buildings.
- The venues, facilities and public spaces are to be functionally excellent, demonstrating efficient, clever and practical design that clearly responds to the brief and community needs.
- The architecture is to be innovative – making an outstanding contribution to the public realm, clearly defining the identity of the tropical far northern region.
- The Cairns Cultural Precinct is to be accessible by all sectors of the community, irrespective of ability, age or financial circumstances.

3.1 Sustainability

Council is committed to the principles of sustainability and has developed a number of internal policies to achieve quadruple bottom line outcomes. Council is also committed to reducing greenhouse gas emissions by 50% by 2020 and to be carbon neutral by 2020.

These objectives present a number of design challenges for the Precinct over and above the expectation that the building will be designed to minimise energy and water consumption and waste. A sustainability working group is to be established for the purpose of developing a design brief and targets based on Council's sustainability policies.

3.2 Functional excellence

Preliminary spatial and functional requirements were prepared by Positive Solutions as part of the site feasibility and Concept Planning Report. This information now needs to be developed in a series of specialist briefs that will support the architectural design brief including: theatre design, acoustic design, accessibility, brief for the use of the public plaza, retail brief, car parking brief. This work will also build on the additional consultation to be undertaken.

3.3 Architectural excellence

It is proposed that Council appoint an innovative and highly qualified architectural design team to prepare two or three concept options based on the architectural design brief and supporting specialist briefs. Experience in the design of performing arts facilities and public buildings over \$100m will be essential, together with a commitment to environmental sustainability, the demonstrated ability to work actively with the diverse community and to work collaboratively with a multidisciplinary client.

Through the local chapter of the Institute of Architects, Council invited local architects to workshop and articulate the characteristics and identity of the region, the unique environment, the effect of climate on the building design and other issues. Those elements may be reflected in the resulting built form. The workshop was held on 31 August 2010 and was attended by 26 local architects representing 18 architectural firms.

At that workshop many architects said they would like to engage in a Design Competition process. For a competition to be successful a detailed architectural design brief should be finalised and a sizable budget allocated for the payment for the work of each architectural firm plus subconsultants. This process can be undertaken but will possibly add several months to the program. The public consultation must be substantially completed, competition documentation, including the detailed design brief prepared, an appropriate time for Expressions of Interest (EoIs) and shortlisting allowed, exhibition time, assessment time and then negotiation of the contract for appointment. An advantage of this process is that the community may feel a greater sense of participation in the project, rather than simply assessing several options presented by one firm, even if that firm has been selected by a qualified panel as a result of a rigorous and competitive process. Disadvantages are that in the absence of a detailed and reasonably final architectural design brief and while the community needs are being firmed up through ongoing consultation, the competition outcome and the project cost will be subject to uncertainty. Secondly, it is important that the decision to pursue the final design option be based on professional advice regarding the site masterplanning, buildability, maintenance, functional and operational efficiency, cost and risk management and not simply a building that is aesthetically pleasing.

A decision on the selection process is not required at this meeting. Further planning is underway.

It is intended to invite Expressions of Interest for various consultancies before the end of 2010. A report on this issue has been prepared as a separate agenda item.

3.4 Accessibility

Approximately 23% of people in the Cairns region have self-identified as having a permanent disability, which may include physical, intellectual, sensory and psychiatric disabilities. The creation of equitable access throughout the Precinct is therefore not as simple as providing ramp access for people in wheelchairs. The Cairns Cultural Precinct can be designed to welcome and include all those in the community who have not or cannot, for whatever reason, take part in mainstream community, cultural, or recreational activities.

For many people the physical barriers to access means that entry or use of many facilities is not possible. Cultural programs may be inaccessible due to a range of specific needs, including the physical, sensory or intellectual abilities of the consumer. Ticket pricing at unaffordable levels may affect those on a limited income. Lack of public transport or inadequate signage can also make access difficult or impossible. For performers of differing abilities, appropriate design and management policies are critical to the performing arts facilities.

If Council chooses, the Cairns Cultural Precinct can be designed to exceed statutory requirements for access and can go further by aiming to be a place of genuine welcome, inclusion by providing community spaces and facilities that are truly accessible in design, programming, pricing and attitude.

Work with representatives of the disability sector has now started. A presentation has been given to the Access and Equity Advisory Committee outlining some of the ways in which access can be achieved throughout the project and identifying some of the management and operational approaches Council will need to take once the Precinct is opened. The Access and Equity Advisory Committee has expressed its willingness to be available for consultation throughout the planning and design phases. A community information session dedicated to the topic "Opportunities for people with a disability" was held on Friday 3 September 2010.

A brief for Accessible Design has been prepared and on 6 October 2010 was presented to Council's Access and Equity Advisory Committee for comment.

Goal 4: Community comment and critique

Principles

- The community will be actively and inclusively consulted at all stages of the project.
- The consultation program will be structured to ensure that there is equal opportunity for all sectors of the community to review and critique proposals and plans.
- Consultation will occur before major decisions are taken by Council, ensuring that community opinion is considered at the appropriate times.
- Council will maintain an open and transparent program of communication, through a range of media as the project develops.

4.1 Community information

A report on community consultation and a schedule of community engagement was presented to Council in early July 2010. A Communications Report has been prepared as a separate agenda item.

4.2 Appointment of a communications adviser

Following a competitive selection process, Council appointed Rowland to conduct a baseline survey for the Cairns Cultural Precinct project. The survey tested public awareness of the project and identified issues driving the community and stakeholder perceptions and attitudes.

Uncertainty about public attitudes to the Cairns Cultural Precinct is reducing Council's ability to effectively communicate and engage with the community about the project. The survey will inform future communication and stakeholder engagement activities to address the public's knowledge of the Cairns Cultural Precinct.

Rowland is a specialist communications company, based in Queensland, with almost two decades experience in strategic communication research.

Goal 5: To reflect the character of the Cairns Region and Far North Queensland

Principles

- The Cairns Cultural Precinct will be characterised by a local place-specific identity.
- The buildings and spaces are to reflect the cultural richness and cultural diversity of the region.
- The visual arts are to be integrated within the architectural design.
- The Indigenous communities, the arts and crafts communities and the Public Art Advisory Group are to be actively consulted in the development of a public art and visual arts program.

5.1 Work to date

- Consultation with the board of UMI Arts, who have expressed a keen interest in working with Council to develop a cultural statement and framework for the representation of Indigenous works and aesthetic design within the Precinct. This will be an important and valuable part of the project.
- Workshop consultation with local architects who have articulated various aspects of place making and the importance of place specific identity.

This Goal supports targets expressed in the Queensland Government Reconciliation Action Plan 2009-2012. There are opportunities to work with Traditional Owner artists and others to develop public and visual arts opportunities within the Precinct.

Goal 6: Economic growth

Principles

- To meet Council's quadruple bottom-line with regard to economic outcomes.
- To support local business by the creation of jobs, business and industry.

6.1 Support for the business community

The project is strongly supported by representatives of the business community under the auspices of Advance Cairns and the Cairns Chamber of Commerce. The Cairns Cultural Precinct has been identified as the priority infrastructure project for the region, creating as many as 1,000 jobs during the construction period.

Preliminary masterplanning of the CBD identifies potential future growth in the southern end of the city, with the Cairns Cultural Precinct as a catalyst. The Cairns Cultural Precinct will strengthen the operation of the adjoining commercial and government precincts and will link strongly to the tourist and retail precincts broadly to the north and the west.

It is expected that there will be significant economic flow on through demands for goods and services supporting the Precinct, its visitors and users. The Precinct also has the opportunity to support the Convention Centre by the provision of additional meeting space.

The Cairns Cultural Precinct will contribute to the diversification of the economy by catering to a wide range of uses from local schools to international and national touring shows. There is the opportunity to develop partnerships with educational institutions and some discussion has already occurred. JCU has indicated its willingness to respond during the course of formal consultation.

Goal 7: Sound financial management

Cost management principles

- The Cairns Cultural Precinct project is supported by a coordinated cost management process which manages not only the architectural building works but all disciplines and in particular engineering services.
- Quantity surveying is an integral part of the risk management process in identifying and defining Council's areas of potential exposure and implementing strategies to minimise end costs without sacrificing value.
- Cost estimation and cost planning techniques are to be value management driven in order to optimise the capital works budget rather than solely minimising cost.
- Cost estimation is to eliminate unnecessary costs from the project and provide the best value within the agreed budget parameters.
- The developing design will be constantly reconsidered and reviewed with the understanding that the inclusion, exclusion and alterations to the proposed design scope, together with the revision of project costs and updating of feasibility studies to current rates, is a normal part of the cost management process of any major construction project.
- Risk profiles of the proposed procurement and tendering strategy are to be prepared and reviewed in relation to prevailing market conditions and specialised Council requirements.
- The Quantity surveyor will report directly to the Project Manager in the first instance and work closely with the design consultants to provide realistic budgets in line with Council's needs.

7.1 Cost planning

As part of the 2009 feasibility study, a budget was established, further to a broad order of costs, determined by cost consultants Rider Levett Bucknall. A cost planner/quantity surveyor is to be engaged as a priority for the next stage of the project.

Council has included the estimated project costs in its 10 year forecast. As the project progresses the assumptions made initially at the feasibility stage will be continually reviewed.

Funding principles

- Assumptions regarding the sale of underutilised land and revenue streams are to be conservative and based on prevailing market conditions.
- On completion, the project funding plan is to be subject to a third-party review to critically appraise the assumptions and income projections. Other sources of income are to be supported by documented research and/or benchmarking.
- At regular intervals throughout the project the funding plan will be audited by external finance auditors will report directly to the Cairns Cultural Precinct Steering Committee.
- At regular intervals throughout the project, the funding plan is updated and/or amended to accommodate changes to scope.

7.2 Funding sources

With the development of the conceptual and schematic design phases the overall costs and individual components of the developments can be reviewed. Staging plans can start to be developed and costed. If considered necessary an audit of the funding assumptions can be undertaken. A detailed funding plan, including a cash flow based on a timeframe for development can be prepared.

Although it would appear that Council can adequately contribute a one third share of the first stage of the project, the contributions to be made by the State and Federal Governments need to be firmed up. Council's share for Stage 1 (\$60m) will be met from property reserve funds (approx \$11m), sale of the Hartley Street site and Civic Theatre site (approximately \$16m) and loan borrowings (approximately \$33 million).

The State Government has committed \$2.5 million for further business planning and requires the preparation of a business case in accordance with the State Government's Project Assurance Framework. Requests for Quotations are being issued to consultants preapproved by the State Government to undertake the work. The scope of consultancy services also includes:

- The preparation of the risk management plan.
- The preparation of the procurement strategy based on the risk profile.
- Provision of consultancy services to assist with the procurement of specialist design and advisory consultancies for the project.
- The preparation of a probity plan (probity auditing services are to be provided by others).

The Federal Government has confirmed that it will work with Council to deliver the promised \$40m.

Officers from the State and Federal Governments will be visiting Cairns on 1 December 2010 for a full project briefing.

Goal 8: To identify and manage risk

Principles

- Council will communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole.
- The external and internal context within which the project sits will be well understood and clearly defined.
- Events that could prevent delay or enhance the delivery of the project will be identified and defined.
- The range of potential risks and consequences will be analysed.
- The levels of risk are to be evaluated.
- Cost-effective, appropriate alternatives to address the risks are to be identified and assessed for endorsement by Council.
- The risk management process is to be continually monitored and reviewed.

The preparation of the risk profile and risk management plan is being undertaken as described under Goal 8 above.

Goal 9: Efficient project delivery

Principles

- Structured, transparent and accountable project management and communication.
- Adherence to the principles of probity.
- Timely and efficient delivery of project administration.

9.1 Governance

The project governance structure has been approved as set out in Item 1 in this report.

The Cairns Cultural Precinct Committee meeting dates have now been set for 2011. Meetings will be held on the third Wednesday of every month from February to November at 2:00pm in the Council Chambers. Meeting dates will be advertised in the Cairns Post and the Port Douglas and Mossman Gazette in November 2010 and January 2011. All meetings will be open to the public, with agendum and minutes posted on Council's website.

The project management structure includes a series of working groups. Some of these groups have been established while others remain to be established.

9.2 Probity

A probity plan will be developed as an integral part of the management of the project. Probity auditing will be undertaken by an unrelated party (to be appointed).

9.3 Resources

The Cairns Cultural Precinct team currently consists of two officers – the Project Manager and the Project Officer. The project office is located at 51 The Esplanade, Cairns T: (07) 4044 3358.

Goal 10: Cost effective, efficient operations and facility management

Principles

- Council will continually and update its business modelling for the operations and management of the precinct, its venues, facilities and public open space.
- The management and operation of the cultural facilities will be in accordance with Council's management plans, Cultural Policy, Access and Equity Policy and business plans.
- The Cairns Cultural Precinct project presents several formal opportunities for community ownership and participation in the development and management of the cultural facilities.

Management objectives will include the following:

- To balance community and commercial use
- To achieve certainty of income
- To achieve certainty of expenditure
- To engage skilled and experienced operators
- To manage risk
- To enhance the reputation of the Cairns Cultural Precinct
- To ensure the open spaces are the whole community, regardless of age, ability, income, gender or cultural background
- To ensure equitable access to the community to all facilities
- To maintain council's assets to a high standard.

Council will seek to optimise the use of all venues to ensure all sectors of the community are served in the best possible manner, as cost effectively as possible. Planning for routine and long term maintenance and the upgrading of the buildings and infrastructure to achieve the intended lifecycle is also an essential consideration. Provision will be made for these costs in the funding plan.

10.1 Operational planning

The need to undertake operational planning as early as possible in the design process is recognised.

Preliminary business planning for both the Performing Arts Centre and Museum was undertaken as part of the project and site feasibility in 2009. This work needs to be further developed as the building design, operations and maintenance plans are developed and again during the construction period to ensure the venues opened with planned programs and budgets, that estimates of income and expenditure remained valid and that the proposed management structure remains appropriate. During this time there will be ongoing discussions with the community, arts and business organisations as to their views, needs an interest in using the planned facilities.

The operation of the public open space has not yet been detailed, but will be addressed in the course of developing the design brief. Management of retail space will also be addressed at the appropriate time.

COMMENT:

This report provides a summary only of the work to date for the first meeting of the Cairns Cultural Precinct Committee.

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 development of training and employment opportunities for Indigenous people through the Cairns Cultural Precinct project gives effect to the policy objectives set out in the State Government's Reconciliation Action Plan and Cairns Regional Council's Indigenous Employment Strategy.

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

Financial and Risk:

No financial decisions are required from this report.

Sustainability:

This report outlines a project structure that considers and includes all elements of a quadruple bottom-line outcome.

CONSULTATION:

The Project Control Group has been consulted in the preparation of this report.

OPTIONS:

This report is submitted for information only.

CONCLUSION:

This report provides a summary only of recent work on the Cairns Cultural Precinct project. The next report will be submitted to the Committee at its first meeting of 2011 on Wednesday 16 February at 2.00pm in the Council Chambers.

ATTACHMENTS:

Cairns Cultural Precinct site plan (indicative only – subject to survey) [#2967494].

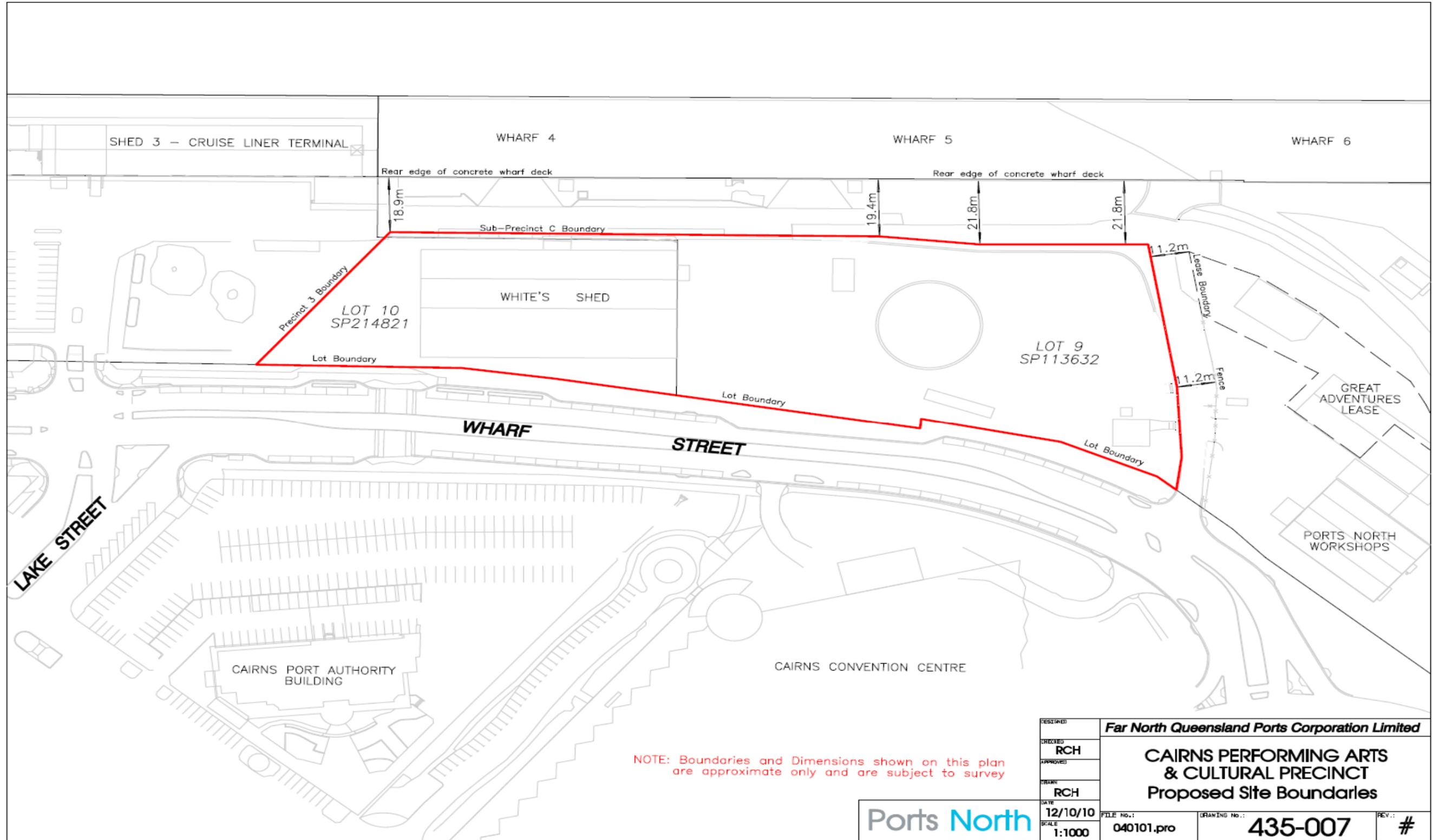
Linda Cardew

Manager Cultural Precinct Project

Lyn Russell PSM

Chief Executive Officer

Attachment: Cairns Cultural Precinct site plan (indicative only)



REGISTERED:	Far North Queensland Ports Corporation Limited						
DRAWN:	RCH	CAIRNS PERFORMING ARTS & CULTURAL PRECINCT Proposed Site Boundaries					
APPROVED:							
DATE:	12/10/10						
SCALE:	1:1000	FILE No.:	040101.pro	DRAWING No.:	435-007	REV.:	#

Ports North