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Tamworth Performing Arts Centre and Cultural Precinct Business Case

Tamworth Regional Council

October 2019



Rob Gebert Arts Consultancy

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1. INTRODUCTION

1.1 Key Proposal Details

PROPOSAL INFORMATION	
Proposal Name	Tamworth Performing Arts Centre and Cultural Precinct
Council	Tamworth Regional Council
Council ABN	52 631074450
LEAD CONTACT	
Name	Peter Ross
Position	Manager Entertainment Venues Tamworth Regional Council
Phone	02 67675200
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Address	PO Box 555, Tamworth, NSW 2340
PROPOSAL SCOPE	
<p>Cultural activities give a place a soul. They play a major part in contributing to the community in a way that feeds and strengthens spirit and social pride within a community.</p> <p>The development of the Tamworth Performing Arts Centre and Cultural Precinct is a major arts and cultural infrastructure project for the Tamworth community. It is a project that is of significance at a Regional, State and National level.</p> <p>It will create a suite of venues which will meet the social inclusion, performing arts, creative industries, conference and events needs of the Tamworth community well into the future. Its integration with the existing Tamworth Regional Gallery and Tamworth Library, and with the inclusion of other creative commercial tenants, will create a vibrant and exciting Cultural Precinct which is of national significance. It will drive visitation through cultural tourism and business events. All these factors will drive long term economic and employment benefits for Tamworth.</p> <p>This project is about Placemaking. Placemaking is the art and science of planning and making authentic, vibrant and resilient public spaces that are valued by their communities and admired by visitors. It's about contributing to our city's soul.</p>	
PROPOSAL LOCATION	
Proposal Address	468 -474 Peel Street Tamworth
Latitude and Longitude	-31.093798, 150.933727
Local Government Area	Tamworth Regional Council
NSW Electorate	Tamworth
Federal Electorate	New England
SUPPORTING INFORMATION	
Appendix 1	Economic Impact Assessment Report
Appendix 2	Design Report – Williams Ross Architects

1.2 Foreword

The development of the Tamworth Performing Arts Centre and Cultural Precinct is expected to drive a range of interrelated cultural, social, economic, civic and employment benefits for the region.

The project benefits include:

- Increased social inclusion and engagement.
- Expanded cultural and entertainment options for the community.
- Increased creative capacity supporting the development of community groups and professional artists.
- Provision of functions and conference facilities which strengthen Tamworth's position as an events hub for the New England region.
- Synergies from the integration of Tamworth Performing Arts Centre, Tamworth Regional Gallery, Tamworth Library, Tamworth Regional Conservatorium of Music and ABC New England North West into a cohesive cultural precinct.
- Economic benefits for the Tamworth Community from the construction and operation of the project.
- Increased employment.

The development of the Business Case included extensive consultation with community user groups, benchmarking against similar facilities and industry and demographic research.

The key elements of the Concept Design and the Business Case were regularly tested with the Project Control Group and with Council to ensure that optimal outcomes from the project can be achieved.

The key contributors to the development of the Business Case included:

Business Case Development	Rob Gebert Arts Consultancy
Concept Design including Architectural Concepts	Williams Ross Architects
Theatre Consultant	Setting Line Theatre Consulting
Cost Plans	Wilde and Woollard, Quantity Surveyors
Operational Cost Modelling	Rob Gebert Arts Consultancy
Cost Benefit Analysis	Economic Development, Tamworth Regional Council

2. EXECUTIVE SUMMARY

Cultural activities give a place a soul. They play a major part in contributing to the community in a way that feeds and strengthens spirit and social pride within a community.

Tamworth Regional Council is committed to providing arts and cultural facilities and programs which meet the needs of the community and enhance the liveability of Tamworth.

The community and stakeholders were consulted during the development of Council's Community Strategic Plan (Keychange 2017-2027) and the Tamworth Region Cultural Plan 2018-2023. A New Performing Arts Centre and Cultural Precinct were identified as a priority project in both these plans.

Tamworth is a growing major regional centre. The Blueprint 100 Strategic Plan will provide a local strategic plan and pathway to achieve a potential population of 100,000 residents by 2041. Key to Blueprint 100 is the growth of the City Centre driven by projects including the Performing Arts Centre and Cultural Precinct, the establishment of a major CBD campus for the University of New England and expansion of the Health Precinct.

The development of the Tamworth Performing Arts Centre and Cultural Precinct is a major arts and cultural infrastructure project for the Northern Inland Region and for the Tamworth community. It is a project that is of significance at a Regional, State and National level.

It will create a suite of venues which will meet the social inclusion, performing arts, creative industries, conference and events needs of the Tamworth community. Its integration with the existing Tamworth Regional Gallery and Tamworth Library will create a vibrant and exciting Cultural Precinct which is of national significance. It will drive visitation through cultural tourism and business events.

It will be one of the largest infrastructure projects undertaken by the Tamworth Regional Council with an estimated total project cost in 2019 dollars of \$120m. The project includes an expansion of both the Tamworth Regional Gallery and Tamworth Gallery, the construction and fit-out of the Tamworth Regional Conservatorium of Music's new leased premises, the construction of ABC New England North West's new leased premises, construction and fitout of Café and Function areas that will be leased by a contractor and the construction and fitout of the remaining building which will house the main Proscenium Theatre, Studio Theatre, Salon and other related areas for performance and public areas.

There are opportunities to secure significant funding including from the NSW State Government and the Commonwealth Government.

The Tamworth Performing Arts Centre and Cultural Precinct will drive strong economic benefits and provide increased employment in Tamworth.

The project benefits include:

- Increased social inclusion and engagement.
- Expanded cultural and entertainment options for the community.
- Increased creative capacity supporting the development of community groups and professional artists.
- Provision of functions and conference facilities which strengthen Tamworth's position as an events hub for the New England region.
- Synergies from the integration of Tamworth Performing Arts Centre, Tamworth Regional Gallery, Tamworth Library, Tamworth Regional Conservatorium of Music and ABC New England North West into a cohesive cultural precinct.
- Economic benefits for the Tamworth community from the construction and operation of the project.
- Increased employment.
- Increased cultural tourism.

The Economic Impact Assessment carried out, based on the Capital Cost Plan and the operational Financial Modelling for the project, identified significant benefits including:

- The direct addition of 288 jobs in the local Construction sector
- An estimated increase in gross regional product (GRP) in Tamworth Regional Council by \$72.38m
- An additional 11 FTE jobs directly created
- Operational savings of \$0.500m per annum for Council from the new structure
- A direct injection into Tamworth's economy of roughly \$1.6m per annum through cultural and business visitation
- A Benefit-Cost Ratio (BCR) of **1.53**

The Tamworth Performing Arts Centre and Cultural Precinct Project will include the following facilities:

- 600 seat Proscenium Theatre
- 200 seat flexible Studio Theatre
- 100 seat Salon recital room
- Subdivisible Rehearsal Room
- 200 seat subdivisible Function Room
- 30 person Meeting Room
- 180 -200 seat Amphitheatre
- Event Plaza
- Recording Studio.
- Café
- Studios for ABC New England North West
- Teaching studios and operations facilities for the Tamworth Regional Conservatorium of Music
- Back of house support and staff facilities

The Business Case incorporates a detailed Needs Analysis which incorporates:

- Demographic and economic profile analysis.
- Audience and visitor catchment analysis.
- Current performing arts venue environment in Tamworth.
- Options for addressing the constraints in the current facilities.
- Detailed needs analysis of the individual elements of the project.

The Concept Design proposes a new range of venues and support facilities to complement the existing venues that will remain in operation. Facility planning has identified that to adequately serve the components noted above requires a building in the order of 10,500-13,000m². The range in area reflects the complex, multi-venue brief and site constraints.

The concept design seeks to celebrate the identity of the new facilities to the street while connecting the public (front-of-house) areas into the Library and Art Gallery to enhance their activity and programming synergies. The building is conceived as a multi-storey “shopfront” of activities expressed through their form and visible use to people in the street.

The Concept Design stage Cost Plan A indicates a total project cost of \$128.2 million (based on an October 2022 tender and 26 month construction period). This includes numerous contingency allowances which would be investigated and confirmed during subsequent design phases.

COST CENTRE	Current Day Capital Cost Estimate	Tender Oct 2022 Capital Cost Estimate
1. Library & Art Gallery Expansion	\$2,508,000	\$2,660,000
2. Conservatorium TRCM	\$7,399,000	\$7,856,000
3. ABC Studio	\$2,308,000	\$2,460,000
4. All Other Building Area	\$108,370,000	\$115,224,000
ESTIMATED TOTAL PROJECT ex GST	\$120,585,000	\$128,200,000

Detailed Business Modelling was undertaken including:

- Options for the management model for the new facilities.
- Projected level of events and attendances for the different business streams.
- Staffing structure and resources.
- Financial modelling
- Cost Benefit Analysis for the impact of the Construction Phase and Operational Phase.

The Business Case presents a project which will have major benefits for the Tamworth community and is ready to proceed to Detailed Design and the implementation of a strategy to raise major funding.

This project is about Placemaking. Placemaking is the art and science of planning and making authentic, vibrant and resilient public spaces that are valued by their communities and admired by visitors. It's about contributing to Tamworth's soul.



3. THE CASE FOR A NEW PERFORMING ARTS CENTRE

3.1 Background

Tamworth Regional Council is committed to providing arts and cultural facilities and programs which meet the needs of the community and enhance the liveability of Tamworth.

In Keychange 2017-2027 Council recognises the importance of providing accessible, functional, multi-purpose facilities and spaces suitable for cultural, recreational, learning and information services and activities. These facilities support the promotion of the region as a great place to visit and a great place to live. They also provide the creative infrastructure that enables the development of audiences, events and programs that reflect a bold and innovative local arts culture.

In 2008, Tamworth Regional Council entered a 15 year sub-lease agreement for the Capitol Theatre and invested approximately \$1.6 million to theatrically fit out the venue for use. They committed to an annual operational budget and the programming of live performance events drawn from the national touring market. Council provided a venue for the ever growing Tamworth performing arts community to call home. Now, ten years into that lease and operation, the Capitol has proven that a live theatre is crucial to the cultural fabric of the city and region. It has delivered positive social and economic outcomes, but it has real constraints operationally and from a business growth perspective.

There is a sustainable need for a theatre that will fit the needs of this growing city and there is an opportunity to explore the future of the performing arts and the important role it can play in the social and economic growth of the city.

The community and stakeholders were consulted during the development of Council's Community Strategic Plan (Keychange 2017-2027) and the Tamworth Region Cultural Plan 2018-2023. A New Performing Arts Centre was identified as a priority project in both these plans.

Council undertook a tender process to appoint a consultant team to develop the Business Case and Functional Concept Design and Costings. This included:

- New Performing Arts Centre Business Case - a full business case which will outline the future business model of a new performing arts centre.
- New Performing Arts Centre Functional Concept Design & Costings - the functional concept design will provide a base to confirm the direction and cost of the project to all stakeholders and will be used as a tool to seek financial support for the project.

The study process and outcomes were driven by the arts management findings, which led and determined facility and functional requirements.

In developing these findings processes included:

- In depth consultation with stakeholders and theatre users.
- Analysis of current activity and usage of the Capitol and other Entertainment Venues facilities.
- Demographic and economic research.
- Benchmarking of similar facilities

The outcomes informed the development of the Needs Analysis which considered the demand, nature, size and competitive market for the different elements of the project.

Once the market and needs analysis was confirmed, this enabled the definition of the type and capacity of venues required to support those activities and the development of the Concept Design.

3.2 The Project

Project Scope

Needs Analysis has confirmed that there is sufficient demand to support the development a new range of venues and support facilities to complement the existing venues that will remain in operation, while the Capitol Theatre would be replaced with a purpose-built new theatre. The proposed components of the new Tamworth Performing Arts Centre and Cultural Precinct (TPAC) are:

- 600 seat Proscenium Theatre with full flying capability
- 200 seat variable format Studio Theatre
- 100 seat Salon recital room
- 200 person functions/banquet centre
- 30 person Meeting Room
- Rehearsal / Dance Studio to match main stage
- Recording Studio
- 150 person café
- Tamworth Regional Conservatorium of Music
- ABC Studios New England North West, Tamworth
- Expansion to the adjacent Library and Art Gallery
- All associated administration, back-of-house and support facilities need to provide a functionally effective and financial sustainable centre operation.

The ABC Studios and Tamworth Regional Conservatorium of Music are unique opportunities to add activity to the new centre, creating additional synergies in performing arts, functions, educational programs and community participation.

Facility Planning and Concept Design

Facility planning has identified that to adequately serve the components noted above requires a building in the order of 10,500-13,000m². The range in area reflects the complex, multi-venue brief and site constraints.

The concept design seeks to celebrate the identity of the new facilities to the street while connecting the public (front-of-house) areas into the Library and Art Gallery to enhance their activity and programming synergies. The building is conceived as a multi-storey “shopfront” of activities expressed through their form and visible use to people in the street.

The concept design achieves a very high level of multi-purpose use by many facilities and opportunities for at least three outdoor events areas, representing significant added value to the facility operation and amenity.

Capital Cost Estimate

The Concept Design stage Cost Plan A indicates a total project cost in the order of \$128 million (based on an October 2022 tender and 26 month construction period). This includes numerous escalation and contingency allowances which would be investigated and confirmed during subsequent design phases.

In addition, Council should make provision for a further budget for its costs associated with managing the project implementation and process.

Why do Theatres Cost So Much?¹

Cultural buildings such as theatres, art galleries and so on, are relatively expensive compared with more 'standard' building types such as offices for many reasons that cumulatively multiply project costs:

- Large, high column-free spaces and high floor-to-floor heights.
- Unusual forms, internal voids and high quality materials inside and out.
- Complex, unique frames, subject to eccentric live structural loads such as flying systems—for instance steelwork costing twice a standard office building.
- Fully complete and fitted-out facility delivered at completion with intense room layouts and extensive building services without repetition.
- Seen in-the-round requiring high quality design to all facades (no 'rear end').

3.3 Project Influences

The need for investment in the Tamworth Performing Arts Centre and Cultural Precinct is driven by the following influences:

- Addressing the strategic aims of the Tamworth Regional Council described in Keychange 2017–2027 particularly to achieve a Spirit of Community and a Prosperous Region.
- Addressing the strategic aims of the NSW State Government including the Create NSW Infrastructure Plan 2025+
- Addressing the strategic aims of the Commonwealth Government including through the programs of the Department of Infrastructure, Regional Development and Cities.
- Addressing the growth in the population of Tamworth as reflected in the Blueprint 100 Strategic Plan to achieve a potential population of 100,000 residents.
- Providing more opportunities for people to engage with arts and culture including as audience, participants and creators.
- Building the creative capacity of Tamworth.
- Addressing the deficiencies in the current cultural infrastructure including replacing poor quality facilities and filling gaps in the type of venues in Tamworth.
- Creating a vibrant Cultural Precinct which is the heart of arts and culture in Tamworth.
- Providing more opportunities for engagement with target segments of the community including ATSI, multicultural community, youth and seniors.
- Addressing the gaps in the market for mid to large scale conferences and business meetings in the Tamworth CBD.
- Providing opportunities for training and skills development in the creative industries sector.

¹ 'Why do theatres cost so much?', Gary Faulker, Partner, Gardiner & Theobald Quantity Surveyors, UK. Theatre Engineering and Architecture Conference, London, 2002.

3.4 Expected Outcomes

EXPECTED OUTCOME	HOW PROJECT WILL CONTRIBUTE TO OUTCOME	MEASURES OF SUCCESS
<p>Providing High Quality Arts and Civic Facilities.</p> <p><i>Range of specialist venues meeting the needs of performances and events.</i></p> <p><i>Enhancing the experience of audiences and participants.</i></p>	<ul style="list-style-type: none"> The project will provide a range of venues to suit different types of arts and civic events at different scales including a Proscenium Theatre, Studio Theatre, Salon recital room, Rehearsal Room, Function Room, Meeting Room, Outdoor Theatre, Event Plaza and Recording Studio. In line with changing expectations, audiences and visitors will enjoy facilities which provide a high quality and engaging end to end experience. Venues will be designed to achieve the national benchmark for performing arts centres <i>Oh You Beautiful Stage</i>. The project will contribute to the development of a Cultural Precinct of national importance integrating performing arts, visual arts, literature and broadcasting media. 	<ul style="list-style-type: none"> Positive feedback from professional and community user groups. Growth in the number and range of touring and local productions. Increase in number of attendances. Increased vibrancy and activity in the Cultural Precinct.
<p>Providing Equitable Access.</p> <p><i>Meeting user needs of all genders and people with a disability.</i></p> <p><i>Providing access across the community including ATSI.</i></p>	<ul style="list-style-type: none"> The project will be designed to provide universal accessibility for all performers, audience and visitors throughout the venues. Appropriate venues which will encourage participation in community engagement programs targeted to groups including the ATSI community, multicultural community, youth and seniors. The Concept Design incorporates a high level of visibility and permeability throughout the facility which will encourage community engagement. 	<ul style="list-style-type: none"> The facilities will be fully compliant with Building Code of Australia requirements with performance measured through the Development Approval and Building Certification processes. Increase in number of community engagement programs and attendance by target groups. Performance will be measured by visitor and participant feedback including surveys and evaluations.
<p>Improving the Liveability of the Region</p> <p><i>Supporting arts and culture programs that meet community needs.</i></p> <p><i>Building the creative capacity of the community.</i></p>	<ul style="list-style-type: none"> The project will provide enhanced facilities that support the provision of a wider range of high quality performances and events. Access to arts and culture is a key factor in the retention of population and in particular professional staff. The project will provide creative spaces which can support the development of local professional and community artists through training and the creation of new work. The development of the Cultural Precinct will increase engagement and pride in the community. 	<ul style="list-style-type: none"> Increase the number of performances and events and the number of audience and participants. Feedback from audiences and visitors on the impact of the arts and culture programs. Increase in employment for local professional artists. Feedback on the impact of the Cultural Precinct from the community.

EXPECTED OUTCOME	HOW PROJECT WILL CONTRIBUTE TO OUTCOME	MEASURES OF SUCCESS
<p>Providing Regional Economic Benefits.</p> <p><i>Contributing to the growth of the local economy.</i></p> <p><i>Strengthening the appeal of the conference market in Tamworth</i></p> <p><i>Providing employment opportunities.</i></p>	<ul style="list-style-type: none"> • New venues will drive new income streams with a growth of \$1.9m in TPAC revenue compared to current operations. • The CBA outcomes show during construction a total impact on the Tamworth economy of \$203m and 637 local jobs created. • CBA outcomes show at full operation total economic benefit of \$7.9m pa and projected new employment of 21.85 EFT roles. • The Benefit-Cost Ratio for the project is 1.53 indicating strong growth for the local economy. • The facilities have been designed to provide high quality, flexible and efficient infrastructure for the delivery of conferences and business events. This will address a gap in the market for mid to large scale conferences in the Tamworth CBD. • The project will provide creative spaces which can support the development of local professional and community artists through training and the creation of new work. • The facilities will support an expansion of programming which will strengthen cultural tourism to Tamworth. 	<ul style="list-style-type: none"> • Increase in revenue compared to Business Case. • Track CBA outcomes on operational funding. • Track CBA outcomes on capital funding. • Increase in number of conferences and revenue. • Number of direct EFT roles in construction phase. • Number of direct EFT roles in operational phase. • Increase in employment for local professional artists. • Increase in tourism visitation.

3.5 Conclusion

The evidence developed during this study into the Tamworth Performing Arts Centre and Cultural Precinct demonstrates that there is:

- A need for the proposed facilities.
- Support within the Tamworth community for the project.
- A strong alignment to the strategic priorities of the Local, State and Commonwealth Governments.
- A Concept Design approach that will provide a high quality building which will meet the needs of the Tamworth community for decades to come.
- Potential to grow arts and cultural activity in a financially sustainable way.
- Significant long term economic and employment benefits for the Tamworth community.

4. INTRODUCTION

4.1 Objectives

The main objectives of the Tamworth Performing Arts Centre and Cultural Precinct Project are the completion of a New Performing Arts Centre Business Case and Functional Concept Design and Costings.

The aim is to position Tamworth to be a leader in Business Tourism, Cultural Tourism and a regional centre for arts excellence through a world class, best practice performing arts centre and cultural precinct that operates on a business model that offers the best return to ratepayers, delivers a functional community asset, provides a robust arts ecosystem and a vibrant cultural heart.

4.2 Background

In 2008, Tamworth Regional Council entered a fifteen year sub-lease agreement for the Capitol Theatre and invested approximately \$1.6 million to theatrically fit out the venue for use. They committed to an annual operational budget and the programming of live performance events drawn from the national touring market. Council provided a venue for the ever growing Tamworth performing arts community to call home.

Now, ten years into that lease and operation, the Capitol has proved that a live theatre is crucial to the cultural fabric of the city and region. It has delivered positive social and economic outcomes, but it has real constraints operationally and from a business growth perspective.

There is a sustainable need for a theatre that will fit the needs of this growing city and the time is ripe to explore the future of the performing arts and the important role it can play in the social and economic growth of the city.

The community and stakeholders were consulted during the development of Council's Community Strategic Plan (Keychange 2017-2027) and the Tamworth Region Cultural Plan 2018-2023. A New Performing Arts Centre was identified as a priority project in both these plans.

From this consultation and strategic planning, a preferred location and scope has been identified for the potential new centre. A new dedicated performing arts centre located alongside the existing Library and Art Gallery will deliver an arts precinct that meets the needs of the Tamworth community and greater region for the next 50 years and beyond – a community asset for the future.

4.3 Methodology

Key to the project, the study process and outcomes were driven by the arts management findings, which led and determined facility and functional requirements.

In developing these findings processes included:

- In depth consultation with stakeholders and theatre users.
- Analysis of current activity and usage of the Capitol and other Entertainment Venues facilities.
- Demographic and economic research.
- Benchmarking of similar facilities

The outcomes informed the development of the Needs Analysis which considered the demand, nature, size and competitive market for the different elements of the project.

Once the market and needs analysis was confirmed, this enabled the definition of the type and capacity of venues required to support those activities. From this a spatial analysis/functional brief was developed projecting total facility requirements and building footprint, with input from the management and theatre consultants. The quantity surveyor prepared a preliminary 'greenfield' cost estimate that identified the project cost 'ballpark' to inform Council's project aspirations.

From the confirmed functional brief concept scenarios were prepared as "mud maps" of functional relationships, site layout and form/scale. Analysis of each scenario informed Council's decision on the preferred scenario. The preferred scenario was developed into a concept design sufficient to inform more detailed cost estimating and to develop facade and three dimensional imagery of a potential facility design.

Concept design informed refinement of the business case, such as the actual size of facilities achievable on the site in comparison to the desirable ideal.

Financial and business outcome modelling was undertaken to identify the level of usage, attendance, revenue and expenditure. A Risk Management Plan was developed for the project.

An economic impact analysis was undertaken which identified the economic and employment impact of the construction and operational phases and the Cost-Benefit ratio.

The final study outputs included; business case and concept design report, concept design and imagery, cost estimate, recommended technical installations scope and economic impact analysis.

5. NEEDS ANALYSIS

5.1 Introduction

The Needs Analysis forms part of the Tamworth Performing Arts Centre and Cultural Precinct Business Case and Functional Concept Design.

The aim of the project is to position Tamworth to be a leader in Business Tourism, Cultural Tourism and a regional centre for arts excellence through a world class performing arts centre and cultural precinct that operates on a business model that offers the best return to ratepayers, delivers a functional community asset, supports a robust arts ecosystem and a vibrant cultural heart.

The Needs Analysis examines the need for theatre and creative facilities for a growing city that will meet the future needs of the performing arts and the important role it can play in the social and economic growth of the city. The study includes:

- Economic Profile
- Demographic Profile
- Audience and Visitor Catchment
- Strategic Context
- Current facilities condition and constraints
- Options for addressing constraints
- Performance Needs Analysis
- Creative Spaces Needs Analysis
- Functions Needs Analysis
- Café Needs Analysis
- Key tenants Needs Analysis
- Projected patterns of usage by venue

5.2 Economic Profile

5.2.1 Overview ²

Tamworth is a vibrant and prosperous regional city. It is the second largest inland NSW city west of the Great Dividing Range. It incorporates an area of 9,653km² including the surrounding towns and villages of Nundle, Manilla, Bendemeer and Kootingal. The Tamworth region is in a strong economic position with a Gross Regional Product (GRP) estimated at \$3.26 billion, representing 0.6% of the Gross State Product. Annual GRP has shown continued growth for the past ten years.

Tamworth is a significant regional hub for New South Wales and a service centre for the New England and Northwest regions servicing a catchment of over 200,000 people.

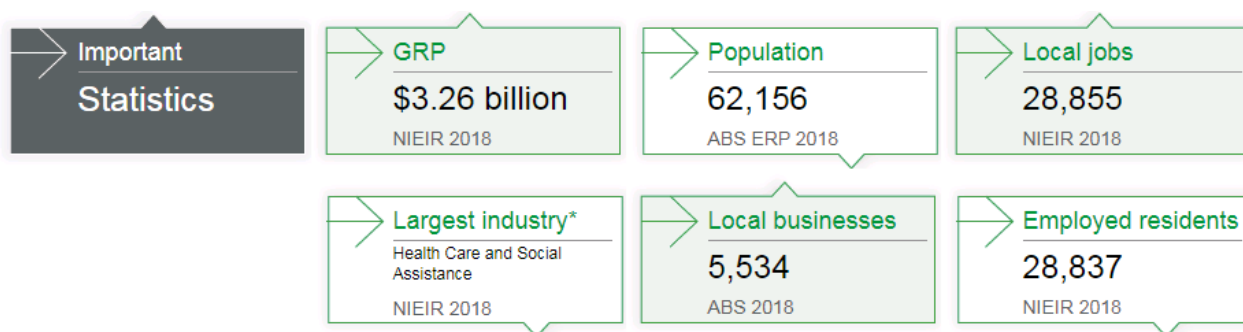
Tamworth plays host to 5,534 registered businesses, supporting 28,855 local jobs. The total number of employed residents is 28,657.³

² Based on *Tamworth Economic Profile September 2019* published by Tamworth Regional Council.

³ id.com.au Economic Profile <https://economy.id.com.au/tamworth>

Based on the latest Tamworth Region Business Index Survey (April 2018) business confidence is strong. Close to 74% of respondents confirmed they plan to further invest in their business over the next three years and with more than 50% of respondents ranking population growth as the key external factor contributing to business growth.

Tamworth has attracted a significant number of people to live, work and invest in the city. Synonymous with Country Music, Tamworth has a strong brand, strengthened by the annual Tamworth Country Music Festival.



There has been consistent growth in GRP, the number of businesses and employment demonstrating the strength of the Tamworth economy.

5.2.2 Production Growth

Tamworth Regional Council's Gross Regional Product is \$3.26 billion. There has been consistent annual growth of approximately 1.4% inflation adjusted over the past decade.

Tamworth Regional Council - Gross Regional Product



Source: National Institute of Economic and Industry Research (NIEIR) ©2018
Compiled and presented in economy.id by .id the population experts

.id the population experts

5.2.3 Key Business Sectors

The largest business sectors by GRP value added in Tamworth Regional Council include Health Care, Public Administration and Safety, Construction, Manufacturing, Retail Trade and Agriculture, Forestry and Fishing. Over the past five years there has been strong growth in the service sectors while there has been a decline in Manufacturing and in Agriculture, Forestry and Fishing.

Value Added by Industry Sector Tamworth Regional Council - Constant prices	2017 /2018	
Industry	\$m	%
Agriculture, Forestry and Fishing	185.6	6.8
Mining	20.7	0.8
Manufacturing	221.4	8.1
Electricity, Gas, Water and Waste Services	115.1	4.2
Construction	292.3	10.7
Wholesale Trade	119.7	4.4
Retail Trade	186.7	6.9
Accommodation and Food Services	94.4	3.5
Transport, Postal and Warehousing	141.6	5.2
Information Media and Telecommunications	37.8	1.4
Financial and Insurance Services	148.4	5.5
Rental, Hiring and Real Estate Services	74.3	2.7
Professional, Scientific and Technical Services	86.2	3.2
Administrative and Support Services	147.1	5.4
Public Administration and Safety	297.7	10.9
Education and Training	167.2	6.1
Health Care and Social Assistance	306.4	11.3
Arts and Recreation Services	20.6	0.8
Other Services	57.2	2.1
Total Industries	2,720.2	100.0

Source: [National Institute of Economic and Industry Research \(NIEIR\)](#) ©2018. Compiled and presented in economy.id by [.id](#), the population experts.

Data are based on a 2016-17 price base for all years. NIEIR-ID data are inflation adjusted each year to allow direct comparison, and annual data releases adjust previous years' figures to a new base year.

5.2.4 Employment

Total employment in Tamworth Regional Council is currently 28,643 with the highest levels in service industries including Health Care and Social Assistance, Retail and Education and Training.

Unemployment has declined over the past four years from above 8% to around 6% as indicated in the ABS Labour Force Survey.

Employment by Industry Tamworth Regional Council	2017/18
Industry (Click rows to view sub-categories)	Number
Agriculture, Forestry and Fishing	2,231
Mining	80
Manufacturing	2,117
Electricity, Gas, Water and Waste Services	456
Construction	2,217
Wholesale Trade	828
Retail Trade	3,364
Accommodation and Food Services	1,878
Transport, Postal and Warehousing	1,205
Information Media and Telecommunications	230
Financial and Insurance Services	538
Rental, Hiring and Real Estate Services	357
Professional, Scientific and Technical Services	1,071
Administrative and Support Services	876
Public Administration and Safety	2,210
Education and Training	2,588
Health Care and Social Assistance	4,853
Arts and Recreation Services	356
Other Services	1,188
Total Industries	28,643

Source: [National Institute of Economic and Industry Research \(NIEIR\)](#) ©2018. Compiled and presented in economy.id by [.id](#), the population experts.
NIEIR-ID data are adjusted each year, using updated employment estimates. Each release may change previous years' figures.

Tamworth Regional Council - Persons (Usual residence)	2016 Census		
Employment status	Number	%	Regional NSW %

Tamworth Regional Council - Persons (Usual residence)	2016 Census		
Employment status	Number	%	Regional NSW %
Looking for part-time work	580	2.1	2.4
Looking for full-time work	1,030	3.7	3.8
Unemployed (Unemployment rate)	1,610	5.8	6.1
Hours worked not stated	537	1.9	2.1
Employed part-time	8,939	32.4	35.0
Employed full-time	16,523	59.8	56.7
Employed	25,999	94.2	93.9
Total labour force	27,609	100.0	100.0

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016. Compiled and presented by .id, the population experts.

5.2.5 Key Investment Initiatives

Tamworth Regional Council is focused on partnerships with the NSW and Federal Governments and the private sector to develop a logistics hub for Tamworth. Two projects that will enable this growth are:

- Upgrade of Tamworth Regional Airport to an international freight airport.
- Development of the 246 hectare industrial and commerce zone.

A recent outcome has been the decision by Virgin Australia to establish its national pilot training school in Tamworth.

The University of New England is establishing a new CBD campus on the old velodrome site in Peel Street. UNE projects a growth in student enrolment to 1,400 students within five years of commencing operation. The project has secured \$26.6m in funding from the NSW Government. There is the potential for synergies in teaching in the Creative Industries between UNE and the new TPAC.

5.3 Demographic Profile

5.3.1 Projected population

Tamworth is projecting steady growth in population over the next 25 years of above 1% pa. This will see an increase in the forecast population from 61,003 to 79,468. A similar growth in households and dwellings is projected which will contribute to further growth in Tamworth.

Forecast population, households and dwellings

Tamworth Region	Forecast year					
Summary	2016	2021	2026	2031	2036	2041
Population	61,003	64,563	68,184	71,898	75,676	79,468
Change in population (5yrs)	--	3,560	3,622	3,714	3,778	3,792
Average annual change	--	1.14%	1.10%	1.07%	1.03%	0.98%
Households	24,732	26,441	28,085	29,726	31,376	33,004
Average household size	2.42	2.40	2.38	2.37	2.36	2.36
Population in non private dwellings	1,196	1,230	1,330	1,430	1,530	1,630
Dwellings	26,345	28,122	29,838	31,550	33,268	34,938
Dwelling occupancy rate	93.88	94.02	94.12	94.22	94.31	94.34

Population and household forecasts, 2016 to 2041, prepared by id., the population experts, December 2017.

The NSW Government as part of its Evocities policy has indicated an ambition to substantially increase the population of five major regional cities over the next 40 years including a projected population of 100,000 for Tamworth. This projected growth has not yet been adopted by the ABS or by forecast organisations such as id.

Forecast age structure - 5 year age groups

Tamworth Region - Total persons	2016		2026		2041		Change between 2016 and 2041
Age group (years)	Number	%	Number	%	Number	%	Number
0 to 4	4,205	6.9	4,735	6.9	5,378	6.8	+1,173
5 to 9	4,337	7.1	4,862	7.1	5,530	7.0	+1,193
10 to 14	4,200	6.9	4,575	6.7	5,323	6.7	+1,123
15 to 19	3,886	6.4	4,088	6.0	4,729	6.0	+843
20 to 24	3,464	5.7	3,691	5.4	4,184	5.3	+720
25 to 29	3,888	6.4	3,747	5.5	4,188	5.3	+300
30 to 34	3,738	6.1	3,955	5.8	4,453	5.6	+715
35 to 39	3,375	5.5	4,275	6.3	4,766	6.0	+1,390

Forecast age structure - 5 year age groups

Tamworth Region - Total persons	2016		2026		2041		Change between 2016 and 2041
Age group (years)	Number	%	Number	%	Number	%	Number
40 to 44	3,681	6.0	4,133	6.1	4,743	6.0	+1,062
45 to 49	3,806	6.2	3,866	5.7	4,702	5.9	+896
50 to 54	3,839	6.3	3,931	5.8	4,580	5.8	+741
55 to 59	3,950	6.5	3,970	5.8	4,488	5.6	+538
60 to 64	3,674	6.0	3,967	5.8	4,298	5.4	+624
65 to 69	3,355	5.5	3,859	5.7	4,228	5.3	+873
70 to 74	2,675	4.4	3,441	5.0	4,037	5.1	+1,362
75 to 79	2,096	3.4	2,966	4.4	3,743	4.7	+1,647
80 to 84	1,381	2.3	2,123	3.1	3,067	3.9	+1,686
85 and over	1,452	2.4	1,999	2.9	3,033	3.8	+1,581
Total persons	61,003	100.0	68,184	100.0	79,468	100.0	+18,465

Population and household forecasts, 2016 to 2041, prepared by [.id](#), the population experts, December 2017.

The forecast age structure projects a continuation of the pattern experienced in many regional areas of Australia. A similar proportion of the population aged under 19 will be sustained with the growth in numbers in line with the growth in the total population. There is an increase in the drop off of population between 20 and 34 as young people move away from Tamworth during their tertiary education and training and establishment in employment. The provision of tertiary education options in Tamworth, especially a university, and an increase in the liveability and vitality of Tamworth may ameliorate this trend. There is a strong projected growth in the population above 70 with the increase in average age and older people moving to retire in Tamworth.

5.3.2 Ancestry

Tamworth has a high proportion of the population recognising their ancestry as Australian or British / Irish⁴ with a significantly higher proportion than Australia as a whole.

⁴ ABS 2016 Census Quickstats Tamworth Regional Council

Ancestry, top responses	Tamworth Regional (A)	%	New South Wales	%	Australia	%
Australian	28,751	35.9	2,261,062	22.9	7,298,243	23.3
English	24,110	30.1	2,302,481	23.3	7,852,224	25.0
Irish	6,899	8.6	741,671	7.5	2,388,058	7.6
Scottish	5,928	7.4	587,052	5.9	2,023,470	6.4
German	2,585	3.2	236,146	2.4	982,226	3.1

The Country of Birth reflects an extremely high proportion of the population born in Australia compared to NSW or Australia. The other top responses for other countries of birth are all substantially lower compared to NSW or Australia.

Country of birth	Tamworth Regional (A)	%	New South Wales	%	Australia	%
Australia	50,479	84.6	4,899,090	65.5	15,614,835	66.7
<i>Other top responses</i>						
England	788	1.3	226,564	3.0	907,570	3.9
Philippines	421	0.7	86,749	1.2	232,386	1.0
New Zealand	418	0.7	117,136	1.6	518,466	2.2
India	234	0.4	143,459	1.9	455,389	1.9
Korea, Republic of (South)	175	0.3	51,816	0.7	98,776	0.4

These measures indicate a lower level of cultural diversity than found in capital cities or in some regional cities.

However, Tamworth has a high proportion of the population identifying as Aboriginal or Torres Strait Islander people with more than three times the NSW and national average.

People	Tamworth Regional (A)	%	New South Wales	%	Australia	%
<i>Persons count based on place of usual residence on Census night</i>						
Aboriginal and/or Torres Strait Islander people	6,031	10.1	216,176	2.9	649,171	2.8

There is some anecdotal evidence that this proportion of the population is understated due to the mobility of the Aboriginal and Torres Strait Islander community around the Northern region.

This project will create increased opportunities for engagement with first nations people and potential for building creative capacity between new shared programs with the TPAC, Gomeroi Dance Company and the Youthie, Council's Regional Youth Centre.

5.3.3 Individual Income

The level of individual gross income shown below indicates that Tamworth has a higher proportion of low income earners (between \$500 and \$1500 per week) than overall for Regional NSW. There is a lower proportion of very low (under \$500 per week) and high (over \$1500 per week) income earners.

Summary weekly individual income

2016

Weekly Gross Income	% Tamworth	% Regional NSW
Under \$500	37.1	39.9
Between \$500 and \$1500	41.2	37.6
Over \$1500	11.2	12.2

This data indicates a need to consider price barriers to participation in the determination of the programming mix and pricing for the new development.

The detailed data is shown in the table below.

Weekly individual income

Tamworth Regional Council - Persons aged 15+
(Usual residence)

2016

Weekly gross income	Number	%	Regional NSW %
Negative Income/ Nil income	3,088	6.5	7.1
\$1 - \$149	1,798	3.8	4.0
\$150 - \$299	3,305	7.0	7.7
\$300 - \$399	4,804	10.1	10.8

Weekly individual income

Tamworth Regional Council - Persons aged 15+
(Usual residence)

2016

Weekly gross income	Number	%	Regional NSW %
\$400 - \$499	4,626	9.7	10.3
\$500 - \$649	4,095	8.6	8.7
\$650 - \$799	4,397	9.2	8.3
\$800 - \$999	4,714	9.9	8.2
\$1,000 - \$1,249	4,102	8.6	7.6
\$1,250 - \$1,499	2,316	4.9	4.8
\$1,500 - \$1,749	1,795	3.8	3.9
\$1,750 - \$1,999	1,267	2.7	2.8
\$2,000 - \$2,999	1,572	3.3	3.7
\$3,000 or more	654	1.4	1.8
Not stated	5,020	10.6	10.2
Total persons aged 15+	47,553	100.0	100.0

Source: Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled and presented in profile.id by .id, the population experts.

5.3.4 Factors in Population Growth

The primary housing market role that the Tamworth Region has played during the post-war period was to attract families from the surrounding rural areas as well as overseas and lose young adults to larger centres such as Newcastle and into South East Queensland. The importance of the Tamworth Region as a destination for families is expected to continue into the future. As a result of this there is significant pressure for residential expansion within the Tamworth Region from both existing residents and from people moving to the area.

It is assumed that this pattern will continue drive residential development on the outskirts of Tamworth, largely in the Hills Plain area to the North (Moore Creek & North Tamworth) as well as Calala and Hillvue to the South. The appeal of the area is a reflection of the climate, the significant amount of residential housing opportunities and employment prospects. Local demand is relatively strong as Tamworth has reached a size where it is creating significant numbers of new households as children leave the family home and seek new dwellings.

There is also a trend towards internal migration to Tamworth from the surrounding region, where population growth in surrounding LGAs averages zero. Factors include a trend for people from the older age groups to move to Tamworth in retirement.

5.4 Audience and Visitor Catchment

Audiences for the Capitol Theatre are currently drawn to Tamworth from across the wider New England and Northwest region. Analysis of the source of ticket buyers by postcode for a number of recent productions was undertaken. The Immediate Catchment includes all adjoining LGAs. MidCoast Council has two major performing arts facilities in the Glass House Port Macquarie and the Taree Arts and Entertainment Centre. As a result, audiences drawn from MidCoast are the lowest for any of the adjoining LGAs.

LGA	Event								
	Annie	Menopause The Musical	Cline, Parton & Jones	Elvis An America Trilogy	Celtic Illusion	Madam Butterfly OA	Josephine Wants To Dance	Headlines Ballet Stars	Average
<i>Local</i>									
Tamworth	73.1%	84.3%	13.7%	75.3%	68.2%	86.1%	70.9%	94.7%	70.8%
<i>Immediate Catchment - Adjoining LGAs</i>									
Gwydir				1.3%	0.5%			1.5%	0.4%
Uralla	0.5%			1.0%	2.0%	0.5%			0.5%
Armidale	5.5%	2.1%		6.8%	4.2%	1.3%			2.5%
Narrabri	2.3%	0.5%		1.3%	1.5%	0.5%	9.5%	0.8%	2.1%
Gunnedah	5.2%	3.6%		3.7%	9.0%	8.4%			3.7%
Liverpool Plains	5.7%				0.7%		5.0%		1.4%
Upper Hunter	1.0%						14.7%		2.0%
Walcha		5.4%		1.6%	2.0%				1.1%
MidCoast			1.3%						0.2%
<i>Total Immediate Catchment</i>	20.4%	11.6%	1.3%	15.7%	19.9%	10.8%	29.1%	2.3%	13.9%

	Event								
LGA	Annie	Menopa- use The Musical	Cline, Parton & Jones	Elvis An America Trilogy	Celtic Illusion	Madam Butterfly OA	Josephine Wants To Dance	Headlines Ballet Stars	Average
<i>Wider Catchment - Northern NSW</i>									
Glen Innes Severn	1.0%	0.5%		2.4%	0.7%				0.6%
Inverell	1.3%			1.0%	3.5%	0.5%			0.8%
Moree Plains	2.3%			0.5%	2.0%			0.8%	0.7%
Coonamble									0.0%
Gilgandra									0.0%
Western Plains									0.0%
Mid Western									0.0%
Muswellbrook		0.5%							0.1%
Upper Hunter		0.5%		1.3%	2.0%				0.5%
Singleton			1.0%		0.5%				0.2%
Cessnock				0.5%	0.5%				0.1%
Maitland			1.5%						0.2%
Newcastle			1.3%						0.2%
Port Stephens			0.5%	0.5%					0.1%
Lake Macquarie			1.0%						0.1%
Hastings			1.0%	0.5%		1.1%			0.3%
Coffs Harbour				0.8%					0.1%
<i>Total Wider Catchment</i>	4.7%	1.5%	6.3%	7.6%	9.2%	1.6%	0.0%	0.8%	4.0%
<i>Other Regional NSW</i>	0.8%	1.5%	6.8%	0.5%	2.2%	0.0%	0.0%	0.0%	1.5%
<i>Sydney</i>	1.0%	0.0%	6.8%	0.8%	0.5%	0.8%	0.0%	1.8%	1.5%
<i>Interstate</i>	0.0%	1.0%	64.6%	0.0%	0.0%	0.8%	0.0%	0.5%	8.4%
<i>International</i>	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is a significant difference in audience catchment for Tamworth Country Music Festival events with a high proportion of audience drawn from outside the Tamworth region, particularly from Sydney and interstate. Most other productions attracted the majority of ticket buyers from Tamworth with between 68% and 90% and an average of 79%. An average of 16% of ticket buyers were from the adjoining LGAs.

Total population of the immediate catchment is approaching 250k.

LGA	2017 Popn
Local	
Tamworth	61,571
Immediate Catchment - Adjoining LGAs	
Gwydir	5,258
Uralla	6,048
Armidale	30,594

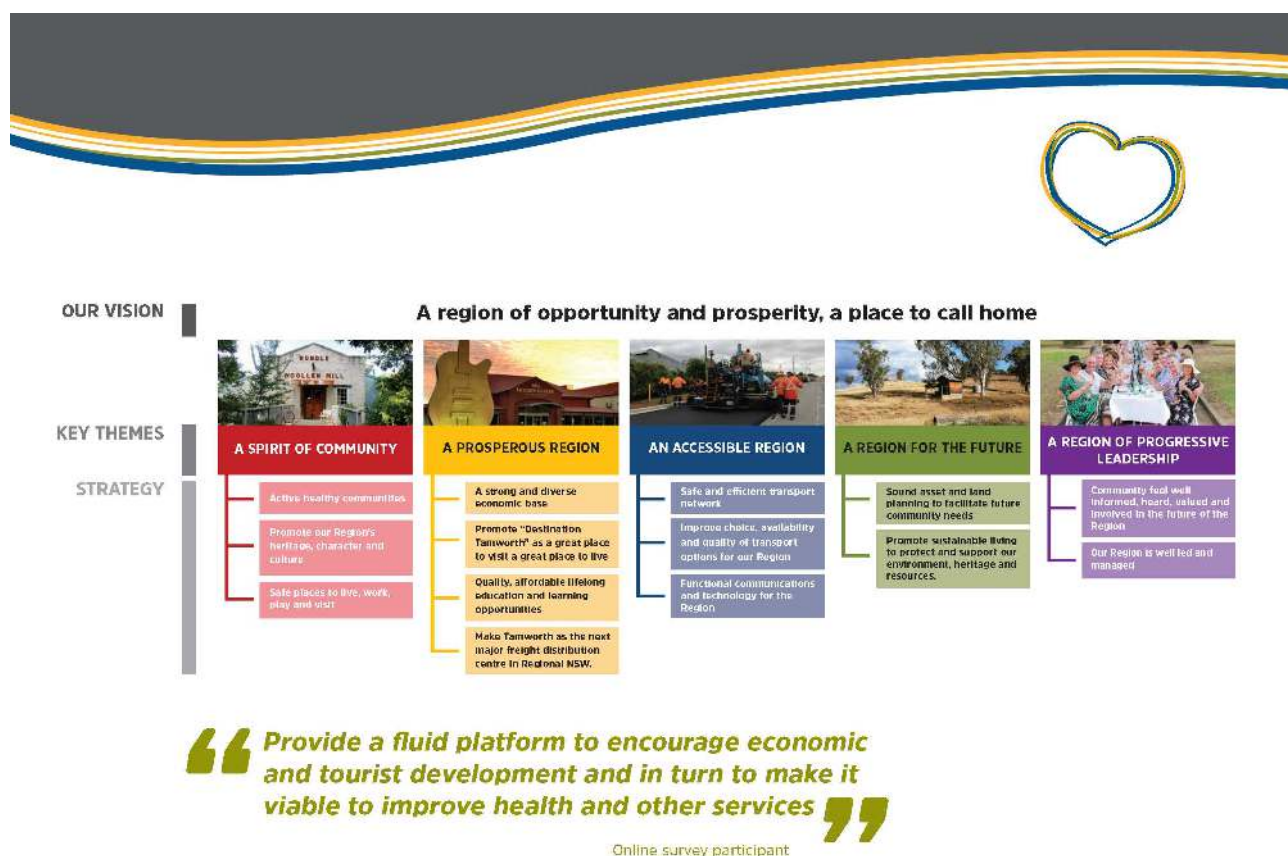
Narrabri	13,080
Gunnedah	12,579
Liverpool Plains	7,687
Upper Hunter	14,265
Walcha	3,092
Total Smaller Shires	92,603
Total Immediate Catchment	154,174
MidCoast	92,462
Total Regional Catchment	246,636

As noted above, smaller audiences are drawn from MidCoast due to their existing PACs. For the purposes of the Needs Analysis and the estimate of potential audience, it is assumed that the Total Immediate Catchment is 154,174.

5.5 Strategic Context

5.5.1 Local Government

Tamworth Regional Council key strategic planning document is Keychange 2017–2027. The Vision and Key Themes are contained in the extract below.



Objectives and strategies relevant to the Tamworth Performing Arts Centre project include:

	Objective / Strategies	Measures of Success	Relevance to Project
	A Spirit of Community		
C2	Promote our region's heritage, character and culture		
C2.2	Provide accessible, functional, multi-purpose facilities and spaces suitable for cultural, recreational, learning and information services and activities.	<ul style="list-style-type: none"> • Utilisation rates of facilities • Community satisfaction rates • Implementation of Disability Action Plan • Number of additional services/facilities provided • Build a performing arts centre within a cultural precinct • Deliver online booking system 	<ul style="list-style-type: none"> • Provide accessible, functional, multi-purpose facilities for cultural and learning activities. • Build a performing arts centre within a cultural precinct. • Achieve high utilisation and community satisfaction rates.
	A Prosperous Region		
P2	Promote region as a great place to visit, a great place to live.		
P2.1	Market the Tamworth Region as a destination for living, working and leisure.	<ul style="list-style-type: none"> • Promote employment opportunities in the region utilising Evocities. • Pursue affordable housing opportunities in the region. • Increased visitation numbers. • Increased digital engagement. • The provision of Visitor Information Centres • Growth and expansion of the events calendar and tourism products • Development of the Destination Tamworth brand 	<ul style="list-style-type: none"> • Contribute to Tamworth as a destination for living, working and leisure. • Increase visitation numbers. • Growth and expansion of the events calendar. • Contribute to the attraction and retention of employees through the provision of performing arts services.
P3	Quality, affordable lifelong education and learning opportunities		
P3.1	Provide quality and choice in education and vocation pathways including university options	<ul style="list-style-type: none"> • Council will support and advocate for a university campus in the region. • Delivery of face-to-face tertiary courses. 	<ul style="list-style-type: none"> • Provide facilities relevant to the future needs of a university campus. • Contribute to the viability of creative industries training.

The Cultural Plan 2018 -2023 outlines Tamworth Regional Council's arts and cultural priorities.

Goals and actions relevant to the Tamworth Performing Arts Centre and Cultural Precinct project include:

	Goal / Action	Outcome	Relevance to Project
1	Connect and foster a “creative region” ecosystem.		
1.1	Foster a whole-of-Council approach to cultural development in our region.	<ul style="list-style-type: none"> • Sense of positive future for community inspired. 	<ul style="list-style-type: none"> • Opportunities for greater cultural engagement and development as part of the cultural precinct.
1.2	Foster partnerships with regional, state and national level arts and cultural organisations.	<ul style="list-style-type: none"> • Local economy supported. 	<ul style="list-style-type: none"> • Provide facilities and resources to attract projects from regional, state and national level arts and cultural organisations.
1.7	Seek out partnerships with tertiary education providers to expand the range of educational opportunities in the region.	<ul style="list-style-type: none"> • Employment enhancing skill development facilitated. 	<ul style="list-style-type: none"> • Provide facilities relevant to the future needs of a university campus. • Provide facilities for the Con to provide enhanced musical training. • Contribute to the viability of creative industries training.
1.10	Commission new work that advances the arts and provides opportunities for innovation and creativity to flourish.	<ul style="list-style-type: none"> • Creativity stimulated (Stimulation). • Local economy supported. 	<ul style="list-style-type: none"> • Provide facilities and resources to support the commissioning of new work.
1.11	Provide support for artists and creative industries.	<ul style="list-style-type: none"> • Local economy supported 	<ul style="list-style-type: none"> • Provide facilities and resources to support artists and the creative industries. the commissioning of new work. • Increase opportunities for local artists to develop and present work in appropriate facilities.
3	Develop audiences, events and programs to reflect a bold and innovative local arts culture.		
3.1	Provide meaningful experiences that will grow the arts community.	<ul style="list-style-type: none"> • Aesthetic enrichment experienced (Enrichment). 	<ul style="list-style-type: none"> • Facilities will enable the provision of a more diverse and higher quality program in more appropriate facilities.
3.2	Grow audiences and awareness of cultural offerings in partnership with	<ul style="list-style-type: none"> • Grow audiences and awareness of cultural offerings in partnership with Destination Tamworth and 	<ul style="list-style-type: none"> • Contribute to Tamworth as a destination for living, working and leisure.

	Goal / Action	Outcome	Relevance to Project
	Destination Tamworth and Visitor Information Centres.	Visitor Information Centres.	<ul style="list-style-type: none"> • Increase visitation numbers. • Growth and expansion of the events calendar.
3.3	Grow Tamworth Region's Country Music Culture.	<ul style="list-style-type: none"> • Creativity Stimulated (Creativity) • Local Economy supported • Direct employment provided • Individual economic benefit obtained 	<ul style="list-style-type: none"> • New facilities will create a hub for the Country Music Festival enabling more events and increasing visitation numbers. • Larger capacity will increase viability of touring by high profile artists. • Increase in turnover will drive increased direct employment and individual economic benefit.
3.4	Build on Tamworth's strength in music to develop a culture of music diversity, music education and music business opportunities.	<ul style="list-style-type: none"> • Aesthetic enrichment experienced (Enrichment). • Local economy supported. • Direct employment provided. • Individual economic benefit obtained. 	<ul style="list-style-type: none"> • New facilities will provide a range of performance venues to suit a diverse range of scale and type of music events. • Provide facilities for the Con to provide enhanced musical training. • Provide facilities including rehearsal rooms and recording studio to support training and business opportunities for local musicians with particular benefit for emerging musicians. • Increase performance opportunities and employment for local musicians.
3.12	Encourage and facilitate the use of venues and public spaces for creative activities including ephemeral art and pop-up culture	<ul style="list-style-type: none"> • Sense of safety and security 	<ul style="list-style-type: none"> • Facility provides options for public and creative spaces for programming.
5	Provide sustainable and engaging infrastructure, spaces and places.		
5.1	Develop an arts and learning precinct that includes a performing arts centre and shared	<ul style="list-style-type: none"> • Creativity stimulated (Stimulation). • Positive sense of place in the local built and natural 	<ul style="list-style-type: none"> • Concept design and business case developed during 18/19.

	Goal / Action	Outcome	Relevance to Project
	cultural facilities to maximize synergy and incubate creative initiative	environment engendered.	
5.2	Progress a new performing arts centre suitable for an audience of 600, with rehearsals spaces, commercial outlets, education space, recording facilities, café and open air spaces	<ul style="list-style-type: none"> • Positive sense of place in the local built and natural environment engendered. 	<ul style="list-style-type: none"> • Concept design and business case developed during 18/19.

5.5.2 NSW State Government

The project relates to a number of strategic priorities for the NSW Government.

NSW Premier's 12 Priorities – Key priorities identified by the Government and reported on regularly including:

- Creating Jobs. Initiatives to support job creation.
- Delivering Infrastructure. Funds to enable essential infrastructure, support arts and culture.

NSW State Infrastructure Strategy –

Sets out the Government's priorities for the next 20 years. In particular, the Regional Development Framework is relevant. This plan is focused on providing quality services and infrastructure in regional NSW, aligning efforts to support growing regional centres. Program 2 is focused on aligning effort to support growing regional centres. Program 3 is focused on identifying and activating economic potential.

Create NSW Infrastructure Plan 2025+

The new Create NSW Infrastructure Plan 2025+ was launched in February 2019. Strategic Priorities comprise:

1. Cultural infrastructure supports strong communities and economies in New South Wales.
2. Access to space for community participation in culture.
3. Cultural infrastructure for a collaborative and thriving cultural sector.
4. Creating impact through partnerships and capacity building.

Goals relating to the Strategic Priorities include:

- 1.1 Integrate cultural infrastructure planning with land use and precinct planning.
- 1.2 Improve cultural infrastructure and precinct design to create better cultural spaces.
- 1.3 Understand and maximise social and economic benefits of cultural infrastructure.
- 2.4 Increase access to cultural infrastructure for all people of New South Wales.
- 2.5 Use digital technology to expand reach and meet community demands.
- 2.6 Cultural infrastructure supports the economic and social participation of Aboriginal people.
- 3.7 Increase making space through adaptive re-use, expansion and maintenance of existing infrastructure.
- 3.8 Invest in new, fit-for-purpose infrastructure for the cultural sector.
- 3.9 Support and invest in sustainable cultural infrastructure.

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- 4.10 Embed cultural infrastructure within other NSW Government portfolios.
- 4.11 Build capacity for planning, funding and delivery of cultural infrastructure.
- 4.12 Reduce barriers to private delivery and funding for cultural infrastructure.

There are two geographic priorities:

- 1. Greater Sydney is recognised as a leading cultural destination of the Asia-Pacific.
- 2. Cultural infrastructure leverages diversity and unique cultural identities across New South Wales.

Goals relating to geographic priority 2 include:

- 2.16 Support regional economic and social development.

Key to the second geographic priority is the recognition that there are significant opportunities for cultural infrastructure to support the NSW Government's commitment for regional economic and social development by creating jobs, attracting visitors and making our regional cities more liveable.

The Tamworth Performing Arts Centre and Cultural Precinct project aligns against the majority of the Strategic Priorities and Goals.

NSW Cultural Infrastructure Action Plan – is aligned to the NSW State Infrastructure Strategy. A key funding program is the NSW Regional Cultural Fund which has been established by the NSW Government to support the development of cultural infrastructure in regional NSW that enables bold, exciting and diverse arts and cultural activities.

The NSW Government recognises the social, cultural and economic value of the arts in regional NSW. A thriving arts and cultural sector provides a focus for communities and offers opportunities for learning and self-development. Participation in the arts promotes personal and collective wellbeing, as well as contributing strongly to an innovative and robust local economy.

Investment in arts and cultural facilities in regional NSW drives dynamic country towns and regional centres, with facilities and programs attracting visitors and giving regional artists more opportunities. Cultural infrastructure also plays a role in supporting regional economic development and improving the lives of people living in regional environments. It ensures regional communities across NSW remain attractive and vibrant places for people to live. Decisions will be made based on evidence demonstrating that projects have a positive economic and social impact for regional NSW

The Regional Cultural Fund aims to strengthen regional arts, screen, culture and heritage, and revitalise local communities through strategic investment to:

- Provide a distinctive cultural experience.
- Enhance cultural vitality.
- Promote increased participation in creative and cultural activities.
- Ensure design excellence.

There are four key objectives of the Regional Cultural Fund:

- Regional NSW's cultural offering is improved and its rich diversity is supported and encouraged.
- Bold and exciting new and upgraded cultural infrastructure is supported across NSW.
- Projects representing value for money and strong ongoing viability are supported.
- Regional communities have access to cultural experiences that result in recreational and educational benefits.

Blueprint 100

The NSW Government has identified a priority to support the growth of major regional cities including Tamworth to achieve population growth to up to 100,000 residents by 2041.

In response to this priority Tamworth Regional Council is developing a Blueprint 100 Strategic Plan to provide a local strategic plan and pathway to achieve a potential population of 100,000 residents. Blueprint 100 includes strategies to achieve:

- Sustainable population and employment growth.
- Increased population growth of approximately 2%pa.
- Provision of sufficient housing stock.
- Economic Development strategy.

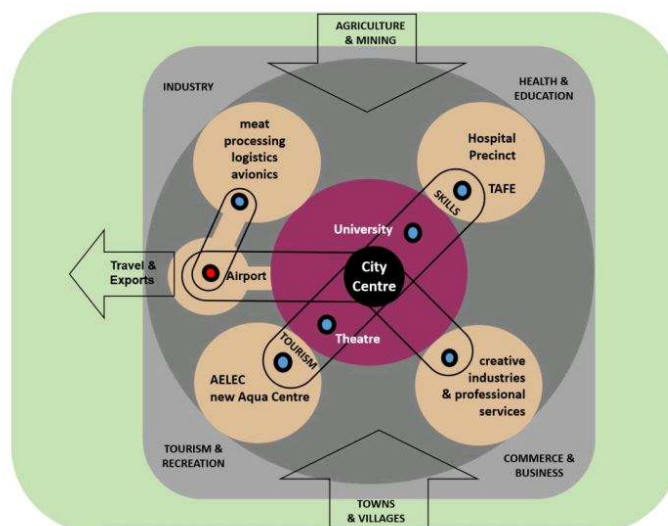


Figure 19: The connections between employment activities...

The Blueprint 100 Strategic Plan is currently under development and is scheduled to be endorsed for exhibition by Council in December 2019. Consultation will be in February/March 2020.



Figure 16: View of a future city centre, key elements are (A) the existing upgraded Peel Street, (B) an extended upgrade of Peel Street, (C) the new theatre, (D) a future university precinct, (E) new apartments along Kable Street opposite the Bicentennial Park (F).

The Tamworth Performing Arts Centre project is strongly aligned to Blueprint 100:

- It is a key element of the envisaged future city centre.
- Enhancing the liveability of Tamworth through the provision of high quality arts and culture facilities.
- Increasing employment in Tamworth.
- Supporting the growth of creative industries as part of a diverse economic development strategy.
- Building cultural tourism from the region and beyond through the provision of high quality arts experiences.

5.5.3 Federal Government

DIRDC

The Department of Infrastructure, Regional Development and Cities is responsible for the design and implementation of the Australian Government's infrastructure, transport, regional development, cities and territories policies, programs, and regulations. A key objective is supporting regional development, local communities and cities - Delivering jobs and economic growth for regional Australia and improving standards of living through influencing policy, investing in infrastructure and building community capability. This objective is demonstrated through Outcome 3 – Strengthening the sustainability, capacity and diversity of our cities and regional economies including through facilitating local partnerships between all levels of government and local communities; through reforms that stimulate economic growth; and providing grants and financial assistance.

A major funding program is the Building Better Regions Fund (the program) runs over 5 years from 2017-18 to 2021-22. The objectives of the program are to:

- Drive economic growth
- Build stronger regional communities into the future.

The intended outcomes of the program are to:

- Create jobs
- Have a positive impact on economic activity, including Indigenous economic participation through employment and supplier-use outcomes
- Enhance community facilities
- Enhance leadership capacity
- Encourage community cohesion and sense of identity

The Infrastructure Projects Stream supports projects that involve construction of new infrastructure, or the upgrade or extension of existing infrastructure.

The Third Round of the program will open for applications on September 27 and close on November 15 2019 with \$200m in funding available.

Australia Council Strategic Plan - The arts enrich daily life for all.

- Abundance: Infuse everyday life with arts and culture.
- Inclusion: Ensure more Australians have access to and engage with the arts.
- New Generation: Strengthen artistic experiences by, with and for children and young people.

An extensive range of funding programs are offered by the Australia Council for cultural initiatives but not for infrastructure projects. An expansion of creative development and programming for young people with the development of the new facilities may present opportunities for project funding from the Australia Council.

5.6 Current Environment

5.6.1 Capitol Theatre

5.6.1.1 Current Usage

The Capitol Theatre was established following the sublease of the major cinema space from Box Office Promotions Pty Ltd in November 2008 for 15 years. The sublease is due to expire on 12 November 2023. Council undertook the theatrical fit out of the space.

Council has the right to utilise the Capitol Theatre throughout the year other than school holiday periods when usage of the Capitol Theatre reverts to the cinema operators. The school holiday periods total 85 days per annum or 23% of the year.

The Capitol is used by:

- Community hirers
- Commercial hirers
- Government and NFP organisations
- Council
- Entertainment Venues (self presented events)

The predominate event usage is for performing arts events including:

- Music
- Music Theatre
- Opera
- Drama
- Dance
- Comedy
- Concerts / Variety

There is limited usage for other types of events due to the lack of function and break out spaces in the facility. Events include:

- Large scale meetings
- Seminars

The Capitol is a key venue for the Tamworth Country Music Festival hosting multiple events each day.

Utilisation has been running at a consistently high level over recent years.

Summary of Venue Usage by Calendar Year

5/3/19

	2016	2017	2018	Average
Number of Days	366	365	365	365.3
Not Available Contractually	85	85	84	84.7
Number of Days Available	281	280	281	280.7
Bump In Days	108	115	110	111.0
Event Days	85	101	94	93.3
Total Days Used	193	216	204	204.3
Dark Days	88	64	78	76.7
Venue Utilisation - % of Days Available	68.7%	77.1%	72.6%	72.8%
Total Events / Performances	106	125	123	118.0
Total Attendance	26,592	26,692	26,319	26,534
Average Attendance	250.9	213.5	214.0	224.9
Attendance - % of 402 seats	64.2%	58.4%	57.7%	57.7%
Council Presented Days	17	29	28	24.7
Commercial Hire Days	29	28	29	28.7
Community Hire Days	105	112	98	105.0
Total Days Hired	151	169	155	158.3

The Venue Utilisation rate is high compared to other performing arts centres around regional Australia. The Performing Arts Connections Australia 2017 Economic Activity Report⁵ indicated that the average utilisation rate for all performance spaces was 58% in 2017. In NSW the average rate was lower at 52%.

The high number of days not available due to the current contractual conditions limits the capacity of the Capitol Theatre across school holiday periods, which can be a period of high demand for children and family oriented productions.

Average attendance is relatively high with an average of 225 seats and 58% of total capacity. Attendance is depressed by the staging of smaller scale productions which attract lower attendances of under 150 seats. Many of these productions could be relocated to a smaller studio theatre.

5.6.1.2 Constraints

There are many constraints in the current Capitol Theatre which impact on the range of events, the experience for audience and performers and the operational efficiency of the venue.

Auditorium

- Maximum seating capacity of 402 does not meet current needs. Some productions bypass Tamworth where 500 to 600 seats are required to make presentation viable. Productions regularly sell out well in advance of seasons with the potential to sell many more tickets⁶.
- Current single level rectangular configuration means seating at the rear of the auditorium is more than 26 metres from the stage which is more than the benchmark of 20 metres for this capacity auditorium. This translates into a poor audience experience.
- Limited wheelchair positions in the auditorium which do not comply with code. Access to seats at the rear of the auditorium for patrons with accessibility issues, other than wheelchair, is risky due to the number of stairs to climb. Currently patron access/entry is only available from the main entrance approximately a third of the way up the stalls.

Stage

- Restrictions with stage with the proscenium arch 10.6m wide by 5.0m high and stage depth 9.4m from the setting line to rear wall. The constrained stage size has prevented some larger scale productions from touring such as from Bangarra Dance Theatre and the Australian Ballet School.
- The lack of stage height has affected touring companies such as Circus Oz and Flying Fruit Fly Circus. It has also affected local companies with productions needing a second level of stage set.
- Wings on both the P and OP sides are constricted at less than 3 metres wide which is under the benchmark, restricts the scale of productions and creates a safety issue for performers and crew.

Technical Infrastructure

- Limited flying system with only nine motorised winches for lighting and scenery and seven manual winches for legs and borders. Particularly the lack of scenery flying lines restricts the scale of productions able to be staged. Legs and borders are on the same lines which restricts changing of grid heights and dead heights.
- Very poor load in access with a narrow and low height load in bay from the rear of the building a level lower than the stage. All sets and equipment required on stage have to be loaded onto the orchestra lift to change levels. This makes load ins and load outs slower and more labour intensive increasing costs.

⁵ PAC Australia – 2017 Economic Activity Report pages 24-25

⁶ The OzOpera production of Madam Butterfly effectively sold out 43 days in advance of the season.
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- The load in requirements mean the orchestra lift cannot be used for seating restricting the maximum capacity of the auditorium.
- No scenery dock or direct stage storage area for large set pieces or piano storage.
- There are inadequate dressing rooms with only five dressing rooms with a capacity of 32 performers plus a choir assembly area in the sub-stage.
- Lack of back of house amenities.
- There is no technical storage area back of house.
- There are no rehearsal room or breakout space/s.
- There are no catering/kitchen facilities.

Performance

- Acoustics on stage for large scale acoustic band and orchestral concerts with sound trapped in the grid upstage of the cinema screen from some stage positions. This restricts options for staging concerts.

Patron Experience

- Theatre foyer inadequate size to cater for the capacity of the venue
- Shared front of house with cinema operations does not provide high quality experience for patrons
- Lack of food and beverage services for patrons – currently a limited range of product and long queues pre-show and at interval. Bar and snack services operated by the cinema operators not the theatre.
- No café or restaurant service for patrons adjacent to the theatre.

Staff Facilities

- Lack of office facilities with staff located in found and adapted spaces containing building services. There are multiple staff in inappropriate accommodation in small restricted spaces, with no daylight and a lack of amenity.
- There are no meeting rooms for staff or clients.
- There is no direct connection between the box office and administration offices.

5.6.2 Small Performance Venues

5.6.2.1 Current Usage

There are limited small scale performance venues currently available in Tamworth.

The 130 seat Chapel at the Tamworth Regional Conservatorium of Music is regularly used as a fine music recital venue.

Some school based venues such as the McCarthy Catholic College performing arts facility are available for community usage outside of school operating hours. The performance venue at McCarthy Catholic College seat 230 but is primarily configured as a concert venue with a wide and shallow curved concert platform with no backstage space.

Previously, the Tamworth Dramatic Society used a small 54 seat venue, The Retreat Theatre, for all of their smaller scale productions but this venue closed down over ten years ago.

5.6.2.2 Constraints

There is a lack of small scale performance venues in Tamworth particularly for theatre. Constraints include:

- The Chapel has significant physical and operational constraints as described below in section 6.4.2 which limit its usage throughout the year. This is a factor in the Tamworth Conservatorium of

Music's interest in forming part of the new facilities.

- The McCarthy Catholic College performance venue is only suited to music performance and is not available during school hours. To date presenters have found attracting audiences a challenge given its location on a school campus and on the edge of Tamworth.
- There are no smaller spaces well suited to theatre usage (particularly drama) in Tamworth. As a result, community users stage theatre in the Capitol Theatre and are often only able to fill a small proportion of the seating capacity providing an unsatisfying experience for audience and performers. Entertainment Venues present some smaller scale work, such as children's theatre in a closed down configuration in TRECC again providing an unsatisfying experience for audience and performers and an inefficient use of the large scale TRECC facilities.

5.6.3 Creative Spaces

5.6.3.1 Current Usage

There is a lack of rehearsal and creative working spaces currently in Tamworth.

Community groups such as the Tamworth Musical Society and Tamworth Dramatic Society do not have long term rehearsal spaces hiring local or church halls on an ad hoc basis. This often requires constant setting up of rehearsal spaces as these companies rehearse their shows a couple of days a week over a three to six month period. While the Tamworth Regional Conservatorium of Music provides some options for music rehearsal space there is a lack of spaces suitable for contemporary music. There is a lack of recording studio facilities in Tamworth that can accommodate larger ensembles and bands.

The commercial dance schools have modern good quality dance studios that meet their teaching needs. However, there are challenges in finding suitable venues for visiting workshops or masterclasses for students and teachers across Tamworth which are available and accessible for the whole dance community. The Gomeroi Dance Company has no permanent base accessing spaces with the dance schools or community welfare organisations for rehearsal or workshop space.

Some school facilities such as the McCarthy Catholic College performing arts facility are available for community usage outside of school operating hours.

The first floor rooms in the Town Hall are used on a long term basis by the Tamworth Regional Conservatorium of Music for large ensembles and by the Tamworth Brass Band. These allow equipment including percussion and music stands and chairs to remain set up for the regular rehearsals.

5.6.3.2 Constraints

Constraints include:

- Entertainment Venues restricted in becoming a creative leader and peak body within the region.
- A lack of access to long term rehearsal rooms for key community organisations including Tamworth Musical Society, Tamworth Dramatic Society and Gomeroi Dance Company.
- A lack of larger scale recording studio facilities in Tamworth.
- No central focus for the creation of performing arts work.
- A lack of a neutral workshop space that would encourage participation from across Tamworth in visiting workshops and masterclasses.

5.6.4 Tamworth Regional Conservatorium of Music

5.6.4.1 Current Usage

The Tamworth Regional Conservatorium of Music(The Con) is based in the heritage Dominican Convent Building. The Convent was refurbished in the 1980s following the sale of the remainder of the original school site for commercial development. The Con was one of the original tenants and took over the lease of the building in 1993. Ownership was transferred to the University of New England who lease the building to The Con for a peppercorn rent.

The Convent building includes a large number of small to medium teaching studios, staff offices and the Chapel which seats up to 130 audience.

The Con provides musical training to a wide range of students including infants, primary school age, secondary school age and adults across a range of classical instruments and vocal training. Total student numbers now exceed 1,000. Typically, between 500 and 600 lessons are provided each week. Classes for individuals or small groups are scheduled throughout the day from 7am to 9.30pm Monday to Saturday. A range of ensembles also operated from small recital groups to orchestral size ensembles. Most of these rehearse in the Convent, although the largest ensembles (approximately four) rehearse upstairs in the Town Hall. These ensembles rehearse up to three nights a week. Currently performances are staged throughout the year. Up to five major concerts per annum are staged in the Town Hall while up to 60 studio concerts per annum are staged in the Chapel.

Concerts in the Chapel include touring Musica Viva recitals, community performances and The Con's studio concerts.

The Con and Capitol Theatre collaborate regularly in the presentation of fine music programs in the Capitol.

5.6.4.2 Constraints

The Convent is a two storey listed heritage building. There are a range of physical constraints on the Con's operation in this facility including:

- Lack of compliance with disability access legislation. There is no lift to the upper floor, steps on the route to access the Chapel, narrow corridors and doorways and no accessible toilets.
- Teaching and rehearsal spaces cannot be configured to suit the space required for teaching different due to heritage constrictions. Many of the rooms are larger than required making efficient space usage difficult.
- Lack of teaching spaces configured acoustically for teaching percussion and brass
- There is a lack of sound proofing between teaching spaces and floors. The nature of the building makes remediation impossible.
- The height and construction of the interiors make heating and cooling difficult to achieve incurring high utilities costs. For example, the Chapel can only be used for performance six months of the year due to excessive heat or uncomfortably cold conditions.
- The rambling lay out creates security concerns for staff monitoring visitors to the building and the safety of students.
- There are inadequate video conferencing facilities making the teaching of students remotely impossible. This impacts particularly on the development of outreach programs.

There are also operational constraints from the current configuration including:

- Large ensembles have to rehearse remotely at the Town Hall.

5.6.5 ABC New England North West

5.6.5.1 Current Usage

ABC New England North West services the New England region with radio, news and online content. The current studios are located in a leased Council building on the proposed site for the new cultural precinct. The current facility includes two broadcast studios, office space, server room, broadcast dish, emergency generator and staff toilet and kitchen facilities. The studio operates over extended hours with the potential for 24 hour operation in times of emergency.

Dedicated live radio programs are produced from the studios for the New England Region. Radio and television news stories and segments are produced by the journalists based at the studios. On line content is also developed and produced.

5.6.5.2 Constraints

Constraints include:

- Lack of accessibility to the current first floor studios.
- Offices are overcrowded with 14 workstations including in ad hoc spaces and no potential for future growth.
- Lack of visibility to the Tamworth community.
- Current building is aging and close to the end of its effective life.
- Complex and specialist technical and acoustic requirements of the studio make changing premises a complex and expensive process. The prospect of moving to temporary facilities and then returning to the new cultural precinct is complex and expensive.

5.7 Options for addressing constraints

5.7.1 Continue current operations

Implications

- Continue current model with sublease of Capitol Theatre and limited building asset maintenance and a need for technical maintenance and upgrades.

Advantages

- No major capital investment.

Disadvantages

- Limits potential for future growth given continued cinema usage and static seating capacity.
- Continued sublease payments to cinema.
- No expansion of smaller performance and creative facilities.
- ABC not incorporated in project.
- Tamworth Regional Conservatorium of Music not incorporated.
- No Arts Precinct created from the co-location of the library, gallery, performing arts, national media, education and training.

5.7.2 Upgrade existing Capitol Theatre

Implications

- Continue current model with sublease of Capitol Theatre and invest in enhancement of facilities and technical upgrades.

Advantages

- Limited capital investment.
- Potential to enhance operational efficiency through technical infrastructure upgrades.
- Potential to enhance staff facilities to a minor degree.

Disadvantages

- Limits potential for future growth given continued cinema usage and static seating capacity.
- Continued sublease payments to cinema.
- No potential to build the inner city conference market.
- No expansion of smaller performance and creative facilities.
- No potential to offer a creative hub to performing arts groups and build on the existing cultural leadership that Entertainment Venues offers.
- Stage size and load in access cannot be addressed.
- ABC not incorporated in project.
- Tamworth Regional Conservatorium of Music not incorporated.
- No Arts Precinct created from the co-location of the library, gallery, performing arts, national media, education & training.

5.7.3 Develop new performing arts centre as stand alone building

Implications

- Develop multiveneue performing arts centre (either on proposed site or an alternate site).

Advantages

- Potential for future growth with increased seating capacity of main theatre and availability throughout the year.
- Addition of smaller performance and creative facilities.
- Enhanced audience facilities.
- Enhanced technical infrastructure
- Enhanced staff facilities.
- Potential for establishment of functions and events business

Disadvantages

- Large capital investment.
- Potential synergies of connection with other Council cultural facilities not achieved.
- Viability of café / restaurant facilities reduced.
- Reduced potential for ongoing revenue from a mix of commercial tenants.
- May not be attractive to the ABC.

5.7.4 Develop new performing arts centre as part of a development partnership

Implications

- Develop multiveneue performing arts centre in a development partnership (with commercial or NFP partner such as a University).

Advantages

- Potential for future growth with increased seating capacity of main theatre and availability throughout the year.
- Addition of smaller performance and creative facilities.
- Enhanced audience facilities.
- Enhanced technical infrastructure
- Enhanced staff facilities.
- Potential for establishment of functions and events business if no conflict with partner business.
- Capital investment may be shared between partners.

Disadvantages

- Potential synergies of connection with other Council cultural facilities not achieved.
- Viability of café / restaurant facilities reduced.
- Location may be less viable than proposed site (eg further out of CBD).
- May be conflict between key drivers for partners.
- Reduced potential for ongoing revenue from a mix of commercial tenants.
- May not be attractive to the ABC.

5.7.5 Develop new performing arts centre as part of a cultural precinct

Implications

- Develop multiveneue performing arts centre in an integrated cultural precinct with the Regional Gallery and Library

Advantages

- Potential for future growth with increased seating capacity of main theatre and availability throughout the year.
- Addition of smaller performance and creative facilities.
- Enhanced audience facilities.
- Enhanced technical infrastructure
- Enhanced staff facilities.
- Potential for establishment of functions and events business.
- Synergies of connection with other Council cultural facilities achieved - Regional Gallery and Library
- Potential for the right mix of commercial tenants and their revenue toward operations.
- Attractive to the Con and ABC to be part of development.
- Viability of café / restaurant maximized.
- Activation of CBD - Peel St, between White and Hill Sts, activated Day and Night. Potential to lower crime rates and contribute to the nighttime economy.

Disadvantages

- Large capital investment.

5.8 Performance Needs Analysis

The proposal identifies three main performance spaces as part of the development:

- Large scale Proscenium Theatre.
- Flexible intimate Studio Theatre.
- Flexible intimate Salon for small scale music and spoken word.

5.8.1 Main Proscenium Theatre

An analysis of existing proscenium theatres across the Northern NSW region has been undertaken. As well as a comparison of the total capacity in theatre configuration (including seating on the orchestra lift) a measure of the population in the respective LGA per seat has been applied.

Proscenium Theatres - Northern NSW

City	Venue	Seating Capacity	LGA Population	Pop per seat
Tamworth	Capitol Theatre	402	61,571	153
Newcastle	Civic Theatre	1,450	162,358	112
Port Macquarie	Glasshouse Theatre	594	81,404	137
Armidale	Lazenby Hall UNE	572	30,954	54
Lismore	Lismore City Hall	507	43,905	87
Taree	Manning Performing Arts Centre	505	92,462	183
Dubbo	Dubbo Regional Theatre	500	50,077	100
Cessnock	Cessnock Community PAC	466	57,521	123
Average		656	74,097	113
Tamworth - Average Pop per Seat	New Tamworth PAC current population	545	61,571	113
Tamworth - Fit in Touring Circuit	New Tamworth PAC current population	600	61,571	103
Tamworth - Brief	New Tamworth PAC current population	600	61,571	103
Tamworth 2041	New Tamworth PAC 2041 population	600	79,468	132

This analysis indicates that the desirable total seating capacity should be between 545 seats and the brief target of 600 seats.

- The lower capacity of 545 seats achieves the average 113 population per seat across the region based on the current population.
- In terms of positioning Tamworth as one of the leaders across the touring circuit in the region, a capacity of 600 would provide a similar capacity to Port Macquarie (although Port Macquarie's population is 25% higher).
- The brief capacity of 600 seats exceeds the current population per seat ratio. However, the current projected growth would see the population per seat ratio achieved within 10 years.

The analysis was extended to a sample of venues in larger regional cities that are considered similar to Tamworth as regional service centres.

Proscenium Theatres - similar size communities

City	Venue	Seating Capacity	LGA Population	Pop per seat
Tamworth	Capitol Theatre	402	61,571	153
Toowoomba	Empire Theatre	1,565	166,045	106
Bendigo	Ulumbarra Theatre	960	114,111	119
Townsville	Civic Theatre	959	192,988	201
Shepparton	Riverlinks - Eastbank Theatre	827	65,565	79
Albury / Wodonga	Albury Entertainment Centre	818	93,768	115
Bathurst	Bathurst Memorial Entertainment Centre	642	42,779	67
Orange	Civic Theatre	502	41,468	83
Wagga Wagga	Civic Theatre	491	64,265	131
Average		846	97,624	115
Tamworth Now	New Tamworth PAC current population	534	61,571	115
Tamworth 2041	New Tamworth PAC 2041 population	600	79,468	132

The average population per seat ratio is similar to the northern NSW venues. Amongst the communities between 40,000 and 65,000 population the venues were an average of 615 seats capacity. The current range of options being considered are consistent with this analysis.

A total capacity of up to 600 seats (including orchestra lift seats and wheelchair positions) is justified for the new Proscenium Theatre.

The Proscenium Theatre should be designed to accommodate a wide range of medium to large scale performances including:

- Music Theatre
- Opera
- Ballet / Contemporary Dance
- Drama
- Classical music
- Contemporary music
- Stand up comedy
- Children's Theatre
- Spoken word / lecture events

It should also accommodate functions and events including:

- Conference plenary sessions
- Meetings

Given a large proportion of performances will be touring for single performances or short seasons, it is critical that events can bump in, rehearse, perform and bump out quickly, safely and efficiently.

5.8.2 Studio Theatre

There are a smaller number of studio theatres in regional venues.

A similar analysis has been undertaken for comparable venues which have been identified.

Studio Theatres

City	Venue	Seating Capacity	LGA Population	Pop per seat
Newcastle	Playhouse Theatre	195	162,358	833
Port Macquarie	Glasshouse Ross Family Studio	100	81,404	814
Toowoomba	Empire Theatre Studio	200	166,045	830
Bendigo	Engine Room	120	114,111	951
Wyong	Arts House Studio	130	150,000	1,154
Average		149	134,784	905
Tamworth - Average Pop per Seat	New Tamworth PAC current population	68	61,571	905
Tamworth - Fit in Touring Circuit	New Tamworth PAC current population	145	61,571	425
Tamworth - Brief	New Tamworth PAC current population	200	61,571	308
Tamworth 2041	New Tamworth PAC 2041 population	200	79,468	397

The analysis does not demonstrate consistent results:

- The population per seat analysis indicates that only a small seating capacity studio of 68 seats would be required to be consistent with the current Tamworth population.
- The size of the three existing studio theatres in the region varies widely from 100 to 195 seats.
- There does not appear to be a touring circuit for smaller venues unlike for the larger proscenium venues.

Consultation has indicated that there is demand for usage of the Studio Theatre:

- The Tamworth Dramatic Society would consider moving up to three productions a year into the Studio Theatre while continuing with one production a year in the new large theatre. Currently the type of productions they would move into the Studio Theatre attract a maximum audience of 200 per performance in the Capitol. Some flexibility in seating configuration would be attractive to their programming.
- The Tamworth Musical Society would consider using the Studio Theatre for occasional productions of smaller scale work. An issue is ensuring sufficient space for performers and a band while maintaining a large enough capacity to make the production financially viable.
- The major dance schools would consider using the Studio Theatre for performances for their music theatre teaching streams.
- Entrepreneurial programming would use the Studio Theatre regularly particularly for more intimate productions including children's theatre and cabaret.
- Conference usage would benefit from having a total capacity of between 150 and 200 seats in the Studio Theatre.

Options for a maximum seating capacity of 175 to 200 seats should be considered. This might include core retractable seating of 150 – 160 seats with flexible modules to allow variations in configuration with an extra 25 – 50 seats. There is also evidence from community organisations that a cabaret mode would be used regularly.

5.8.3 Salon

There are no comparable spaces in the region that have been identified.

In Victoria there are examples of intimate music performance venues. The Primrose Potter Salon at the Melbourne Recital Centre is a flexible specialist music recital space with a maximum capacity of 150 seats. The Bendigo Bank Theatre at The Capital Bendigo is regularly used as an acoustic music venue and has a recital capacity of 100 seats.

The Tamworth Regional Conservatorium of Music identified that for their studio recitals, a capacity of between 30 and 60 seats was required while Musica Viva concerts required between 40 and 80 seats.

Art Gallery and Library usage would require between 80 and 120 seats for lectures and author talks.

A total capacity of approximately 100 seats in a flexible format should be considered. Events which require a higher capacity could be staged in the Studio Theatre.

5.8.4 Support Facilities

It is essential that a range of support facilities for the performance spaces are provided to ensure a high quality visitor experience. These include:

- Foyers
- Bars
- Toilets
- Cloak Room
- Merchandise Sales area
- Box Office

The extent of these facilities are detailed in the accepted theatre industry benchmark *Oh You Beautiful Stage* published by the Victorian Association of Performing Arts Centres.

5.9 Creative Spaces Needs Analysis

Creative spaces in the proposed development include:

- Rehearsal Room
- Function / Rehearsal Room
- Audio Recording Studio
- Meeting Rooms
- Rehearsal Room
The Rehearsal Room's primary focus is for usage for rehearsals and workshops. The likely users include the Tamworth Musical Society, Tamworth Dramatic Society, the Con larger ensembles, the Gomeroi Dance Company and smaller community groups and individual artists. The Rehearsal Room will be regularly used for training purposes for workshops and classes. It may also be used by the Council Arts and Culture staff or by Events in the preparation for events. Entertainment Venues will use the space for the preparation for self-presented events and for the delivery of workshops and classes.

The Rehearsal Room should have a similar volume of space to the proscenium theatre stage plus 2 metres on all sides. Given the range of usage, it would be desirable to be able to subdivide the Rehearsal Room into at least two rehearsal spaces plus a discrete space for the storage or set up of musical instruments such as timpani or furniture and props for productions.

Consultation has indicated a high level of demand for the Rehearsal Room. The Tamworth Musical Society would rehearse at least two full productions each year with rehearsals for each production over three months. The Tamworth Dramatic Society would rehearse at least four full productions each year with for each production over ten to twelve weeks. The Con would also use the Rehearsal Room for some rehearsals for their large ensembles. Secondary usage would include as a break out space for meetings and conferences.

It would be essential that the Rehearsal Room have out of hours access to enable it to operate at night and over weekends when community groups are most likely to stage rehearsals.

- Function / Rehearsal Room
The Function / Rehearsal Room's primary focus is for usage for functions, meetings and conferences.

Secondary usage would include rehearsals and workshops unable to be accommodated in the main Rehearsal Room. These would be events which do not require a large set up including furniture and equipment.

- **Audio Recording Studio**

The Audio Recording Studio will fulfil two main purposes. It will serve as the central control room for the recording of performances and artists in the three performance venues in the facility. This may also act as a link with the ABC studios when live broadcasts or recordings are being made for ABC Radio.

It will also provide a facility for training and skills development programs. These may be delivered for community members by Council or in partnership with a tertiary institution as part of music industry training programs. There is great potential for youth engagement through the Audio Recording Studio facilities.

- **Meeting Rooms**

A Meeting Room would be used by community organisations as well as the cultural precinct organisations and as a function meeting space. There are no large meeting rooms in the Library or Regional Art Gallery current facilities.

It is assumed that the regular community users will regularly use the meeting room. The cultural precinct organisations including the Performing Arts Centre, Library, Regional Gallery, the Con and the ABC will frequently use the Meeting Room for staff meetings, stakeholder meetings and business meetings.

The Meeting Room would be a flexible space with a maximum capacity of approximately 30 and have the ability to be set up in board room, theatre or workshop configurations. It would be desirable that the Meeting Room have out of hours access to enable it to operate at night and over weekends when community groups are most likely to stage meetings. Access to a kitchenette and toilets are also desirable.

5.10 Functions Needs Analysis

5.10.1 Entertainment Venues Operations

The Entertainment Venues department already operate functions businesses as part of the management of Tamworth Town Hall and TRECC. Functions currently supported include:

- Conferences
- Dinners
- Meetings
- Weddings
- Trade shows

Given the nature of the spaces, these are typically large scale functions.

The new Performing Arts Centre and Cultural Precinct will have the potential to suit other functions of different scales including:

- Conferences
- Dinners
- Meetings
- Weddings
- Training
- Launches

Given the nature of the proposed spaces, these would include large scale plenary sessions in the proscenium theatre and smaller scale functions in the other spaces.

The functions capacity and appropriateness for the current and proposed venues are detailed below.

Venue	Conferences	Theatre Mode	Table Mode	Meeting Mode	Training
Tamworth Town Hall	Limited – no breakout spaces	800 seats flat floor	350 seats	Limited	Limited – too large
TRECC – main space	Up to 1,000 delegates. Ad hoc breakout spaces	Up to 5,000 seats	Up to 1,000 seats	Limited	Limited – too large
TRECC – secondary space	Break out space for up to 180 delegates	Not applicable	Up to 130 seats	Up to 180 attendees	Up to 100 seats
Tamworth Performing Arts Centre					
Proscenium Theatre	Plenary venue for up to 600 delegates	600 seats	Not applicable	Up to 600 seats eg AGMs	Up to 600 seats
Studio	175 to 200 seats (plenary and breakout)	175 to 200 seats	100 to 120 seats	175 to 200 seats	100 to 120 seats
Salon	Up to 100 seats (plenary and breakout)	Up to 100 seats	50 to 70 seats	Up to 100 seats	50 to 70 seats
Function Room	Up to 200 seats (breakout)	Up to 200 seats flat floor (sight lines)	Up to 200 seats	Up to 200 seats	100 to 150 seats
Rehearsal Room (full configuration)	Up to 150 seats (breakout)	Up to 150 seats flat floor (sight lines)	Up to 150 seats	Up to 150 seats	75 to 100 seats
Foyers	Up to 600 delegates – social and f&b spaces	Not applicable	Not applicable	Not applicable	Not applicable
Meeting Room	Up to 30 seats (breakout)	Up to 30 seats	Board table up to 20 seats	Board table up to 20 seats	Board table up to 20 seats
Roof Top Plaza	Social space (up to 200 delegates)	Not applicable	Not applicable	Not applicable	Not applicable

Currently Entertainment Venues have a panel of caterers who are used for events in the Tamworth Town Hall and TRECC. Arrangements for functions are managed by Entertainment Venues with the caterers' costs passed onto the clients with a commission of 10% included.

5.10.2 Competitive Environment

There are a range of competitors operating in the functions and conference market in Tamworth

AELEC

The Australian Equine and Livestock Events Centre (AELEC) have a range of facilities available for use for functions and events related to the hosting of their core business of hosting major equine and livestock events.

WESTS

WESTS operates two facilities and has an extensive functions business.

The West Tamworth Leagues Club is Tamworth's largest club located in a quiet residential area just off the main arterial road. Function facilities at the West Tamworth Leagues Club include Blazes Showroom, the Ken Chillingworth Room and the Dennis Condon room. They have a wide range of capacities from small groups to 850 guests.

Formerly the Tamworth RSL Club, Wests Diggers was fully renovated in 2005 and is centrally located within the heart of the Tamworth CBD on the banks of the Peel River. Wests Diggers has up to four functions areas including the Grand Ballroom, the Long Tan room, the Kokoda Room and the Beersheba Room. Capacities are up to 200 guests.

Types of events include weddings, celebrations, dinners, conferences and meetings. Sit down functions of up to 250 guests can be serviced.

HOTELS

A number of hotels are active in the smaller scale functions market. An example is The Tamworth which offers functions across three of their spaces. The hotel venues typically do not have dedicated function rooms.

RESTAURANTS

Several restaurants, motels and vineyards offer functions as part of their operations. These are targeted towards wedding and celebrations.

SPORTING CLUBS

A number of sporting clubs including Tamworth Jockey Club, Tamworth Golf Club and South Tamworth Bowling Club offer small to medium scale functions facilities. Some of these are specialist function spaces or associated with restaurants servicing the clubs. These offer a range of functions including weddings, celebrations and corporate functions.

There is an active functions environment in Tamworth with a range of different type of facilities. There are gaps in the market including:

- Larger scale conferences for between 250 and 600 guests
- Small scale corporate events in the CBD for between 100 and 200 guests

5.10.3 Business Models

A number of functions business models are used by performing arts centres. The level of activity and outcomes able to be achieved are influenced by the business model utilised for the facility.

Model	Catering In House	Exclusive Commercial Caterer	Panel of Caterers	Open to Any Caterer
Characteristics	Managed as part of the Council business unit.	Functions business partnership between venue and Caterer.	Panel of Caterers appointed and clients offered choice.	Client selects own Caterer.
Revenue base	Venue earns all gross catering revenue.	Venue earns Room Hire and a higher % of Gross Revenue.	Venue earns Room Hire and a lower % of Gross Revenue.	Venue earns Room Hire.
Business relationship	Owned and operated by Council.	Collaborative partnership driving growth of the business	Some mutual benefit in growth of the business	No direct relationship with caterers
Business Reputation / Brand	Reputation driven by consistent quality of experience for clients. Strong branding for EV.	Reputation driven by consistent quality of experience for clients. Strong branding for EV and caterer.	Variability between caterers can have negative impact on reputation. Branding only for EV but partly dependent on caterers' performance.	Brand only for EV. Reputation can be negatively impacted in public eyes by poor caterers even though no relationship with EV.
Marketing	Market total functions experience, campaign driven by EV.	Market total functions experience, joint campaign between EV and caterer.	Market range of caterers to clients, probably driven by EV.	Market as venue for hire by EV.
Accessibility	No choice on caterer. May be barrier for community hirers and clients with restricted budgets. Could offer affordable options for community clients.	No choice on caterer. May be barrier for community hirers and clients with restricted budgets. Could require caterer to offer affordable options for community clients.	Choice of a range of caterers. Panel should include mix of style and cost. May include a social enterprise caterer. May still be barrier for some community clients.	Flexibility for clients providing caterers are appropriately licensed.

Model	Catering In House	Exclusive Commercial Caterer	Panel of Caterers	Open to Any Caterer
Impacts	Maximises: <ul style="list-style-type: none"> Control Usage and Revenue Financial Return Brand Needs: <ul style="list-style-type: none"> Investment Acceptance of total risk Full production kitchen Reduces: <ul style="list-style-type: none"> Accessibility & choice 	Maximises: <ul style="list-style-type: none"> Control Usage and Revenue Financial Return Brand Needs: <ul style="list-style-type: none"> Investment Acceptance of risk Reduces: <ul style="list-style-type: none"> Accessibility & choice 	Balances: <ul style="list-style-type: none"> Control Accessibility Reduces: <ul style="list-style-type: none"> Usage and Revenue Financial Return Brand 	Maximises: <ul style="list-style-type: none"> Accessibility & choice Minimises: <ul style="list-style-type: none"> Acceptance of risk Reduces: <ul style="list-style-type: none"> Usage and Revenue Financial Return Brand

The option for the contractor operating the café to also provide the exclusive caterer services may also be considered. There are advantages in economies of scale and having a staffing presence on site throughout the day, but the expertise in running a successful café can be different from running a successful functions business.

5.11 Café Needs Analysis

Provision of café facilities has become a core part of the visitor experience in cultural facilities throughout Australia.

Despite the Capitol Theatre lacking food service as part of its facilities, there is evidence of strong demand from Tamworth audiences demonstrated by the response to the introduction of the Deco Dinner and Show package. The Deco Restaurant is regularly selling out its 60 seat capacity well in advance of productions.

In stand alone performing arts centres, the viability of inhouse cafés can be difficult. Factors include:

- Inconsistent demand with high demand mainly at performance times with low demand at other times.
- Variability of levels of foot traffic throughout the day.
- High levels of competition from surrounding facilities.

The incorporation of the new Tamworth Performing Arts Centre as part of the Cultural Precinct addresses a number of these risks:

- The Library operates all day throughout the week currently attracting around 3,500 visitors per week.
- The Regional Gallery operates all day six days a week attracting around 500 visitors per week.
- The ABC studios will operate throughout the day from early in the morning with 14 core staff plus visitors.

- The Con has between 500 and 600 students attending classes each week. As well as some usage of the café by students and staff, parents are likely to use the café while waiting for their children to complete class.
- There are no cafes or restaurants in the immediate precinct.
- There are a number of businesses operating in the immediate precinct including car dealerships, training organisations and government agencies with a large number of staff, customers and participants who are likely to use the café.
- Reasonable level of foot traffic in Peel Street.
- Community usage of the smaller performance venues and creative spaces may also generate usage of the café.

The café needs to be located adjacent to the Library and Regional Art Gallery with visibility from Peel Street (preferably including exterior seating).

To service peak periods of demand prior to performances it has been identified that a useful benchmark is to have seating for 30% of the large theatre's capacity of 600 seats. This indicates a need for a maximum seating capacity of approximately 180 customers. This could include a mix of outdoor seating, flexible seating in the foyer and internal seating in one to two spaces within the café. An indicative split of this would be 30% of seating externally (54 seats), 30% of seating in the foyer (54 seats) and 40% of seating within the café (72 seats). This capacity would be compatible with the level of usage from the other elements of the Cultural Precinct across the day.

To operate at this scale, the café would need a production kitchen with the capacity for 5-6 kitchen staff / work stations. The kitchen would need to be in close proximity to the café service area.

Given the wide spread of operating hours within the Cultural Precinct, the café needs to be zoned to enable it to operate separately from the other facilities.

5.12 Tamworth Regional Conservatorium of Music Needs Analysis

The Con is currently operating at a high level of utilisation in its teaching and administration spaces.

The proposal is for a dedicated zone be allocated for the Con's usage. The Performing Arts centre and Cultural Precinct project would be responsible for the construction of the zone including all structural elements and the provision of core building services such as power, data and air conditioning. The Con would be responsible for the detailed fit out of the zone.

The Con would enter into a long term lease for the facilities. It is assumed that the lease would have a similar cost to the current costs of operating the Convent.

The establishment of the Con as part of the Performing Arts Centre and Cultural Precinct has some specific needs:

- Given the wide spread of operating hours of the Con (normally 7am to 9.30pm), it needs to be zoned to enable it to operate separately from the other facilities.
- Acoustic separation both within the Con zone and between other zones of the complex is critical. Particularly percussion and brass instruments can cause high levels of sound transmission.

- Given the large number of children amongst the Con's students safety and security is crucial within the Con zone and along access routes.
- The Con requires a mix of teaching rooms, small rehearsal rooms, staff offices and amenities for staff and students. An initial schedule of spaces has been provided to the consultant team and has been used to determine an allocation of space for the Con zone.

5.13 ABC New England North West Needs Analysis

The ABC requires an expansion of the current studio facilities which are currently overcrowded and are increasingly not fit for purpose.

The proposal is for a dedicated zone be allocated for the core ABC studios. The Performing Arts Centre and Cultural Precinct project would be responsible for the construction of the zone including all structural elements and the provision of core building services such as power, data and air conditioning. The ABC would be responsible for the detailed fit out of the zone including the construction and fit out of the broadcast studios.

The ABC would enter into a long term lease for the facilities. It is assumed that the lease would have a similar cost to the commercial lease costs of similar buildings in Tamworth.

The establishment of the ABC as part of the Performing Arts Centre and Cultural Precinct has some specific needs:

- Given the wide spread of operating hours of the ABC (normally from 5am to 6pm but with the potential to operate 24 hours a day in some circumstances), it needs to be zoned to enable it to operate separately from the other facilities.
- The ABC studio needs a high level of security and access control for both the public and other building users.
- Staff amenities including toilets and a kitchenette need to be provided within the ABC zone.
- Acoustic separation between the ABC zone and between other zones of the complex is critical.
- The ABC requires a large satellite dish and a power generator able to sustain the operation of the ABC service to be located as part of the complex.
- It would be desirable for the ABC studio to have a higher level of visibility to the public.

As well as the dedicated ABC zone, the ABC would utilise other elements of the building including the Meeting Room, the Recording Studio and the performance venues for recordings and live broadcasts.

5.14 Retail Needs Analysis

Current retail business consists of a gift shop operated from the reception of the Regional Art Gallery. Total sales are approximately \$17k ex gst per annum with overheads very low as the gift shop is operated by the staff member on reception.

There is an option to relocate and expand the gift shop as part of the main foyer integrating it with the reception / box office area. There is the potential to increase sales from the current level by moving to a more visible higher foot traffic location in the Cultural Precinct. The range of items can be expanded by adding theatre related items including books, DVDs and gifts as well as merchandise relating to forthcoming or recent productions. It is estimated that a net return of between \$15k and \$30k per annum can be achieved.

Alternatively, a retail space could be created, preferably with street presence and leased to a retailer trading in a field which is associated with the arts (eg books, art supplies). There is currently a level of retail vacancies in the CBD and the location outside the main retail strip may make a lease less attractive. Commercial retail leases are currently generating between \$280 and \$500 each m² per annum.

5.15 Usage by Venue

In summary, the potential usage of the main zones and venues of the Cultural Precinct are as follows.

Venue / Zone	Primary Usage	Secondary Usage
Proscenium Theatre	Medium to large scale performances Conference plenary sessions	Large meetings
Studio Theatre	Small to medium scale performances Conference plenary sessions Conference breakout space	Medium scale meetings Training
Salon	Small scale performances Small scale talks and lectures	Conference breakout space Small scale functions
Foyer	Audience congregation for performances Box office sales Merchandise and retail sales Theatre bar sales for performances Conference registration and catering	Informal performance Small scale exhibitions and displays
Function Room	Functions Conference catering Conference breakout space Training	Rehearsal Room
Rehearsal Room	Rehearsals Workshops Training	Conference breakout space
Meeting Room	In house meetings Community meetings Function meetings	Training
Outdoor Theatre	Outdoor events (music, cinema)	
Events Plaza	Conference functions, outdoor events	
Café	Food and beverage sales	Small scale functions
Tamworth Regional Conservatorium of Music	Music training classes Small scale rehearsals	
ABC New England North West	Radio broadcasts Television and online journalism	

6. DESIGN REPORT SUMMARY

6.1 Executive Summary

Project Scope

Needs Analysis has confirmed that there is sufficient demand to support the development in Tamworth a new range of venues and facilities to complement the existing venues that will remain in operation, while the Capitol Theatre would be replaced with a purpose-built new theatre. The proposed components of the new Tamworth Performing Arts Centre and Cultural Precinct (TPAC) are:

- 600 seat proscenium theatre with full flying capability
- 200 seat variable format Studio Theatre
- 100 seat Salon recital room
- 200 person functions/banquet centre
- Rehearsal / Dance Studio to match main stage
- Recording Studio
- 150 person cafe
- Tamworth Regional Conservatorium of Music
- ABC Studios New England North West, Tamworth
- Expansion to the adjacent Library and Art Gallery
- All associated administration, back-of-house and support facilities needed for functionally effective and financially sustainable centre operations.

The ABC Studios and Tamworth Regional Conservatorium of Music are unique opportunities to add activity to the new centre, creating additional synergies in performing arts, functions, educational programs and community participation.

Facility Planning and Concept Design

Facility planning has identified that to adequately serve the components listed above requires a building in the order of 10,900-13,500m². The range in area reflects the complex, multi-venue brief and site constraints.

The concept design seeks to celebrate the identity of the new facilities to the street while connecting the public (front-of-house, FOH) areas into the Library and Art Gallery to enhance their activity and programming synergies. The building is conceived as a multi-storey “shopfront” of activities expressed through their form and displayed to people in the street.

The concept design achieves a very high level of multi-purpose use by many facilities and opportunities for at least three outdoor events areas, representing significant added value to the facility operation and amenity.

Capital Cost Estimate

The Concept Design stage Cost Plan A indicates a total project cost in the order of \$128.2 million, as at an October 2022 tender. This includes numerous contingency allowances which would be investigated and confirmed during subsequent design phases.

In addition, Council should make provision for a further budget for its costs associated with managing the project implementation and process.

6.2 Basis for Facility Recommendations

Proposed Tamworth Performing Arts Centre and Cultural Precinct

With the proven success of the current Tamworth Entertainment Venues operations, the current Capitol Theatre is no longer able to satisfy demand for performance events and audience capacity while significant shortcomings in its configuration and functional capability are restricting arts activity and community participation.

Tamworth is fortunate in having a wide range of presentation venues of various types and capacity such as the Entertainment Centre, Town Hall and Capitol.

Planning for a multi-venue arts centre needs to take into account the context of existing venues and the absence of venues for which a need has been identified. *Oh You Beautiful Stage: Australian Design and Technical Benchmarks for Performing Arts Centres*⁷ (OYBS) notes the desirability of a community having a range of types and sizes of performance venues where the need is confirmed.

Needs Analysis⁸ has confirmed that there is sufficient demand to support the development a new range of venues and support facilities to complement the existing venues that will remain in operation, while the Capitol Theatre would be replaced with a purpose-built new theatre. (The Capitol Theatre was not purpose-built—its initial configuration was as a cinema, which is not sufficient for a proscenium theatre of the same scale).

When considering venue provision, the goal to achieve over time a complementary range of venues across types of performance and audience capacity, because different performance types require different venue functionality and acoustic character. For example, a musical theatre venue (proscenium theatre) is not suitable for orchestral and other recital events as the proscenium stage is acoustically unsuitable for these performances (without additional costly infrastructure).

As well as ‘presentation’ venues – those where the developed performance is presented to an audience, a community also needs ‘making’ spaces – such as rehearsal rooms, to develop up performances and productions. This is particularly important for community presentations. Most professional events will be produced elsewhere before touring to Tamworth. Availability of suitable rehearsal rooms – at low hire cost – can be very influential on both the number, type and quality of community events developed. It is very difficult to develop a show when a room is not available that matches the performance stage size, has poor acoustics or a lack of basic theatrical infrastructure to assist rehearsal. The overall recommended venue context for the Tamworth region is shown overleaf:

⁷ *Oh You Beautiful Stage: Australian Design and Technical Benchmarks for Performing Arts Centres*, VAPAC ed 4, 2013. Australian performing arts industry reference guide to facilities and their development.

⁸ Tamworth Performing Arts Centre and Cultural Precinct Business Case, Rob Gebert, [August 30 2019]
Tamworth Cultural Precinct—Business Case: Design Report Issue A

Table 1: Venues Context

Name/Type of Venue	Recommended Audience Capacity	Existing / New
Proscenium Theatre	600	New, replacing the Capitol Theatre's 400 seats
Studio Theatre	200	New, currently absent
Salon recital room	100	New. The TRCM recital room (~60p) will presumably be lost when that building is converted to alternate use.
Concert Hall	800 (existing)	Tamworth Town Hall
Convention Centre / major event/concert venue	5000	TRECC
Functions rooms	200	Existing TRECC function rooms are not suitable for higher quality events
Community 'Board Room' high quality audio-visual	30	Town Hall Passchendaele Room (~150) has insufficient functionality
Rehearsal / Dance Studio 1 small event presentations matching main stage size	40-50	New, currently absent
Rehearsal / Dance Studio 2 small event presentations matching secondary stage size (eg Studio Theatre)		Currently absent, future provision proposed.

The ABC New England North West Studios and Tamworth Regional Conservatorium of Music are unique opportunities to add activity to the new centre, creating additional synergies in performing arts, functions, educational programs and community participation.

Area requirements for these were provided by the ABC and TRCM and need to be verified in more detailed consultation during subsequent design phases.

6.3 Facility Spatial Analysis

Having determined the required types and capacity of venue the Facility Space Program was prepared to form a preliminary spatial brief for concept design in the absence of a fully developed functional brief.

Area analysis identifies the required spaces and allocates a net floor area for their functional purpose. Areas in each zone of the building (based on the OYBS description of building zones) are aggregated to identify an indicative area for the building. Contingency allowances are added for circulation and building structure depth (thickness of walls).

Performing arts venues have high circulation and building structure requirements because of complex functionality, internal planning and large free-span rooms requiring larger structural elements than more standard building types.

Projections of patron and staff occupant numbers are used to size such facilities as toilets.

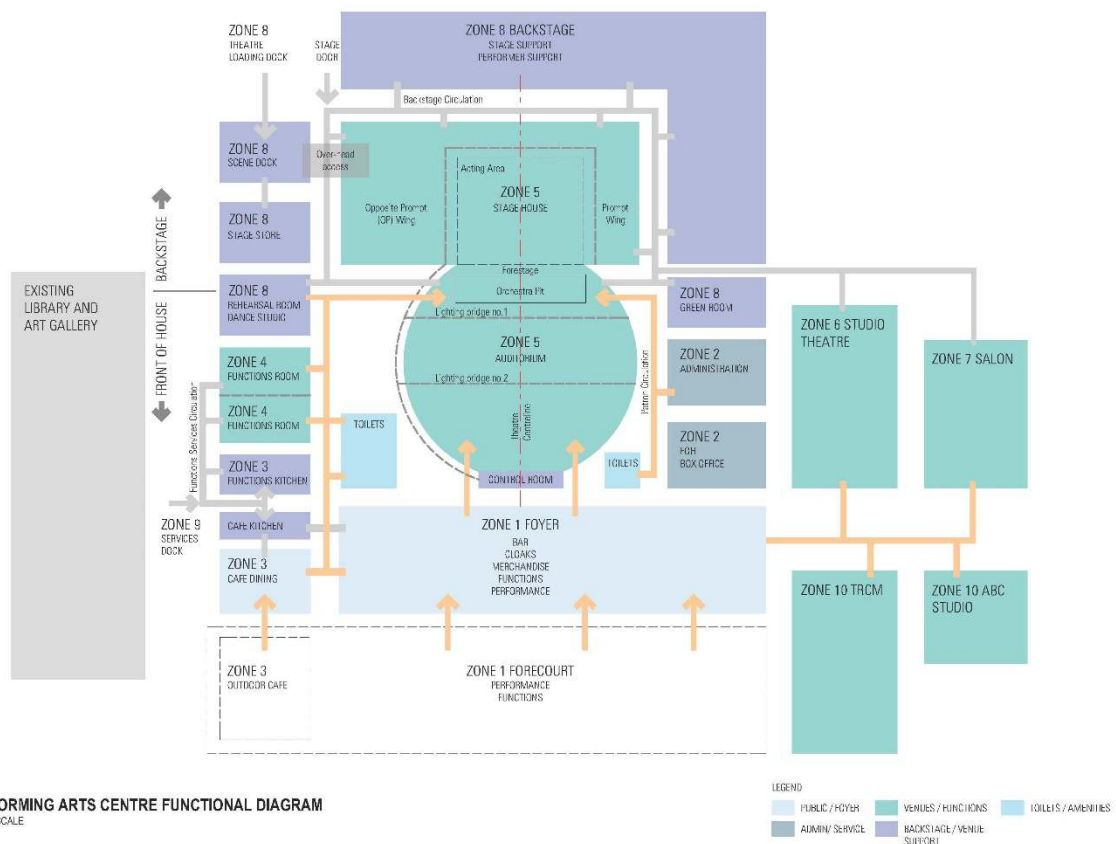
The area projections represent the *minimum* size, *most efficient* facility theoretically possible. Because performance venues are functionally (and spatially) complex, the actual design can differ significantly from the area projection – almost always being larger. Constraints imposed by sites, existing buildings and so on can increase this differential.

Table 2 summarise the Facility Space Program (FSP). Occupants are only listed once, in the primary space of use.

Zone	Patrons	Staff*	Area m²
1. Front-of-House		4	1,334
2. Centre Operations		17	427
3. Café and Retail	150	22	386
4. Functions / Multi-purpose Rms			
a. Functions and Board Rooms	230	22	782
b. Rehearsal / Dance Studio	30	2	363
5. Proscenium Theatre			
a. Auditorium	600	10	1,180
b. Stagehouse		5	1,416
6. Studio Theatre (incl BOH)	200	23	753
7. Salon (incl BOH)	104	7	383
8 Backstage/Back of House (BOH)			
a. Production/Stage support		2	377
b. Performer & Crew support		87	526
9. Centre Servicing			393
10a. ABC Studios	4	18	302
10b. TRCM	100	30	866
Area contingencies (15%)			1,420
Total Projected Occupancy	1,418	247	
Total Minimum Building Area			10,888

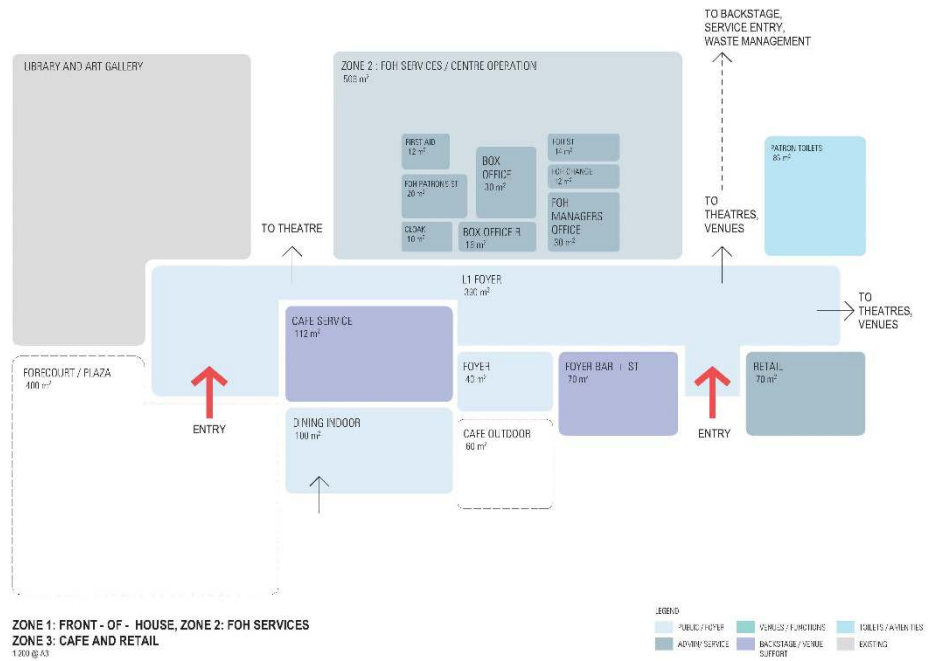
In comparison with the Facility Space Program projections of total building area around 10,888m², the concept design totals 13,516m². Factors influencing this difference are discussed in Section 3 Concept Design.

It should be noted that while the FSP includes basic notes on functional requirements and cost factors of particular spaces, it is not a Functional Design Brief, and is not a comprehensive description of facility requirements. It should not be relied on solely as a design description for use by a design team. The FSP includes many unstated assumptions based on experienced performance design that may not be known by less experienced designers.



This 'master' functional diagram shows the 10 main components of the building, but does not convey the functional complexity, especially considering facilities must be located across six building levels to fit on the site. Functional diagrams were also produced for each of these 10 zones individually.

For example, the foyer alone comprises the following components:



6.4 Concept Design

Site

The Peel Street site has a number of benefits and also factors that impose constraints on facility and cost.

Site Benefits

- Location on a main retail street of Tamworth, within walking distance of nearby retail businesses. Although the site is one block beyond the retail precinct the new TPAC may form an 'anchor' to draw new businesses towards it.
> performing arts activities are highly sensitive to location recognition / identify and passing foot traffic to attract patronage.
- Adjacency to the Library and Art Gallery enables direct connection between the three facilities, maximising opportunities for co-ordinated arts programming, cross-media events and shared uses. In particular, TPAC technical resources may be of use to Library and Art Gallery events, and both existing venues may use TPAC venues to extend their programming.
> It is highly desirable that a co-ordinated programming structure is put in place between these facilities.
- Views from the site enhance its aspects: towards the river and plains to the west, and the hills behind to the east, these views enhance the amenity and character of many spaces within the centre.
- On-site car parking. The presence of significant Council owned parking is very beneficial as a majority of users will arrive by car.
> Studies show that close proximity of well-lit, safe parking to venues is a key factor in patron decisions to attend arts events, especially at night.

Site Constraints / Limitations

- Surrounding uses are commercial and services, such as motels, professional offices, car yards and Service NSW.
> It is highly desirable that future development in the precinct is focused towards retail and other compatible uses rather than commercial. Ideally, Tamworth urban design and strategic planning would direct development towards these uses to intensify the success of the precinct as a retail, hospitality, cultural and community precinct.
(Accommodation is a complementary use as it would support conference and out-of-town visitation).

- Site width (~58m): the site is relatively narrow given the scale of the venues, such as the proscenium (24m wide) and studio theatres (16m wide). This prevents them being arrayed along the street frontage—an ideal arrangement for visibility / exposure and functional planning. In turn, this results in the building being long and thin, substantially increasing circulation area to traverse the length of the building on several floor levels.
- The site width requires facilities to be stacked on three levels (plus basement). This adds cost for heavy acoustic treatment to isolate noisy uses from each other. For example, the TRCM above the Function Centre will require substantial isolation from each other.
- Land fall approximately 5-6m. The land fall leads to substantial excavation and disposal off-site of fill, an added expense. In particular, the land fall imposes challenges for truck access to service the centre, imposing significant development cost for vehicle movements.
> Efficiency of vehicle movements is a critical functional requirements for theatres due to the high labour-time cost of inefficient operations on this low, indeed negative-margin activity.
- Informal 'right-of-way' to #476 Peel Street (Challenge Community Services). This accessway for their rear car parking, while not a legal ROW, constrains the site footprint of the new building by at least 4m width to provide a single lane accessway. The additional 4m width if the ROW was not required/provided would provide additional design and functional planning flexibility given that the site is quite 'tight' for the size of building.
- Electrical mains and easements: A major electrical easement includes high voltage lines to an existing sub-station serving adjacent properties. Both the cables and probably the substation will have to be replaced / relocated in the construction. The estimated cost impost is \$1.5m (net).
- Car parking—loss of existing provision: construction of such a large building on the site results in the net loss of 48 car parks (90 existing parks lost, 42 new parks provided). If development controls require the replacement of this parking and provision of additional parking, this will form a substantial additional cost to the project.

While the list of limitations may be longer than benefits, the overwhelming benefit of being located so close to the Tamworth retail precinct and adjacent to the Library and Art Gallery is so substantial as to out-weigh them.

Concept Design Layout

The concept design seeks to celebrate the identity of the new facilities to the street while connecting the public (front-of-house, FOH) areas into the Library and Art Gallery to enhance their activity and programming synergies.

The new building extends in front of the current Library and Art Gallery to provide them with additional functional space (182m² including a new meeting room) and to create an integrated façade for the cultural precinct.

The building is conceived as a multi-storey “shopfront” of activities expressed through their form and visible use to people in the street.

Key layout functional design influences are:

- Displaying as many activities across the Peel Street frontage as possible: consisting of the Library and Art Gallery expansion, meeting room, café, bar, Function Room over, main centre two storey foyer with proscenium theatre behind, Salon and ABC Studios as street level.
- Creating a linear ‘street’ within the centre leading from Peel Street to the rear car parks, rising one storey. Many patrons will arrive at the centre from car parking, so it is important that this secondary entry is equally attractive, safe and enticing.
- With the linear ‘street’, create light and view sources towards the end that make it light-filled and enticing: these include the Outdoor Theatre courtyard, events plaza and the mature tree that sits at the ‘street’ termination.
- Creating an autonomous portion of the centre at the eastern end for events in the Studio Theatre, Rehearsal Room and Conservatorium activities, (including separate theatre loading dock) to operate independently of the main foyer, proscenium theatre and Salon.
- Profile the ABC Studios with street frontage and visibility of the studios to enhance community identity and engagement. Not only would interviews / activities in the studios be visible from the street and adjacent forecourt, but the ABC could readily broadcast from the centre main foyer and forecourt, as well as venues within the centre.
- Locate the café strategically between Library and performing arts foyer with interconnections, to maximise the attraction for patrons to inhabit the centre and use as many facilities as possible.

Main Foyer, Proscenium Theatre and Salon

The main foyer is ‘book-ended by the café and library link and the Salon and ABC Studios, with the ‘drum’ of the proscenium theatre as a sculptural feature. The main foyer staircase rises up a two-storey façade to the Dress Circle foyer, also accessing the Functions Centre, Recording Studio and Administration.

The proscenium auditorium and Salon are both strongly expressed as independent forms and can be featured in colour and decorative patterns to identify each venue, visible from the street.

The ground floor foyer bar also serves directly into the café and onto the Peel Street forecourt, enhancing café, evening and casual use of the frontage.

At Level 2 there is a direct public link from the Art Gallery foyer to the TPAC foyer, although they are at different floor levels.

Added value: the Outdoor Theatre, Events Plaza and Studio

Theatre outdoor relationship

The angled, two storey journey along the internal foyer 'street' creates an opportunity to add value to the proposed facilities. The wedge of space between Library, Gallery and TPAC enables an outdoor tiered seating area addressing a courtyard that can act as an outdoor café and stage for events, while the functions area above form a projection wall for art-house cinema and projected show backdrops.

This adds an additional outdoor venue not briefed. Seating about 180-200 people, in the Tamworth climate this area will be a valuable additional venue and hireable space, especially during festivals. When not programmed it will form an informal café, gathering and relaxation space. The café patron toilets are positioned so that they can be externally accessed by this audience without the rest of the centre being open. The Outdoor Theatre will be sheltered from harsh afternoon sun by the surrounding buildings. It could also have a shade structure roof added.

On Level 2 a large Events Plaza covers truck, service and car parking functions below. This is also unbriefed but provides an opportunity to enhance outdoor markets and other large events. The plaza connects the foyer 'street' to car parking at grade extending up the site. It also serves the Studio Theatre loading dock.

The Studio Theatre is oriented so that the stage addresses the plaza and can be opened to it, using the stage as an 'outdoor' stage to large events—effectively another outdoor venue. The Studio foyer bar addresses the Events Plaza directly for outdoor events, and the Studio Theatre patron toilets can serve events users.

Functions Centre—Level 2

Located on Level 2, the functions centre projects out over the Peel Street frontage with an expansive glass façade and balcony providing views to the river. The service areas directly over the café service areas are linked by a foyer/service lift.

Across this upper foyer, the Board Room forms another projecting feature on the Peel Street façade.

Both of these rooms can operate as VIP patron rooms for sponsors of events in the theatres, while the Functions Centre bar also serves into the adjacent theatre foyer for economy of staffing.

The Board Room interconnects with the administration area behind for use by both public, sponsors, hirers and staff teams.

Rehearsal / Dance Studio—Level 3

Both the Rehearsal Studio and TRCM on Level 3 are accessed from the Studio Level 2 foyer for after-hours use without necessarily opening the level 1 foyer.

The Rehearsal Studio enjoys views to the hills behind and will be an attractive supplementary functions and community events space. It is located within the backstage facilities for all three performance venues, enhancing performer access for use during show installation.

The Green Room on level 2, adjacent to the Administration also has a good front of house link for after-show access.

There is potential to build a second rehearsal/dance studio beside Studio 1 in the future, provided that structural provision is made for it in the initial construction process. Studio 2 would be based on the Studio Theatre stage size and would be a valuable additional 'making' space for community arts participation, and further revenue stream for the centre.

Tamworth Regional Conservatorium of Music—Level 3

The TRCM occupies Level 3 stretching between the Library and proscenium theatre upper levels, and from the Studio Theatre to the Peel Street façade.

It will require substantial acoustic treatment both internally and between adjacent spaces such as the auditorium and function room below.

Circulation along the Auditorium enables the expression of this form within the Conservatorium, and could form a 'Hall of Fame' celebrating Con history, activities, students and graduates.

The layout is speculative and needs to be resolved with the TRCM.

Overall, the concept design achieves a very high level of multi-purpose use by many facilities in addition to opportunities for at least three additional outdoor events areas while negotiating the features and constraints of the site. This represents significant added value to the facility operation and amenity.

Design Concept and Façade Study



Proposed Tamworth Performing Arts Centre – Peel Street View

Building design should be guided by the fact that the complex is primarily an entertainment facility, and only very secondarily a civic building.

It is vital that the building design and façade presents the centre and its activities to the city, enticing people to enter and explore what the centre has to offer. It is a crucial ‘marketing’ opportunity, especially given that many people are daunted by the thought of entering a ‘cultural’ facility.

The design goal is to welcome as many people from the widest possible range of the broader community and encourage them to return repeatedly and make the centre one of their public realm ‘homes’. It is useful to think of the foyers as being community ‘living’ rooms.

Urban Design and Peel Street

The concept design aligns the façade in a concave form (^) focused on the theatres’ entry, welcoming people in and creating a forecourt to Peel Street.

It is highly desirable that Peel Street outside the centre is pedestrianised as an extended forecourt and civic ‘square’ to the cultural precinct. It would be ideal if on occasion, ceremonial or performance events could occur on the forecourt engaging the café and building frontage as audience spaces (both outside and in). For this reason generous steps/seating extend along the frontage, forming an extended ‘Outdoor Theatre’.

At a minimum this would include the adjacent car-parking zone, however, it is highly desirable that Council investigates closing or narrowing Peel Street either side of the centre. This could be a longer-term city planning and place-making goal if not achievable with this project.

Overleaf shows design inspiration imagery for the building façade treatment.

Theatre Façade Display Examples



Edinburgh Festival Theatre, LDN Architects, 1994
 'The best theatre in Europe' – New York Times
 An ideal example of a façade that displays foyer activity, enticing people in.



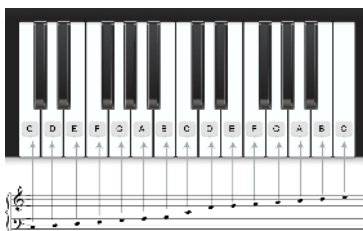
Melbourne Grammar School building, John Wardle Architects

This building exemplifies the idea of multiple sculptural 'shopfronts' within a single design language forming a coherent whole.

Façade Screen Examples



Guiyang CVIC Gallery, Studio Link-Arc2



Façade Design—a ‘Shopfront’ of Activities

Because the complex has many different venues and activities the building layout and façade features as many of these as possible expressed as sculptural elements on the façade—a ‘shopfront’ of activities. Framed elements include: Library and Art Gallery spaces, the projecting Functions Centre and TRCM above, Board Room and ABC Studios.

The façade is entirely glazed (double-glazed, energy-efficient glass) to make activity visible. Because the façade will be heavily impacted by western sun, a screen extends across the majority of it. The screen pattern abstracts the keys of a piano as a design device. The screen would create moving patterns of light and shade on foyer floors, enlivening these spaces.

Where parts of the façade are recessed, such as the café, they will require less sun control and are exposed without screening.

Both the new Library/Art Gallery and Theatres entries are signalled to the street by framed projecting 'portals', which also provide weather shelter at the entry doors.

The façade screen is repeated along the northern glazed façade to the internal 'street' to the Studio Theatre foyer and the eastern entry.

Theatrical Installations Report

The proposed new venue is to be best practice and designed to meet the Victorian Association of Performing Arts Centres (VAPAC) guidelines.

In accordance with the relevant briefing information, this report provides a summary of the theatre design requirements for the spaces, the key rigging, lighting and operational design principles developed for the project. The advice may be subject to change as the design progresses further.

Technical Infrastructure

All spaces in the buildings will be served by comprehensive, resilient cabling infrastructure that can support a variety of presentation styles using a range of loose equipment.

This full interconnectivity across the various performance, function, event public and administration areas allowing rooms which may have primary roles as one type of space to serve secondary roles or to support other spaces and the relocation of a standard stock of equipment that can be relocated around the venue as required.

All performance and event related spaces will require;

- Power Supply; 3 phase and 240v
- Audio (clean earth) power supply
- Rigging systems
- Lighting rigging positions
- Sound system infrastructure
- AV system infrastructure.
- Lighting control system infrastructure
- Technical Data (Ethernet) infrastructure
- Talkback and Stage Managers communications

Single and multi-mode fibre optic cable, ethernet hubs and cabling will provide additional production capability and functionality for users.

The over stage rigging for the proscenium theatre will be a power flying system with electrically operated winches at 200mm centres covering the entire stage depth, additional winches will serve technical purposes over the forestage and as panorama bars over the side stage areas.

The Studio is principally an adaptable, easily reconfigurable hard-working space rather than a fine presentation space and its fit out will include a tension wire grid (AKA trampoline grid) system installed over the entire space. These structures make the overhead rigging and focusing of equipment and stage lights faster, safer and more easily accomplished and enables ease of teaching and training in working at height for non-professional staff or volunteers such as community users of a space.

The Salon is a flat floor double height flexible music performance space able to be used in multiple configurations. The Salon will be fitted with three electrically winched flown flat grids which will be surrounded by a fixed pipe grid for the rigging of stage drapes, lighting fixtures etc in a range of different formats. This will enable maximum flexibility of the space in all configurations of use, whilst presenting a more suitable, less industrial appearance than other options available.

The scope and quantity of these base level services to all spaces will be further defined as the design of the building progresses.

Technical Equipment

Technical equipment and control systems will be simple to use and compatible across the various venues and spaces. Where possible, equipment will be digital rather than analogue.

All the performance, function and event spaces will require a full set of control systems, stage luminaries, stage draperies, audio and AV equipment and accessories.

All equipment will be professional quality and exact equipment specifications and quantities will be developed as the project progresses. Digital and LED equipment will be selected where appropriate.

Cable-net / Tension Wire Grid for the Studio Theatre

A tension wire grid aka “trampoline grid” is proposed for the studio theatre: this is an improved solution to traditional grids of catwalks. Tension wire grids are composed of tightly woven wire rope steel cables that create a taut floor strong enough for technicians, trainees and students to walk on.

These have had a major impact on auditoria operation as, instead of fixed position catwalk structures or using elevated work platforms or scaffold towers to provide overhead access to lighting and rigging equipment, the tension wire grid extends over the entire theatre, making rigging and focusing of equipment and stage lights faster, safer and more easily accomplished. It is particularly suitable for teaching and training in working at height for non-professional staff or volunteers such as community users and students.

The presence of a tension wire grid will enhance potential for theatrical studies programs to be held in the centre in association with training partners.

These permanent, high level platforms are virtually invisible from ground level and cast no shadow from lighting rigs positioned above.

Installations of tension wire grids in Australia include:

- State Theatre Centre WA (The Heath Ledger Centre) Studio, Perth WA
- The Eternity Playhouse, Darlinghurst, Sydney NSW
- The Armitage Centre Studio, Empire Theatre, Toowoomba QLD



Tension wire grids: left, Royal Academy of Dramatic Arts, London

6.5 Project Cost Estimate

Capital Cost Estimate

The preliminary concept cost plan A identifies the order of project cost as follows:

Total Construction Cost (TCC)	\$103,988,450
Total Project Cost (TPC)	\$128,200,450

Key components comprise total projects cost as follows:

Front-of-House, Centre Operations and Servicing	\$22,098,000
Proscenium Theatre and Backstage facilities	\$46,915,000
Studio Theatre	\$12,758,000
Salon Recital Room and Recording Studio	\$6,417,000
Rehearsal Dance Studio	\$5,515,000
Functions Centre and Board Room	\$8,725,000
Café	\$3,610,000
Library and Art Gallery Expansion & interconnection	\$2,625,000
Tamworth Conservatorium of Music	\$6,778,000
ABC Studios (not including fitout)	\$3,168,000
External Works and Services	\$9,591,000

The cost estimate is derived from the concept design drawings, Facility Space Program and Theatre Equipment & Services Estimates, land survey and interpolations of geotechnical conditions from the reports obtained for the Library and Art Gallery development in 2003.

Importantly, the cost estimate is based on a fully documented design procured via a standard construction contract in a competitive quantitative tender. Other procurement processes such as design competitions, design-construct, design-novation and so on are likely to incur additional capital costs.

The following net allowances are included (with an overall project margin of 23%):

▪ Café and Functions kitchens and bar fit-outs	
▪ Theatre seats: proscenium (\$750) & studio theatre (\$950 retractable)	
▪ Loose furniture and equipment (excluding computer hardware, software, compactus, photocopiers, crockery, linen and so on)	\$4.3m
▪ Theatre Equipment & Services Estimates including cable net grid to Studio Theatre, power flying systems to the Proscenium theatre	\$10.9m
▪ Library and Art Gallery expansion (not briefed)	\$2.6m
▪ Telephone and PABX systems	\$112,000
▪ Environmentally sustainable design to 5 Green Star level	\$2m
▪ Hazardous materials removal from existing buildings	\$1.0m
▪ New substation, electrical services diversion & easement	\$1.5m
▪ New diesel fire pumps and water tanks	\$420,000
▪ Locality allowance: additional cost to build in a regional centre	\$2.1m
▪ Construction contingency (5%)	\$4.95m
▪ Professional services (18%)	\$18.8m

Exclusions

The following items are excluded from the cost estimate and provision should be made in Council's further project management and contingency budget:

- Cost escalation beyond a construction tender held in mid 2022
- Decanting and relocation existing operations
- Site infrastructure works beyond the site boundary
- Forecourt / plaza construction in Peel Street
- Additional costs for poor ground conditions, soft spots and backfilling
- Rock excavation
- Out of hours works
- ABC Studio fitout
- Existing Library and Art Gallery refurbishment or regulatory upgrades (beyond interface works to connect the buildings)
- GST

Cost escalation is included for an implementation process completed by early 2025 – the earliest reasonable timeframe for the project (see section 4.1). With construction cost inflation running typically around 2% per year, compounding, the additional cost of implementing the project over a longer time is in the order of \$2.56m in Year 1, compounding by ~2% each subsequent year.

Council project costs

In addition to direct project costs, Council will have other implementation costs for which budget allowances should be made, such as internal project management, marketing and public relations and so on.

6.6 Why Do Theatres Cost So Much?⁹

'There is distinct market apathy ... towards arts buildings and theatres in particular. The market perceives theatres as extremely high risk.'
— Gary Faulkner, QS

Cultural buildings such as theatre, art galleries and so on, are relatively expensive compared with more 'standard' building types such as offices for many reasons that cumulatively multiply project costs:

- Large, high column-free spaces and high floor-to-floor heights.
- Unusual forms, internal voids and high quality materials inside and out.
- Complex, unique frames, subject to eccentric live structural loads such as flying systems—for instance steelwork costing 2x a standard office building
- Fully complete and fitted-out facility delivered at completion with intense room layouts and extensive building services without repetition.

⁹ 'Why do theatres cost so much?', Gary Faulker, Partner, Gardiner & Theobald Quantity Surveyors, UK. Theatre Engineering and Architecture Conference, London, 2002.

The 'postcard' effect refers to an 'iconic' design that becomes a signature building worthy of postcards in the local tourism trade. Such buildings frequently become known in the arts industry as 'lemons' as functionality was sacrificed for building imagery.

- Seen in-the-round requiring high quality design to all facades (no 'rear end').
- Substantial acoustic treatment throughout, intensifying ventilation services.
- Extensive theatrical technical installations 10-15% of base construction cost
- Complex scope, value, risk and time increases management input, reflected in contractor pricing.
- Design complexity requires many specialists and time, leading to higher design and project management fees (eg 18% vs typical project 9%).

In addition, the prestige of these buildings increasingly attracts the desire for 'postcard' design and the interest of 'starchitect' designers who do not necessarily understand the functional complexity and imperatives of cultural facilities. The 'postcard' factor is estimated to add 10-15% to the capital cost budget. If this is not added to the project budget, then functionality will be compromised to the equivalent value (or, often, more).

6.7 Implementation and Next Steps

Indicative Program

The following program shows a minimum timeframe to deliver the project while providing suitable time allowances for planning and design activity given the complexity of the project and building type.

Activity	Start - Finish	Time frame	Comments
Council decision to adopt Business Case and Concept Design	October 2019		Seek project funding and resolve to undertake preliminary investigations.
Procure funding	Oct 2019 – June 2020		Council decision on Council's Funding Strategy: adopts Budget for 20/21 and forward plan to 23/24
Prepare Functional & Technical Design Brief (FTDB)	Jan – June 2020	6 months	Could start late 2019. Stakeholder Consultation. Include FTDB in design team engagement.
Procure design team, engagement	July – Sept 2020	3 months	Prepare engagement RFT 1 month prepare RFT, 1 month tender, 1 month assess, Council appointment
Schematic Design	Oct 20 – Mar 2021	6 months	Significant further investigations required such as geotechnical, services relocations, traffic analysis, etc
Development Approval	April – Sept 2021	5-6 months	Estimated: complex project with high public interest.
Design Development	April – Sept 2021	6 months	Assume according in parallel with Development Approval – risk factor.
Project budget/scope review	October 2021	1 month	Value management- re-iterative process.
Contract Documentation	Nov – April 2022	6 months	
Pre-tender Cost Estimate Building Permit	May 2022	1 month	Steering Committee delegated authority to approve construction tender process.
Construction Tender	June – Sept 2022	3 months	Tender 5 weeks Assessment, negotiation, report 6-7 weeks
TRC Tender Acceptance	Sept 2022	1 month	Council resolution to enter into Construction Contract

Activity	Start - Finish	Time frame	Comments
Construction Period	Oct 2022 – Dec 2024	26 months	Including mobilisation, float
Practical Completion / Commissioning	Jan - Feb 2025	2 months	Soft opening essential
Official Opening	March/April 2025		

Procurement Process

Major capital works can attract enthusiasm for non-standard procurement processes in the mistaken belief that these will ‘add value’ to the project or reduce its capital cost. Most non-standard processes in fact increase capital cost while also reducing the client’s control over the building functionality and durability.

Given the high level of complexity and equally high criticality of functional resolution of performing arts centre it is essential that Council retains strong control over the design and construction processes. For these reasons, design competitions, design-construct or design-novation processes are not recommended.

Because of their complexity performing arts venues need highly experienced design teams who are focused on delivering exceptional functional resolution as well as high quality design.

With inexperience of either design team or contractor, it is very easy to make major unintended errors in performing arts venue functionality—which frequently cripple the centre operation in the long term as such errors are simply too expensive, once built, to correct.

Very few construction contractors have experience in building performance venues, which make design-construct and design-novation processes particularly hazardous, as they facilitate the builder changing the design without the full knowledge or scrutiny of the client’s design and construction supervision team.

See also the discussion above – Why do theatres cost so much?

If a design competition or celebrity architect engagement is contemplated Council should add 10-15%—in the order of \$20m—to the project budget to recognise the cost impact these involve.

Process Risks

Given the value of the project it seems likely that Council would engage a project management consultant to manage the project process.

If design professionals without proven delivery of effective performing arts centres are engaged, it is strongly recommended that Council engage specialist advisers and peer review processes with sufficient authority that they can hold the design team accountable in the design process.

In the 1997 Victorian government audit of 36 performance centres, none were found to be free of significant functional design errors, including brand new facilities. The estimate for rectification was around \$90m across all venues in today’s cost, which was

A key learning from many cultural building programs is that the operational team, who will interact with the design and construction team almost daily during the 3-4 year process, need to be supported to fulfil this additional, unusual workload by additional staff to contribute to project liaison or to back-fill current staff to release them. Substantial Council staff input will be required throughout the design and construction process to manage and respond to a myriad of questions that arise. One or more additional positions will be required for the duration. This could include:

- Manager Entertainment Venues – backfill existing roles to 30-50%
- Operations / Technical Co-ordinator – backfill 80-100%

Over 3-4 years this could involve salary costs of up to \$300-450,000. Ideally, these staff would also undertake professional development training and site visits to learn about the design and construction process of performance venues. If staff are not sufficiently resourced to allocate substantial time to the design and construction process this will jeopardise the functional effectiveness of the resulting centre due to lack of informed client input.

Investigations and Enabling Works

Some investigations can be undertaken prior to the full design engagement and will better inform the design process if available on commencement. These include:

- Functional and Technical Design Brief (see below)
- Soil contamination / hazardous materials testing in a form suitable for use in the construction tender documentation
- Geotechnical investigations to identify foundation design requirements
- Traffic and car parking analysis
- In-ground services surveys to locate all existing services
- Existing services condition testing to identify their suitability such as;
 - Electrical load tests
 - Fire services pressure testing
 - Sewer CCTV review
- Substation and high voltage lines relocation

A number of other possible investigations should be reviewed for their relevance. These may include property legal / ownership investigations and Aboriginal cultural heritage.

Functional and Technical Design Brief (FTDB)

Preparation of a Functional and Technical Design Brief (FTDB) as a separate pre-design exercise is strongly recommended, given the complex nature of this building type. Benefits include:

- Council staff and stakeholders are able to focus on detailed project requirements prior to time pressures occurring during the design process.

- Appropriate time for consultation with the Conservatorium and ABC will be possible before design commences.
- The FTDB can be included in the engagement terms of the design team, enabling them to be held accountable for suitable functional design.
- The FTDB provides Council with a benchmark against which design proposals can be compared.
- The FTDB helps prevent 'scope creep' and thus capital cost inflation during the project.
- THE FTDB strongly enhances the likelihood of building a highly effective centre that will have long term durability and value for the Tamworth community.

The Functional and Technical Design Brief should be prepared by a team with extensive experience in the design of performing arts facilities. The team should include disciplines of architecture, theatre planning, acoustic consulting and preferably also services engineering (also experienced in performing arts facilities).

Terms of Reference

This report was prepared for the use of Tamworth Regional Council by Williams Ross Architects. No one other than the TRC may rely on it and Williams Ross Architects does not accept responsibility to any other user.

Findings and analysis are based on drawings and reports supplied by Council, site visits and photos of the site. Destructive investigations were not undertaken.

Subject to these limitations Williams Ross Architects confirms that to the best of its knowledge the content and drawings provided in this report are a fair and reasonable description of proposed facility requirements and a potential development approach at the time of writing.

7. BUSINESS MODELLING

7.1 Purpose

The study of Business Modelling for the Tamworth Performing Arts Centre and Cultural Precinct includes the development of the staffing structure, management approach, financial modelling and business outcome modelling. It includes a five year operational budget.

7.2 Existing Management Model

The Arts and Culture facilities and services currently operate as part of the Business and Community Directorate.

The Manager – Entertainment Venues and the Manager – Cultural and Community Services report to the Director – Business and Community.

Entertainment Venues includes the management of facilities including the Capitol Theatre, Tamworth Town Hall, TRECC and the Community Centre. Service provision includes performing arts programming, venue operations, theatre technical services, ticketing and event marketing.

Cultural and Community Services includes the management of facilities including the Regional Art Gallery and Museums, the Libraries including branch Libraries and Makerspace. Service Provision includes Cultural Development and Youth Services.

Council provides services including Finance and IT to Entertainment Venues. Entertainment Venues looks after their own event and venue Marketing and Communications and Building Maintenance for TRECC and the Tamworth Town Hall.

7.3 Modelling Assumptions

7.3.1 Management Model Assumptions

The following Management Model Assumptions were adopted by the Project Control Group in April 2019 following consideration of a range of Business Operating Model Options for the management of the Tamworth Performing Arts Centre and Cultural Precinct.

- The Entertainment Venues business unit are responsible for the management of the new facilities including the common foyer areas, while the Art Gallery and Library are responsible for all aspects of their operation within their current facilities. Responsibilities for the Entertainment Venues business unit include:
 - Operations of the new facilities including utilities, security, cleaning and maintenance.
 - Scheduling of usage of programmable spaces by Venues and Events, the arts and culture units and external users.
 - Management of tenants' contracts including the café, Conservatorium and ABC.
 - Management of the events and functions contract with the caterer(s).

- Provision of reception and customer service staff in the new facilities.
- Marketing of the precinct and of individual Entertainment Venues performances and events.
- Service Provision of Functions Catering is based on an exclusive commercial caterer. This establishes a Functions business partnership between venue and Caterer driving growth of the business. The Venue earns commission as a percentage of Gross Revenue from Functions.
- Operation of Theatre Bars is managed by Entertainment Venues with a mix of dedicated bar staff and FOH ushers.
- The Café / Restaurant is operated by an external contractor with expertise in café operation. It is assumed that the contractor is responsible for the fit out of the dining area. Modelling assumes the venue earns a flat lease rental income and outgoings based on commercial rates.
- Modelling assumes that for the ABC Studios, the venue earns a flat lease rental income and outgoings based on a major tenant rate.
- Modelling assumes that for the Conservatorium, the venue earns a flat lease rental income and outgoings based on a similar cost to the Conservatorium operating their current venue at the Convent.
- Merchandise sales include show related sales in the foyers and a small retail space as part of the box office facilities operated by Entertainment Venues.
- Ticketing is provided by Entertainment Venues and income is generated from ticketing sales commissions, transaction fees, credit card charges and box office charges to hirers.
- Marketing is assumed to be delivered by the inhouse team and four types of marketing and promotion campaigns:
 - Venue marketing focusing on building the venue brand in the community and arts industry.
 - Event marketing for performances and events to attract audiences and participants. This can be both for ticketed and free events. While generally prioritising in house presented events, services can also be offered to hirers to promote their events on a fee for service basis.
 - Subscription marketing of generally in house presented events.
 - Specifically marketing the venue to potential hirers and clients for both the theatre and functions areas.
- Management of buildings and facilities maintenance and theatrical equipment and technical systems is assumed to be undertaken by Entertainment Venues using technical staff and contractors.
- Cleaning is assumed to be provided by a combination of staff cleaners (part of the recent restructure) for core cleaning and contract cleaners for additional cleaning for events or specialist cleaning.

7.4 Basis of Modelling

The business and financial modelling is based on the following principles:

- Realistic projections for activity levels based on:
 - Current Entertainment Venues operation.
 - Data identified in the Needs Analysis.
 - Benchmarking of other performing arts centres.
 - Consultant information from other projects.
 - Data and pricing from other relevant businesses.

- Specialist advice.
- Projected growth in Tamworth.
- Prices and costs are based on 2019 values.
- Usage of the Salon by the Library and Art Gallery will not be charged venue rental but will meet technical and FOH staff costs.
- Council's contribution is 25% of the total project cost with a loan component of \$20m.
- Interest is based on a loan of \$20m for 20 years at an interest rate of 2.2%.
- Depreciation is based on normal Council rates for the preliminary cost plan.
- Timelines are based on the following schedule.

Year	Milestone
20/21	Detailed Design and Documentation
Mid 21	Construction Tender
21/22	Construction
22/23	Construction
23/24	Construction, Handover (January) Commissioning, Opening (April) and Year 1 operation
24/25	Year 2 operation with growth
25/26	Year 3 operation with growth
26/27	Year 4 operation achieve projected level
27/28	Year 5 maintain operation

7.5 Events and Attendances

The level of events and attendances is generated from the business model and based on detailed analysis of the different types of events and activities divided into the main business streams.

Summary Events and Attendances

Version 4 as at 9 September

Summary OC

Tamworth Cultural Precinct Financial Modelling

	Programming	Theatre Hire	Functions	Room Hire	Rehearsal Room Hire	Sub Total Main Venues	Commercial Leases	Total
Total Events	116	275	227	198	125	942	1,012	1,954
Attendances								
Ticketed Attendances	21,748	66,407				88,155	0	88,155
Other Attendances			21,850	8,336	5,020	35,205	94,080	129,285
Total Attendances	21,748	66,407	21,850	8,336	5,020	123,360	94,080	217,440

Total activity in the main venues operated by Entertainment is projected at 942 events and 123,360 attendances compared to the current activity in the Capitol Theatre of 120 events and 26,000 attendances. This is driven by the:

- Increase in the number of venues from one to four.
- Larger capacity of the Proscenium Theatre at 600 seats compared to the Capitol Theatre at 400 seats.
- Removal of the lack of access to the Capitol Theatre in school holidays increasing the total available days by an average of 76 days per annum.
- Introduction of new business streams such as Functions and Conferences.

The Detailed Events and Attendances demonstrates the drivers for this growth and divides the activity by venue in addition to business stream.

Detailed Events and Attendances

Version 4 as at 9 September

Detailed OC

Tamworth Cultural Precinct Financial Modelling

	Programming	Theatre Hire	Functions	Room Hire	Rehearsal Room Hire	Sub Total Main Venues	Commercial Leases	Total
Proscenium Arch Theatre	49	141	6	0	0	196		196
Studio Theatre	21	100	21	0	0	142		142
Salon	14	27	27	54	0	122		122
Function Room	0	0	87	19	19	125		125
Rehearsal Room	14	0	7	14	107	142		142
Meeting Room	0	0	57	85	0	142		142
Amphitheatre	18	7	0	0	0	25		25
Event Terrace	0	0	21	0	0	21		21
Other Spaces	0	0	0	26	0	26	1,012	1,038
Total Events	116	275	227	198	125	942	1,012	1,954
<i>Attendances</i>								
Proscenium Arch Theatre								
Ticketed Attendances	15,860	52,219	0	0	0	68,078		68,078
Other Attendances	0	0	2,350	0	0	2,350		2,350
Studio Theatre								
Ticketed Attendances	3,140	12,021	0	0	0	15,161		15,161
Other Attendances		0	2,129	0	0	2,129		2,129
Salon								
Ticketed Attendances	812	1,368	0	0	0	2,179		2,179
Other Attendances		0	920	4,058	0	4,978		4,978
Function Room	0	0	10,043	1,869	748	12,660		12,660
Rehearsal Room	142	0	712	570	4,272	5,696		5,696
Meeting Room	0	0	1,424	1,709	0	3,133		3,133
Amphitheatre	1,794	800	0	0	0	2,594		2,594
Event Terrace	0	0	4,272	0	0	4,272		4,272
Other Spaces	0	0	0	130	0	130	94,080	94,210
Total Attendances	21,748	66,407	21,850	8,336	5,020	123,360	94,080	217,440

7.6 Staffing Structure

The proposed staffing structure is based on most staff working across the Entertainment Venues facilities with a proportion of their salary costs allocated to each venue.

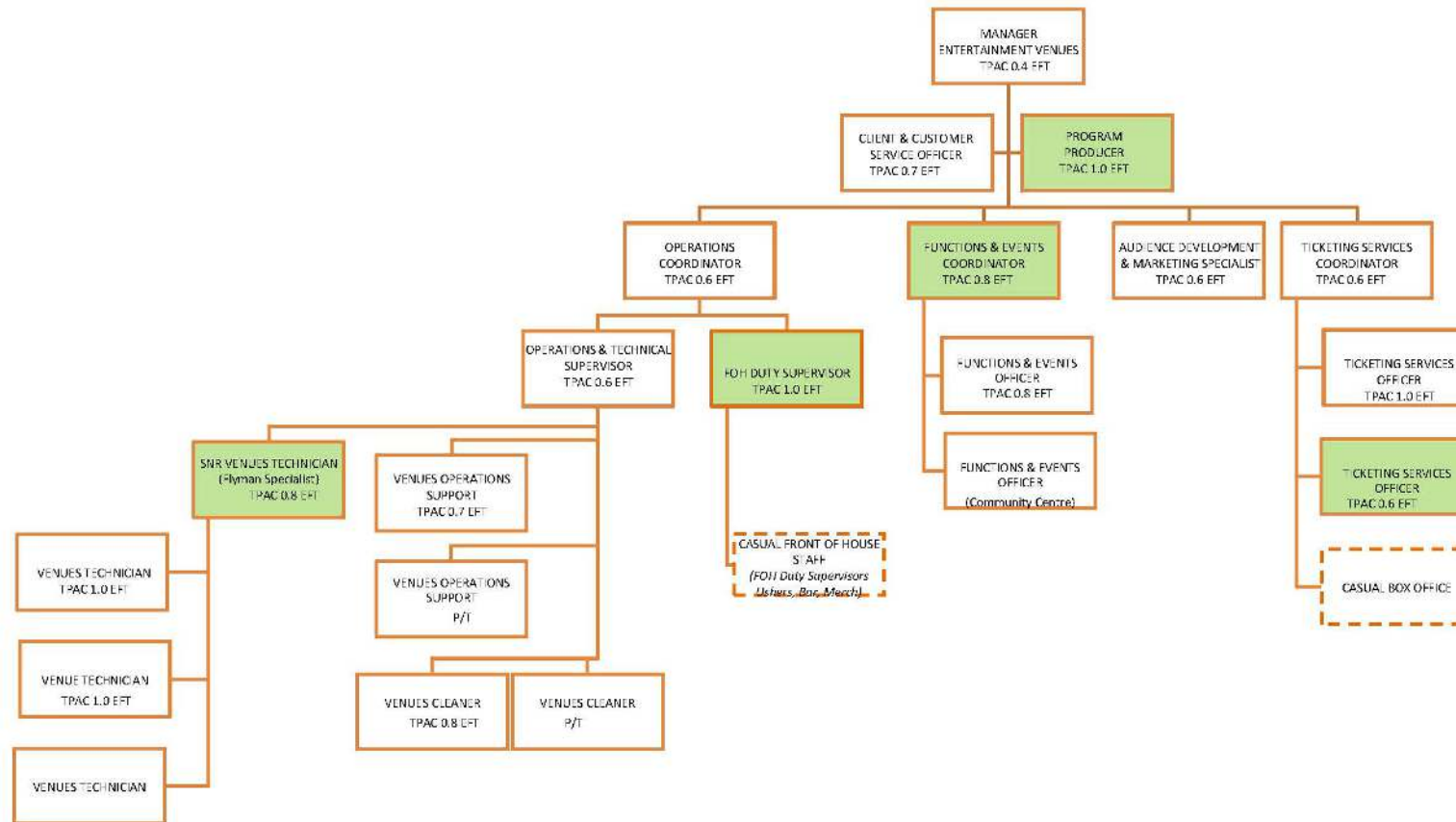
Staffing includes both permanent staff and casual staff. The increase in the number of venues and the likelihood of peaks and troughs in activity throughout the year has led to an increase in the usage of casual staff.

Note that the staffing modelling does not consider the need to backfill the Manager Entertainment Venues role through the detailed design and construction phases of the project. This is key to the successful delivery of the overall development project. Options to address this might include bringing new staff such as the Program Producer and the Functions and Events Coordinator on line earlier or engaging a staff member on a short term contract to undertake the Manager's operational responsibilities.

The following organisation chart indicates the allocation of staffing to the new Tamworth Performing Arts Centre and Cultural Precinct.

PROPOSED NEW ENTERTAINMENT VENUES ORG CHART – NPAC and Precinct

 Indicates new positions | Indicates casual non core positions



Total employment generated by the project includes TPAC staff and contractor and tenant staff. Entertainment Venues staffing for TPPC operations totals 18.46 EFT staff.

Total Employment Impact

Version 4 as at 9 September

Summary OC

Tamworth Cultural Precinct Financial Modelling

	EFT
Entertainment Venues Staffing	
TPAC Core Positions	13.00
Non Core Positions	5.46
Total Staff	18.46
Contractor Staffing	
Caterers Staffing	4.98
Commercial Leases Staffing	
Café & Restaurant	11.00
ABC Studios	10.00
Conservatorium	6.00
Total Third Party Staffing	31.98
Total Employment Impact	50.43

7.7 Financial Modelling

7.7.1 Operating Budget

The summary operating budget projects and operating deficit of \$182k. With the inclusion of interest, loan repayments and depreciation the total operating deficit increases to \$3.572m.

Summary Operating Budget Total	Version 4 as at 9 September
Summary OC	
Tamworth Cultural Precinct Financial Modelling	

	Total
REVENUE	
TOTAL REVENUE	\$2,934,331
EXPENDITURE	
<i>Total Salaries</i>	<i>\$1,372,703</i>
<i>Total Building Utilities and Overheads</i>	<i>\$456,414</i>
<i>Total Operational Overheads</i>	<i>\$74,100</i>
<i>Total Corporate Overheads</i>	<i>\$221,973</i>
<i>Total Other Business Stream Costs</i>	<i>\$990,700</i>
TOTAL EXPENDITURE	\$3,115,889
SURPLUS (DEFICIT)	-\$181,558
NON OPERATING EXPENDITURE	
Interest & Principal Loan	\$1,439,355
Depreciation	\$1,951,750
TOTAL NON OPERATING EXPENDITURE	\$3,391,105
OPERATING SURPLUS (DEFICIT)	-\$3,572,663

A comparison of the current Entertainment Venues financial outcomes including the Capitol Theatre to the new Entertainment Venues structure with Tamworth Performing Arts Centre has been undertaken. The revenue and expenditure from the Parry Building, which is proposed to be demolished as part of the development has been incorporated in this analysis.

Entertainment Venues Budget Summary

Version 4 as at 9 September

Summary QC

Tamworth Cultural Precinct Financial Modelling

	Community Centre	EV Management	Town Hall	TRECC	Capitol Theatre	Total EV	Parry Building	Total EV + Parry
TOTAL REVENUE	\$85,550	\$246,400	\$103,300	\$514,000	\$322,179	\$1,271,429	\$463,407	\$1,734,836
EXPENDITURE								
<i>Salaries</i>								
Core Salaries	\$51,277	\$120,119	\$0	\$214,647	\$281,344	\$667,387	\$0	\$667,387
Non-Core Salaries						\$0	\$0	\$0
<i>Subtotal Salaries</i>	\$51,277	\$120,119	\$0	\$214,647	\$281,344	\$667,387	\$0	\$667,387
Salary Overheads	\$13,831	\$0	\$0	\$54,227	\$117,197	\$185,255	\$0	\$185,255
<i>Total Salaries</i>	\$65,108	\$120,119	\$0	\$268,874	\$398,541	\$852,642	\$0	\$852,642
<i>Total Building Utilities and Overheads</i>	\$98,717	\$0	\$224,030	\$309,271	\$626,207	\$1,258,225	\$174,203	\$1,432,428
<i>Total Operational Overheads</i>	\$0	\$0	\$0	\$12,791	\$45,213	\$58,004	\$1,479	\$59,483
<i>Total Corporate Overheads</i>	\$23,146	\$0	\$6,640	\$51,568	\$221,973	\$303,327	\$0	\$303,327
<i>Total Other Business Stream Costs</i>	\$46,198	\$62,075	\$54,538	\$415,010	\$331,840	\$909,661	\$44,313	\$953,974
TOTAL EXPENDITURE	\$233,169	\$182,194	\$285,208	\$1,057,514	\$1,623,774	\$3,381,859	\$219,995	\$3,601,854
SURPLUS (DEFICIT)	-\$147,619	\$64,206	-\$181,908	-\$543,514	-\$1,301,595	-\$2,110,430	\$243,412	-\$1,867,018
NON OPERATING EXPENDITURE								
Interest & Principal (loan)					\$180,079	\$180,079		\$180,079
Depreciation				\$125,668	\$97,793	\$223,461	\$18,476	\$241,937
TOTAL NON OPERATING EXPENDITURE	\$0	\$0	\$0	\$125,668	\$277,872	\$403,540	\$18,476	\$422,016
OPERATING SURPLUS (DEFICIT)	-\$147,619	\$64,206	-\$181,908	-\$669,182	-\$1,579,467	-\$2,513,970	\$224,936	-\$2,289,034

Community Centre	EV Management Salaries	Town Hall	TRECC	TPAC	Total EV New Structure
\$85,550	\$0	\$103,300	\$514,000	\$2,934,331	\$3,637,181
\$51,277	\$218,507	\$0	\$214,647	\$834,263	\$1,318,694
\$51,277	\$218,507	\$0	\$214,647	\$1,195,233	\$1,679,663
\$13,831	\$32,776	\$0	\$54,227	\$177,470	\$278,304
\$65,108	\$251,283	\$0	\$268,874	\$1,372,703	\$1,957,967
\$98,717	\$0	\$224,030	\$309,271	\$456,414	\$1,088,432
\$0	\$0	\$0	\$12,791	\$74,100	\$86,891
\$23,146	\$0	\$6,640	\$51,568	\$221,973	\$303,327
\$46,198	\$0	\$54,538	\$415,010	\$990,700	\$1,506,446
\$233,169	\$251,283	\$285,208	\$1,057,514	\$3,115,889	\$4,943,063
-\$147,619	-\$251,283	-\$181,908	-\$543,514	-\$181,558	-\$1,305,882
				\$1,439,355	\$1,439,355
			\$125,668	\$1,951,750	\$2,077,418
\$0	\$0	\$0	\$125,668	\$3,391,105	\$3,516,773
-\$147,619		-\$181,908	-\$669,182	-\$3,572,663	-\$4,822,655

Total revenue growth of \$1.9m is driven by a number of factors as described in section 7.5:

- Increase in the number of venues from one to four.
- Larger capacity of the Proscenium Theatre at 600 seats compared to the Capitol Theatre at 400 seats.
- Removal of the lack of access to the Capitol Theatre in school holidays increasing the total available days by an average of 76 days per annum.
- Introduction of new business streams such as Functions and Conferences.
- Commercial leases include the Café / Restaurant, ABC Studios and the Conservatorium.

The modelling projects an operating deficit of \$1.305m compared to the current outcomes for Entertainment Venues of \$2.110m, a decrease in direct operating cost of \$0.805m. Including the impact of the loss of the operating surplus from the Parry Building of \$0.243m this reduces the decrease in direct operating costs to \$0.562m.

The impact of the higher interest and loan repayments and depreciation for the new facilities, results in an increase in total operating costs of \$2.533m.

The Operating Budget below is by business stream and detailed account.

Detailed Operating Budget by Business Stream

Version 4 as at 9 September

Detailed OC

Tamworth Cultural Precinct Financial Modelling

	Overheads	Programming	Theatre Hire	Functions	Room Hire	Rehearsal Room Hire	Total
REVENUE							
Venue Rental			\$162,759		\$89,540	\$21,566	\$273,865
Labour Recoveries Technical		\$88,680	\$246,248				\$334,928
Labour Recoveries FOH		\$39,854	\$169,431				\$209,285
Catering Commission				\$185,834			\$185,834
Box Office Net of Ticketing Fees & Labour Recoveries		\$565,014					\$565,014
Sponsorship		\$15,000					\$15,000
Box Office Ticketing Fees Revenue	\$478,745	\$36,102	\$92,970				\$607,817
Equipment Hire			\$43,282				\$43,282
Marketing Services			\$82,595				\$82,595
Theatre Bar Revenue	\$301,504						\$301,504
Merchandise Commission and Retail Revenue	\$23,733						\$23,733
Commercial Leases Rental	\$268,675						\$268,675
Commercial Leases Outgoings	\$22,800						\$22,800
TOTAL REVENUE	\$1,095,457	\$744,649	\$797,286	\$185,834	\$89,540	\$21,566	\$2,934,331
EXPENDITURE							
<i>Salaries</i>							
Core Salaries	\$599,116	\$54,084	\$157,549	\$14,109	\$9,406		\$834,263
Non-Core Salaries	\$121,963	\$60,646	\$167,838	\$8,555	\$1,967		\$360,970
<i>Subtotal Salaries</i>	<i>\$721,079</i>	<i>\$114,730</i>	<i>\$325,387</i>	<i>\$22,664</i>	<i>\$11,373</i>	<i>\$0</i>	<i>\$1,195,233</i>
Salary Overheads	\$112,322	\$15,693	\$44,612	\$3,186	\$1,657		\$177,470
<i>Total Salaries</i>	<i>\$833,401</i>	<i>\$130,424</i>	<i>\$369,999</i>	<i>\$25,849</i>	<i>\$13,030</i>	<i>\$0</i>	<i>\$1,372,703</i>
<i>Building Utilities and Overheads</i>							
Electricity	\$125,000						\$125,000
Gas	\$25,000						\$25,000
Water	\$38,000						\$38,000
Council Rates	\$56,514						\$56,514
Essential Services Inspection Fire	\$14,000						\$14,000
Insurances	\$30,000						\$30,000
Security - Patrols & Alarms	\$7,500						\$7,500
Waste Removal	\$8,250						\$8,250
Cleaning - Core	\$32,000						\$32,000
Cleaning Supplies	\$8,000						\$8,000
Maintenance Equipment	\$22,000						\$22,000
Maintenance Programmed Plant & Equipment Servicing	\$36,250						\$36,250
Technical Expenses	\$10,500						\$10,500
Building Maintenance	\$20,400						\$20,400
General Expenses	\$5,000						\$5,000
Grounds Maintenance	\$4,000						\$4,000
Furniture & Fittings	\$4,000						\$4,000
Minor Equipment Purchases	\$10,000						\$10,000
<i>Total Building Utilities and Overheads</i>	<i>\$456,414</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$456,414</i>
<i>Operational Overheads</i>							<i>\$0</i>
Memberships and Subscriptions	\$3,200						\$3,200
Licenses	\$1,000						\$1,000
Software Licenses	\$2,000						\$2,000
Research	\$7,000						\$7,000
Stationery	\$2,400						\$2,400
Office Equipment & Supplies	\$2,000						\$2,000
Postage	\$1,000						\$1,000
Telephone	\$12,000						\$12,000
Bank Charges	\$1,000						\$1,000
Website	\$6,000						\$6,000
Photography	\$1,500						\$1,500
Publishing and Printing	\$7,000						\$7,000
Advertising - Venue	\$10,000						\$10,000
Marketing Subscription Season	\$18,000						\$18,000
<i>Total Operational Overheads</i>	<i>\$74,100</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$74,100</i>

	Overheads	Programming	Theatre Hire	Functions	Room Hire	Rehearsal Room Hire	Total
Corporate Overheads							
Corporate Overheads	\$221,973						\$221,973
Total Corporate Overheads	\$221,973	\$0	\$0	\$0	\$0	\$0	\$221,973
Other Business Stream Costs							
Cleaning - Event		\$4,032	\$18,005	\$6,449	\$4,296		\$32,782
Events Expenses		\$30,395	\$23,153				\$53,549
Ticketing Fees and Costs	\$56,262						\$56,262
Performance Fees		\$412,613					\$412,613
Royalties		\$41,814					\$41,814
Marketing Costs		\$204,259	\$70,170				\$274,430
Theatre Bar Costs	\$114,451						\$114,451
Merchandise Retail Costs	\$4,800						\$4,800
Total Other Costs	\$175,513	\$693,114	\$111,328	\$6,449	\$4,296	\$0	\$990,700
TOTAL EXPENDITURE	\$1,761,401	\$823,537	\$481,327	\$32,298	\$17,326	\$0	\$3,115,889
OPERATING SURPLUS (DEFICIT)	-\$665,944	-\$78,888	\$315,958	\$153,536	\$72,214	\$21,566	-\$181,558
NON OPERATING EXPENDITURE							
Interest Loan	\$439,355						\$439,355
Principal Loan	\$1,000,000						\$1,000,000
Depreciation	\$1,951,750						\$1,951,750
TOTAL NON OPERATING EXPENDITURE	\$3,391,105	\$0	\$0	\$0	\$0	\$0	\$3,391,105
TOTAL OPERATING SURPLUS (DEFICIT)	-\$4,057,049	-\$78,888	\$315,958	\$153,536	\$72,214	\$21,566	-\$3,572,663

7.7.2 Five Year Budget

A five year Operating Budget has been developed based on the timeline described in section 5.4. The principle applied to this analysis is that fixed costs and overheads are included at their full cost while variable revenue and expenditure is calculated on the basis of the level of potential activity achieved in each year. This is indicated in detail in the following Detailed Operating Budget.

5 Year Detailed Operating Budget by Account

Version 4 as at 9 September

Summary OC

Tamworth Cultural Precinct Financial Modelling

	Year 1 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 27/28
REVENUE					
TOTAL REVENUE	\$706,620	\$2,277,367	\$2,540,153	\$2,802,938	\$2,934,331
EXPENDITURE					
Total Salaries	\$1,032,499	\$1,263,971	\$1,304,580	\$1,345,189	\$1,372,703
Total Building Utilities and Overheads	\$306,814	\$426,414	\$441,414	\$448,914	\$456,414
Total Operational Overheads	\$70,500	\$74,100	\$74,100	\$74,100	\$74,100
Total Corporate Overheads	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973
Total Other Business Stream Costs	\$178,326	\$743,025	\$842,095	\$941,165	\$990,700
TOTAL EXPENDITURE	\$1,810,112	\$2,729,483	\$2,884,162	\$3,031,341	\$3,115,889
SURPLUS (DEFICIT)	-\$1,103,492	-\$452,116	-\$344,009	-\$228,403	-\$181,558
NON OPERATING EXPENDITURE					
Interest & Principal Loan	\$1,439,355	\$1,417,387	\$1,395,419	\$1,373,452	\$1,351,484
Depreciation	\$1,951,750	\$1,839,931	\$1,737,643	\$1,643,997	\$1,558,190
TOTAL NON OPERATING EXPENDITURE	\$3,391,105	\$3,257,318	\$3,133,062	\$3,017,448	\$2,909,674
OPERATING SURPLUS (DEFICIT)	-\$4,494,596	-\$3,709,434	-\$3,477,071	-\$3,245,851	-\$3,091,232

5 Year Detailed Operating Budget by Account

Summary OC

Version 4 as at 9 September

Tamworth Cultural Precinct Financial Modelling

	Total Full Operation	Year 1 # 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 27/28
Fixed Costs		100%	100%	100%	100%	100%
Variable Costs		18%	75%	85%	95%	100%
REVENUE						
Venue Rental	\$273,865	\$49,296	\$205,398	\$232,785	\$260,171	\$273,865
Labour Recoveries Technical	\$334,928	\$60,287	\$251,196	\$284,688	\$318,181	\$334,928
Labour Recoveries FOH	\$209,285	\$37,671	\$156,964	\$177,892	\$198,821	\$209,285
Catering Commission	\$185,834	\$33,450	\$139,376	\$157,959	\$176,542	\$185,834
Box Office Net of Ticketing Fees & Labour Recoveries	\$565,014	\$101,702	\$423,760	\$480,262	\$536,763	\$565,014
Sponsorship	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Box Office Ticketing Commission	\$607,817	\$109,407	\$455,863	\$516,644	\$577,426	\$607,817
Equipment Hire	\$43,282	\$7,791	\$32,462	\$36,790	\$41,118	\$43,282
Marketing Services	\$82,595	\$14,867	\$61,946	\$70,206	\$78,465	\$82,595
Theatre Bar Revenue	\$301,504	\$54,271	\$226,128	\$256,278	\$286,428	\$301,504
Merchandise Commission and Retail Revenue	\$23,733	\$4,272	\$17,800	\$20,173	\$22,546	\$23,733
Commercial Leases	\$291,475	\$218,606	\$291,475	\$291,475	\$291,475	\$291,475
TOTAL REVENUE	\$2,934,331	\$706,620	\$2,277,367	\$2,540,153	\$2,802,938	\$2,934,331
EXPENDITURE						
<i>Salaries</i>						
Core Salaries	\$834,263	\$834,263	\$834,263	\$834,263	\$834,263	\$834,263
Non-Core Salaries	\$360,970	\$64,975	\$270,727	\$306,824	\$342,921	\$360,970
<i>Subtotal Salaries</i>	<i>\$1,195,233</i>	<i>\$899,238</i>	<i>\$1,104,990</i>	<i>\$1,141,087</i>	<i>\$1,177,184</i>	<i>\$1,195,233</i>
Salary Overheads	\$177,470	\$133,261	\$158,980	\$163,492	\$168,005	\$177,470
<i>Total Salaries</i>	<i>\$1,372,703</i>	<i>\$1,032,499</i>	<i>\$1,263,971</i>	<i>\$1,304,580</i>	<i>\$1,345,189</i>	<i>\$1,372,703</i>
<i>Building Utilities and Overheads</i>						
Electricity	\$125,000	\$62,500	\$100,000	\$112,500	\$118,750	\$125,000
Gas	\$25,000	\$12,500	\$20,000	\$22,500	\$23,750	\$25,000
Water	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000
Council Rates	\$56,514	\$56,514	\$56,514	\$56,514	\$56,514	\$56,514
Essential Services Inspection Fire	\$14,000	\$7,000	\$14,000	\$14,000	\$14,000	\$14,000
Insurances	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Security - Patrols & Alarms	\$7,500	\$3,750	\$7,500	\$7,500	\$7,500	\$7,500
Waste Removal	\$8,250	\$4,125	\$8,250	\$8,250	\$8,250	\$8,250
Cleaning - Core	\$32,000	\$16,000	\$32,000	\$32,000	\$32,000	\$32,000
Cleaning Supplies	\$8,000	\$5,600	\$8,000	\$8,000	\$8,000	\$8,000
Maintenance Equipment	\$22,000	\$11,000	\$22,000	\$22,000	\$22,000	\$22,000
Maintenance Programmed Plant & Equipment Services	\$36,250	\$18,125	\$36,250	\$36,250	\$36,250	\$36,250
Technical Expenses	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500
Building Maintenance	\$20,400	\$10,200	\$20,400	\$20,400	\$20,400	\$20,400
General Expenses	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Grounds Maintenance	\$4,000	\$2,000	\$4,000	\$4,000	\$4,000	\$4,000
Furniture & Fittings	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Minor Equipment Purchases	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<i>Total Building Utilities and Overheads</i>	<i>\$456,414</i>	<i>\$306,814</i>	<i>\$426,414</i>	<i>\$441,414</i>	<i>\$448,914</i>	<i>\$456,414</i>

	Total Full Operation	Year 1 # 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 27/28
Fixed Costs		100%	100%	100%	100%	100%
Variable Costs		18%	75%	85%	95%	100%
Operational Overheads						
Memberships and Subscriptions	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
Licenses	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Software Licenses	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Research	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Stationery	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Office Equipment & Supplies	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Postage	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Telephone	\$12,000	\$8,400	\$12,000	\$12,000	\$12,000	\$12,000
Bank Charges	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Website	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Photography	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Publishing and Printing	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Advertising - Venue	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Marketing Subscription Season	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Total Operational Overheads	\$74,100	\$70,500	\$74,100	\$74,100	\$74,100	\$74,100
Corporate Overheads						
Corporate Overheads	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973
Total Corporate Overheads	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973
Other Business Stream Costs						
Cleaning - Event	\$32,782	\$5,901	\$24,586	\$27,865	\$31,143	\$32,782
Events Expenses	\$53,549	\$9,639	\$40,161	\$45,516	\$50,871	\$53,549
Ticketing Fees	\$56,262	\$10,127	\$42,197	\$47,823	\$53,449	\$56,262
Performance Fees	\$412,613	\$74,270	\$309,460	\$350,721	\$391,982	\$412,613
Royalties	\$41,814	\$7,526	\$31,360	\$35,542	\$39,723	\$41,814
Marketing Costs	\$274,430	\$49,397	\$205,822	\$233,265	\$260,708	\$274,430
Theatre Bar Costs	\$114,451	\$20,601	\$85,838	\$97,283	\$108,729	\$114,451
Merchandise Retail Costs	\$4,800	\$864	\$3,600	\$4,080	\$4,560	\$4,800
Total Other Costs	\$990,700	\$178,326	\$743,025	\$842,095	\$941,165	\$990,700
TOTAL EXPENDITURE	\$3,115,889	\$1,810,112	\$2,729,483	\$2,884,162	\$3,031,341	\$3,115,889
SURPLUS (DEFICIT)	-\$181,558	-\$1,103,492	-\$452,116	-\$344,009	-\$228,403	-\$181,558
NON OPERATING EXPENDITURE						
Interest Loan	\$439,355	\$439,355	\$417,387	\$395,419	\$373,452	\$351,484
Principal Loan	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Depreciation	\$1,951,750	\$1,951,750	\$1,839,931	\$1,737,643	\$1,643,997	\$1,558,190
TOTAL NON OPERATING EXPENDITURE	\$3,391,105	\$3,391,105	\$3,257,318	\$3,133,062	\$3,017,448	\$2,909,674
OPERATING SURPLUS (DEFICIT)	-\$3,572,663	-\$4,494,596	-\$3,709,434	-\$3,477,071	-\$3,245,851	-\$3,091,232

Year 1 - July to December Construction. January to March Commissioning, Training, Test Events. April to June Opening and Operation
Variable costs operating- 3 months @ 70% = 18%. Variable maintenance and utilities - 50%

7.7.3 Venue Rental and Charges

Rental and charges have been estimated for the chargeable venues including theatre rental, room hire, rehearsal and studio hire and staffing costs recovery. Discounted charge rates have been proposed for all community not for profit hirers. In general, it is proposed that Council be charged commercial rates for internal usage.

Rates and charges have been established on the basis of current rates for the Capitol Theatre, other regional performing arts centres and general arts industry levels.

All rates are exclusive of GST.

Rates and Charges

Version 4 as at 9 September

Data

Tamworth Cultural Precinct Financial Modelling

Variable

Details	Commercial	Community Groups	Internal Council
Theatre Venue			
Proportion of Commercial Rate		60%	100%
Theatre Rental			
Proscenium Arch Theatre			
Venue Rental Per Day (8 hours)	\$1,000	\$600	\$1,000
Venue Rental Per Hour	\$200	\$120	\$200
Studio Theatre			
Venue Rental Per Day (8 hours)	\$500	\$300	\$500
Venue Rental Per Hour	\$100	\$60	\$100
Salon			
Venue Rental Per Day (8 hours)	\$350	\$210	\$350
Venue Rental Per Hour	\$70	\$42	\$70
Amphitheatre			
Venue Rental Per Day (8 hours)	\$350	\$210	\$350
Venue Rental Per Hour	\$70	\$42	\$70
Ticketing Booking Fees			
Proportion of Commercial Rate			
Commission Inside Charge	\$4.32	\$2.65	\$2.65
Commission Processing Fee	1.60%	1.60%	1.60%
Booking Fees Complimentaries	\$1.00	\$1.00	\$1.00
Staffing Costs Recovery			
Proportion of Commercial Rate		90%	100%
Duty Supervising Technician	\$55	\$50	\$55
Technician	\$50	\$45	\$50
Duty FOH Manager	\$55	\$50	\$55
Usher / Box Office	\$42	\$38	\$42
Room Hire			
Proportion of Commercial Rate		90%	100%
Salon			
Venue Rental Per Day (8 hours)	\$700	\$630	\$700
Venue Rental Per Hour	\$150	\$135	\$150
Rehearsal Room			
Venue Rental Per Day (8 hours)	\$600	\$540	\$600
Venue Rental Per Hour	\$120	\$108	\$120
Function Room			
Venue Rental Per Day (8 hours)	\$700	\$630	\$700
Venue Rental Per Hour	\$150	\$135	\$150
Meeting Room			
Venue Rental Per Day (8 hours)	\$300	\$270	\$300
Venue Rental Per Hour	\$60	\$54	\$60
Recording Studio			
Venue Rental Per Day (8 hours)	\$800	\$400	\$800
Rehearsal and Studio Hire			
Proportion of Commercial Rate		25%	60%
Rehearsal Room			
Venue Rental Per Day (8 hours)	\$625	\$156	\$375
Venue Rental Per Hour	\$125	\$31	\$75
Function Room			
Venue Rental Per Day (8 hours)	\$625	\$156	\$375
Venue Rental Per Hour	\$125	\$31	\$75

7.7.4 Overheads

Overheads are projected where appropriate from the current levels in the Capitol Theatre, Tamworth Town Hall and TRECC.

Building Utilities and Overheads

Version 4 as at 9 September

Data

Tamworth Cultural Precinct Financial Modelling

Detail	Current 2019/20	% Increase	Estimate	Notes
Electricity	\$82,894	50%	\$125,000	Estimate TRECC \$82,894
Gas			\$25,000	Estimate
Water	\$35,407	5%	\$38,000	Estimate TRECC \$35,407
Council Rates	\$56,514		\$56,514	468 & 474 Peel St \$43,514, Car park \$13,000
Essential Services Inspection Fire	\$11,400	20%	\$14,000	Estimate TRECC \$11,400
Insurances	\$19,907	50%	\$30,000	Estimate TRECC \$19,907
Security - Patrols & Alarms	\$6,000	25%	\$7,500	TRECC 2322 \$6,000
Waste Removal	\$5,500	50%	\$8,250	TRECC 1678 \$5,500
Cleaning - Core	\$16,000	100%	\$32,000	Capitol 1301 \$12,000 - new cleaners appointed.
Cleaning Supplies	\$4,000	100%	\$8,000	Capitol General 1683 \$4,000
Maintenance Equipment	\$11,000	100%	\$22,000	Capitol 1570 \$11,000
Maintenance Programmed Plant & Equipment Servicing	\$14,500	150%	\$36,250	TRECC 1050 \$14,500 (air con, lifts)
Technical Expenses	\$7,000	50%	\$10,500	Capitol 5229 \$7,000
Building Maintenance	\$17,000	20%	\$20,400	TRECC 1148 \$17,000
General Expenses	\$5,000	0%	\$5,000	Capitol 1685 \$5,000
Grounds Maintenance	\$4,000	0%	\$4,000	TRECC 1720 \$4,000
Furniture & Fittings	\$2,000	100%	\$4,000	TH 1676 \$2,000
Minor Equipment Purchases	\$5,000	100%	\$10,000	TRECC 1957 \$5,000
Total Building Utilities and Overheads	\$303,122		\$456,414	

Operational overheads are based on current expenditure with an allowance for the growth in activity.

Operational Overheads

Version 4 as at 9 September

Data

Tamworth Cultural Precinct Financial Modelling

Staff Costs			Notes
Permanent Staff (incl O/H)	\$959,403		
Total Staff Costs		\$959,403	
Administration Costs			
Memberships and Subscriptions	\$3,200		Capitol 2417 \$3,200
Licenses	\$1,000		Liquor License
Software Licenses	\$2,000		
Research	\$7,000		Capitol 4969 \$5,000
Stationery	\$2,400		Capitol 2147 \$2,000
Office Equipment & Supplies	\$2,000		
Postage	\$1,000		
Telephone	\$12,000		TRECC \$9,317
Bank Charges	\$1,000		
Total Administration Costs		\$31,600	
Marketing Costs			
Website	\$6,000		Capitol 5042 \$3,000
			Capitol Marketing 1925 \$12,000
Photography	\$1,500		
Publishing and Printing	\$7,000		
Advertising - Venue	\$10,000		
Marketing Subscription Season	\$18,000		Capitol 5037 \$15,000
Total Marketing Costs		\$42,500	
Total Operational Overheads		\$1,033,503	

Corporate overheads are based on the current level of charges.

Corporate Overheads

Version 4 as at 9 September

Data

Tamworth Cultural Precinct Financial Modelling

Business & Community Directorate	\$36,856
Customer Services	\$24,914
Financial Services	\$30,809
People and Culture	\$15,193
Business Systems and Solutions	\$105,179
Central Records	\$8,567
Warehouse	\$455
Total Corporate Overheads	\$221,973

Depreciation is based on the building, equipment, furniture and technical equipment elements of the Cost Plan. Rates are based on standard Council depreciation rates or on the typical working life of elements such as technical equipment.

Depreciation

Version 4 as at 9 September

Data

Tamworth Cultural Precinct Financial Modelling

Detail	Rate	Capital Cost	Depreciation	Notes
Buildings	1.25%	\$67,000,000	\$837,500	Estimate
Plant	7.00%	\$3,350,000	\$234,500	Estimate
Equipment & Furniture	8.00%	\$1,900,000	\$152,000	Preliminary cost plan
Technical Equipment	10.00%	\$7,277,500	\$727,750	Preliminary budget V 2
Total Depreciation		\$79,527,500	\$1,951,750	

5 Year Projection	23/24	24/25	25/26	26/27	27/28
Buildings					
Opening Balance	\$67,000,000	\$66,162,500	\$65,335,469	\$64,518,775	\$63,712,291
Depreciation	\$837,500	\$827,031	\$816,693	\$806,485	\$796,404
Closing Balance	\$66,162,500	\$65,335,469	\$64,518,775	\$63,712,291	\$62,915,887
Plant					
Opening Balance	\$3,350,000	\$3,115,500	\$2,897,415	\$2,694,596	\$2,505,974
Depreciation	\$234,500	\$218,085	\$202,819	\$188,622	\$175,418
Closing Balance	\$3,115,500	\$2,897,415	\$2,694,596	\$2,505,974	\$2,330,556
Equipment & Furniture					
Opening Balance	\$1,900,000	\$1,748,000	\$1,608,160	\$1,479,507	\$1,361,147
Depreciation	\$152,000	\$139,840	\$128,653	\$118,361	\$108,892
Closing Balance	\$1,748,000	\$1,608,160	\$1,479,507	\$1,361,147	\$1,252,255
Technical Equipment					
Opening Balance	\$7,277,500	\$6,549,750	\$5,894,775	\$5,305,298	\$4,774,768
Depreciation	\$727,750	\$654,975	\$589,478	\$530,530	\$477,477
Closing Balance	\$6,549,750	\$5,894,775	\$5,305,298	\$4,774,768	\$4,297,291
Total Depreciation	\$1,951,750	\$1,839,931	\$1,737,643	\$1,643,997	\$1,558,190

7.7.5 Occupancy of Venues Detailed Business Streams

Usage and Occupancy of venues is based on venue utilisation rates (between 35% and 55% for the main venues), the mix of hirers / users and the type of events undertaken.

The Occupancy per Venue per Event Type details the projected number of events for each venue by business stream and for each hirer type.

Library and Art Gallery usage of the Salon is separated in this table as it is proposed to not charge venue rental for these events and only recover staffing costs and other event costs.

Occupancy per Venue per Event Type

Version 4 as at 9 September

Variables

Tamworth Cultural Precinct Financial Modelling

No of Usable Days

356 Exclude Christmas Day - New Years Day, Good Friday

Tamworth Cultural Precinct Financial Modelling

	Commercial	Community	Internal Programming	Internal Council	Library & Art Gallery	Total Events
Proscenium Arch Theatre						
Theatre Hire	45.2	88.7	0.0	7.0		141.0
Theatre Self Programmed	0.0	0.0	49.0	0.0		49.0
Functions	2.7	2.9	0.0	0.3		5.9
Room Hire	0.0	0.0	0.0	0.0		0.0
Rehearsal / Studio	0.0	0.0	0.0	0.0		0.0
<i>Total Proscenium Arch Theatre</i>	<i>47.9</i>	<i>91.6</i>	<i>49.0</i>	<i>7.3</i>		<i>195.8</i>
Studio Theatre						
Theatre Hire	26.9	67.8	0.0	5.0		99.7
Theatre Self Programmed	0.0	0.0	21.4	0.0		21.4
Functions	10.3	9.5	0.0	1.5		21.4
Room Hire	0.0	0.0	0.0	0.0		0.0
Rehearsal / Studio	0.0	0.0	0.0	0.0		0.0
<i>Total Studio Theatre</i>	<i>37.2</i>	<i>77.4</i>	<i>21.4</i>	<i>6.5</i>		<i>142.4</i>
Salon						
Theatre Hire	4.1	21.3	0.0	2.0	13.2	40.6
Theatre Self Programmed	0.0	0.0	13.5	0.0		13.5
Functions	13.5	12.2	0.0	1.4		27.1
Room Hire	13.5	24.4	0.0	2.7	13.5	54.1
Rehearsal / Studio	0.0	0.0	0.0	0.0		0.0
<i>Total Salon</i>	<i>31.1</i>	<i>57.8</i>	<i>13.5</i>	<i>6.1</i>	<i>26.8</i>	<i>135.3</i>
Rehearsal Room						
Theatre Hire	0.0	0.0	0.0	0.0		0.0
Theatre Self Programmed	0.0	0.0	14.2	0.0		14.2
Functions	3.7	2.7	0.0	0.7		7.1
Room Hire	1.4	11.4	0.0	1.4		14.2
Rehearsal / Studio	0.0	85.4	10.7	10.7		106.8
<i>Total Rehearsal Room</i>	<i>5.1</i>	<i>99.5</i>	<i>24.9</i>	<i>12.8</i>		<i>142.4</i>
Function Room						
Theatre Hire	0.0	0.0	0.0	0.0		0.0
Theatre Self Programmed	0.0	0.0	0.0	0.0		0.0
Functions	52.3	26.2	0.0	8.7		87.2
Room Hire	11.2	5.6	0.0	1.9		18.7
Rehearsal / Studio	0.0	16.8	0.0	1.9		18.7
<i>Total Function Room</i>	<i>63.6</i>	<i>48.6</i>	<i>0.0</i>	<i>12.5</i>		<i>124.6</i>
Meeting Room						
Theatre Hire	0.0	0.0	0.0	0.0		0.0
Theatre Self Programmed	0.0	0.0	0.0	0.0		0.0
Functions	2.8	25.6	0.0	28.5		57.0
Room Hire	4.3	38.4	0.0	42.7		85.4
Rehearsal / Studio	0.0	0.0	0.0	0.0		0.0
<i>Total Meeting Room</i>	<i>7.1</i>	<i>64.1</i>	<i>0.0</i>	<i>71.2</i>		<i>142.4</i>
Amphitheatre						
Theatre Hire	5.0	2.0	0.0	0.0		7.0
Theatre Self Programmed	0.0	0.0	17.9	0.0		17.9
Functions	0.0	0.0	0.0	0.0		0.0
Room Hire	0.0	0.0	0.0	0.0		0.0
Rehearsal / Studio	0.0	0.0	0.0	0.0		0.0
<i>Total Amphitheatre</i>	<i>5.0</i>	<i>2.0</i>	<i>17.9</i>	<i>0.0</i>		<i>24.9</i>
Event Terrace						
Theatre Hire	0.0	0.0	0.0	0.0		0.0
Theatre Self Programmed	0.0	0.0	0.0	0.0		0.0
Functions	15.0	6.4	0.0	0.0		21.4
Room Hire	0.0	0.0	0.0	0.0		0.0
Rehearsal / Studio	0.0	0.0	0.0	0.0		0.0
<i>Total Event Terrace</i>	<i>15.0</i>	<i>6.4</i>	<i>0.0</i>	<i>0.0</i>		<i>21.4</i>
Total Events	211.9	447.4	126.6	116.4	26.8	929.2

7.7.6 Leases

Lease Revenue is based on typical commercial rates current in the Tamworth CBD. Discounted rates have been established for the ABC as a major tenant and for the Conservatorium as a major community not for profit hirer.

Leases Revenue and Expenditure

Version 4 as at 9 September

Variables

Tamworth Cultural Precinct Financial Modelling

	Rent m ² pa	Leased Area m ²	Lease PA	Outgoings	Total Lease Income
Café / Restaurant					
Café Dining	\$310	160	\$49,600	\$3,000	\$52,600
Kitchen / Back of House	\$310	132	\$40,920	\$3,000	\$43,920
Total Café / Restaurant		292	\$90,520	\$6,000	\$96,520
Conservatorium	\$115	897	\$103,155	\$10,000	\$113,155
ABC Studios	\$250	300	\$75,000	\$6,800	\$81,800
Total Lease Revenue		1489	\$268,675	\$22,800	\$291,475

Lease Rate m² pa	
Commercial	\$ 310
Major Tenant	\$ 250
Major Community	\$ 115

Outgoings estimate - proportion of floor space / applicable building utilities (approx \$240k).

7.7.7 PROPOSED FUNDING MODEL

To bring a project of this scale to realisation Tamworth Regional Council cannot develop the Performing Arts Centre and Cultural Precinct alone. A significant funding commitment from the other two tiers of Government will need to be sought.

It is assumed that Council will commit to the ongoing operational funding and asset management of the centre and precinct and the proposed funding model relates to the capital costs for construction only.

In line with recommended co-contribution amounts from applicants applying for State and Federal funding, it would be suggested that Council makes a commitment to contributing 25% of the Total Project Cost. Based on the September 2022 Tender price of \$128.2m, this would see Council committing to a total contribution of \$32m over the three budget-years of the project (21/22, 22/23, 23/24). Council would secure this funding through a two-pronged approach:

1. a loan component of \$20m over 20 years.
2. \$12m, made up of a combination of asset sales, dedicated developer contributions towards cultural facilities and an allocation of Reserves.

The loan component is factored into the assumptions and financial operational modelling.

Council has already committed more than \$200,000 towards community engagement and the planning of the business case and concept designs associated with this project.

Council would then seek the following amounts over three years from the State and Federal Governments.

- \$48m over three years from the New South Wales Government.
- \$48m over three years from the Federal Government.

The Economic Impact Assessment(Section 8) carried out, based on the Capital Cost Plan and the operational Financial Modelling(Section 7.7) for the project, identified significant benefits including:

- The direct addition of 288 jobs in the local Construction sector
- An estimated increase in gross regional product(GRP) in Tamworth Regional Council by \$72.38m
- An additional 11 FTE jobs directly created
- Operational savings of \$0.500m per annum for Council from the new structure
- A direct injection into Tamworth's economy of roughly \$1.6m per annum through cultural and business visitation
- A Benefit-Cost Ratio (BCR) of **1.53**

8. COST BENEFIT ANALYSIS SUMMARY

The Economic Impact Assessment was prepared by the Economic Development Unit of Tamworth Regional Council based on the Capital Cost Plan and the operational Financial Modelling for the project.

There are significant economic benefits associated with the development of Tamworth Performing Arts Centre. There are six major outcomes from the Tamworth Performing Arts Centre and Creative Precinct project:

- Operational savings from the new structure
- New employment opportunities as a result of developing TPAC and surrounding amenities.
- Additional economic benefit to local economy through on site café, functions and theatre hiring.
- Additional economic benefit from cultural tourism and business conferences visitors to Tamworth
- Reduction on travel time and vehicle operating cost through having new programs and shows in the local area.
- Reduction in social cost through improved culture inclusion and employment opportunities for migrants and disadvantaged groups.

The detailed Economic Impact Assessment Report is included in Appendix 1.

8.1 Capital Cost Benefit Analysis Construction

The total cost of the construction of this project is \$128,200,000 over two years, which equal to present value of \$124,006,542 (approx.124 million). It is assumed that most of the cost will be retained locally. The total expenditure is expected to be spent between the construction, retail, manufacturing, professional and technical services sectors. We assume the asset life of TPAC is 30 years from the day it starts operates.

The direct investment of \$124 million in the Construction sector of Tamworth Regional Council economy would lead to indirect demand for intermediate goods and services across related industry sectors. These indirect industrial impacts are estimated to be an additional \$44.48m in Output.

This direct investment in the construction sector in Tamworth's economy is estimated to lead to a corresponding direct addition of 288 jobs in the local Construction sector. From this direct expansion in the economy it is anticipated that there would be flow on effects into other related intermediate industries, creating an additional 181 jobs, and it is estimated this investment is estimated to increase GRP in Tamworth Regional Council by \$72.38m.

Economic Impact Summary - Construction			
Tamworth Regional Council - Modelling the effect of adding \$124.0m sales in Construction - Inflation adjusted			
Summary	Output (\$m)	Value-added (\$m)	Local jobs
Starting position Tamworth Regional Council (year ended June 2018)			
Construction	953	292	2,217
All industries	6,228	2,743	28,855
Impacts on Tamworth Regional Council economy			
Direct impact on Construction sector	124	38	288
Industrial impact	44	19	181
Consumption impact	34	15	168
Total impact on Tamworth Regional Council economy	203	72	637
Type 1 multiplier (direct & industrial)	1	2	2
Type 2 multiplier (direct, industrial & consumption)	2	2	2
Impact on New South Wales economy			
Total impact - New South Wales outside Tamworth Regional Council	32	14	113
Total impact New South Wales economy	234	86	750
Impact on Australian economy			
Total impact outside New South Wales economy	35	15	139
Total impact on Australian economy	270	102	889

Source: National Institute of Economic and Industry Research (NIEIR) ©2019. Compiled and presented in *economy.id* by .id, the population experts.

8.2 Operational Cost Benefit Analysis

8.2.1 Operational saving from new structure

The new structure is expected to create \$561,136 operational saving when the new structure is at full capacity. Despite an additional operating cost of \$38,124 in year one projection, operational savings will occur from year two onwards.

The deficit in year one is higher due to the facilities only operating for three months and will be quickly turned around from year two onwards as the revenue picks up.

Operational saving summary table						
	Existing EV + Old Parry Building	Total EV New Structure-Year 1	Total EV New Structure-Year 2	Total EV New Structure-Year 3	Total EV New Structure-Year 4	Total EV New Structure-Year 5 onwards
TOTAL REVENUE	\$1,734,836	\$1,409,470	\$2,980,217	\$3,243,003	\$3,505,788	\$3,637,181
TOTAL EXPENDITURE	\$3,601,854	\$3,637,285	\$4,556,656	\$4,711,335	\$4,858,514	\$4,943,063
SURPLUS (DEFICIT)	-\$1,867,018	-\$2,227,815	-\$1,576,439	-\$1,468,333	-\$1,352,726	-\$1,305,882
Operational Saving		-\$360,797	\$290,579	\$398,685	\$514,292	\$561,136

8.2.2 On-going employment benefits

The financial modelling and employment projection are estimated by Rob Gebert Arts Consultancy. This estimates a total of an additional 10.86 FTE core positions are created including 5.4 core positions, and 5.46 non-core positions across all entertainment venues once the TPAC is fully operating. In addition, 11 jobs are created in relation to the restaurant and café and the functions business in the precinct. However, it is estimated that the number of jobs in the restaurant and café and the functions business will grow from 5 in year one to 11 in year five progressively. The detail economic benefit from employment is presented below:

Projected New Employment (FTE)					
	Year 1 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 onwards
TPAC	10.85	10.85	10.85	10.85	10.85
Restaurant and Café	5	7	9	10	11
Total Employment figure	15.85	17.85	19.85	20.85	21.85

	Year 1 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 To Year 30
First and Secondary spending - jobs TPAC	\$1,029,600	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000
First and Secondary spending - jobs New Café and Restaurant	\$165,600	\$1,280,000	\$1,670,000	\$1,830,000	\$2,200,000
Total Economic benefit from additional employment	\$1,195,200	\$7,000,000	\$7,390,000	\$7,550,000	\$7,920,000

8.2.3 Additional economic benefits

It is estimated that the contractors based in TPAC will have gross revenue of:

- \$1,248,352 from food and beverage charges to clients on functions.
- \$1,420,751 through theatre hirers.
- \$1,253,480 from café estimated turnover.

Despite the fact that these revenues are not part of TPAC's revenue, it does have significant impact on Tamworth economy. As a result, the NIEIR model has been applied together with the growth rate in the first five years. The food and beverage charges on functions and café have been combined to show the overall effect of increase sales in accommodation and food industry. The economic impact for the Tamworth economy from additional sales at café, functions, and theatre hiring will be \$3,593,400 in year 1 and subsequently increased to \$6,780,000 from year 5 onwards.

	Year 1 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 to Year 30
Economic Impact from additional sales on Theatre hiring, café and Functions					
%	18%	75%	85%	95%	100%
Economic impact to LGA area from Theatre Hiring - contractor	\$1,383,300	\$1,957,500	\$2,218,500	\$2,479,500	\$2,610,000
Economic impact to LGA area from new Café and Functions - Contractor	\$2,210,100	\$3,127,500	\$3,544,500	\$4,170,000	\$4,170,000
Economic impact to LGA area from Theatre Hiring - Contractor-after adjustment	\$248,994	\$1,468,125	\$1,885,725	\$2,355,525	\$2,610,000
Economic impact to LGA area from new Café and Functions - Contractor -after adjustment	\$397,818	\$2,345,625	\$3,012,825	\$3,961,500	\$4,170,000
Total Economic Benefit from theatre hiring, café, and functions	\$646,812	\$3,813,750	\$4,898,550	\$6,317,025	\$6,780,000

Source: National Institute of Economic and Industry Research (NIEIR) ©2019. Compiled and presented in economy.id by .id, the population experts.

<https://home.id.com.au>

8.2.4 Additional economic benefit from cultural and business visitors

The new Tamworth Performing Art Centre is projected to have 123,360 attendances in the main venues compared to current figures of 26,000 per annum in sector 7.5 of the business case. This indicated an additional 97,360 visitors going through the main venues for events. According to the current catchment analysis in section 5.4 of the business case, on average, there are 70.8% audience from Tamworth region and 13.9% from the immediate catchment (adjoining LGAs). The assumptions are that the entire local and adjoining LGA audiences will only pay for their ticket, and other spending has been factored into the café or bar on site. Further assumption has been made on audiences from the wider catchment and the rest of Australia, which is 15.3% of total audiences are going to stay in Tamworth for 1 night. This means 14,896 additional overnight visitors to Tamworth region.

According to Tourism Research Australia (TRA, TRC Economic Development Team) the average daily spending for recreation event in Tamworth region is \$151, which including ticketing, food, accommodation, patrol and other spending incurred in Tamworth. The average ticket price based on current ticketing system is \$44.08 for all events. The net spending per day is \$151-\$44.08= \$106.92.

The direct injection into Tamworth economy will be $14,896 * \$106.92 = \$1,592,698.98$:

Attendances on TPAC	Existing attendances	Additional Visitors	Current wider catchment %	Additional overnight visitors	Daily spending	Direct injection into Tamworth Economy
123,360	26,000	97,360	15.30%	14,896	\$106.92	\$1,592,698

8.2.5 Reduction on travel time and vehicle operating cost

It is estimated that currently around 2,000 – 3,000 of Tamworth or adjoining LGA travel to Port Macquarie, or Newcastle for shows that are not available in Tamworth. With the expansion in the range of performances at TPAC, these audiences will attend Tamworth performances. According to Asutroads 2008, Vehicle Running Costs Guide, the vehicle operating costs assumed to be 83c/km, average occupancy of 1.6 persons per car, and vehicle travel costs assumed to be \$11.49/person-hr (Asutroads, Guide to project Evaluation Part 4, 2008).

Travel Time and Operating Cost Saving - Newcastle					
Year	1	2	3	4	5
	18%	75%	85%	95%	100%
Cars	112.5	468.75	531.25	593.75	625
Time Hourly rate	11.49	11.49	11.49	11.49	11.49
time-Newcastle	7.34	7.34	7.34	7.34	7.34
Time Saving - Newcastle	\$9,488	\$39,533	\$44,804	\$50,075	\$52,710
Return distance	564	564	564	564	564
Operating Cost Per Km	0.83	0.83	0.83	0.83	0.83
Operating Saving-Newcastle	\$52,664	\$219,431	\$248,689	\$277,946	\$292,575
Travel Time and Operating Cost Saving - Port Macquarie					
Year	1	2	3	4	5
	18%	75%	85%	95%	100%
Cars	112.5	468.75	531.25	593.75	625
Time Hourly rate	11.49	11.49	11.49	11.49	11.49
time-Newcastle	7	7	7	7	7
Time Saving - Port Macquarie	\$9,048	\$37,702	\$42,728	\$47,755	\$50,269
Return distance	382	382	382	382	382
Operating Cost Per Km	0.83	0.83	0.83	0.83	0.83
Operating Saving-Port Macquarie	\$35,669	\$148,622	\$168,438	\$188,254	\$198,163
Total time saving	\$18,536	\$77,234	\$87,532	\$97,830	\$102,979
Total Operating	\$88,333	\$368,053	\$417,127	\$466,201	\$490,738

**Time and distance are based on the shortest travel time and distance on Google Map*

8.2.6 Reduction on social cost through improved culture inclusion and employment opportunities

Arts initiatives are now increasingly being used as a way to facilitate social inclusion of refugee and recent migrant communities and facilitate reconnection with Indigenous cultural practice (Creative Victoria, 2016).

Improving social inclusion – defined here as ‘affording all people the best opportunities to enjoy life and prosper in society’ – is a source of economic strength and higher living standards. Having an inclusive society avoids the costs incurred when people are excluded – from jobs, from businesses and from accessing social services (Deloitte Access Economics, 2019).

The average unemployment cost to the individual is \$77,431, and \$97,126 to the society. In a very conservative calculation, the increase in social inclusion will save \$63,742 in social cost by assuming the TPAC increase in minimum amount of social inclusion.

Social Cost Reduction					
	Year 1	Year 2	Year 3	Year 4	Year 5 onwards
Cost of unemployment Per year	\$97,125	\$97,125	\$97,125	\$97,125	\$97,125
Reduce unemployment by improving social inclusion(FTE)	0.656292	0.656292	0.656292	0.656292	0.656292
Percentage	18%	75%	85%	95%	100%
Total social cost reduction	\$11,473.62	\$47,806.77	\$54,181.01	\$60,555.24	\$63,742.36

8.3 Benefit-Cost Ratio (BCR)

The BCR is calculated by dividing the total present value of all benefits by the present value of total cost.

The formulae is $BCR = PV(\text{Total Benefits}) / PV(\text{Total Cost})$. To make the project viable, the BCR has to be greater than 1 by using the recommended discount rate at 7% per annum (*Handbook of cost-Benefit Analysis, 2006*). Sensitivity analysis has been conducted by using 2 recommended interest rate, 3% and 10% (*NSW Treasury, 2017*), to test this project under uncertainty. Please refer below to the summary table

Cost Benefit Analysis Summary Table	
Discount Rate (\$)	7%
Construction Cost (\$)	\$128,200,000
Construction period (Years)	2
Construction Cost Present Value (\$)	\$124,006,542
Present value of total surplus of 30 years	\$189,890,915
Benefit Cost Ratio	1.53

Sensitivity Analysis			
Discount Rate	3%	7%	10%
BCR	2.62	1.53	1.09

9. RISK MANAGEMENT PLAN

9.1 Purpose

The purpose of this Risk Management Plan [RMP] is to identify, assess and control risks likely to adversely affect the delivery of the Tamworth Performing Arts Centre and Cultural Precinct project by Tamworth Regional Council. This RMP applies to the projects, as listed in Section 2 Scope to be designed and constructed within the Tamworth Cultural Precinct. These projects are collectively designated the Works.

This RMP provides the basis for the identification of risks that may be encountered in the development and construction of the Works and establishes the process and procedures for the management of these identified risks which could, if not addressed and managed correctly lead to:

- project outputs being delayed or reduced;
- costs being increased; and
- the eventual quality, including fitness for purpose, being reduced or compromised.

The RMP is a dynamic document subject to a continual process of updating using the Risk Identification and Corrective Action template to review and if necessary, amend the RMP as the Works progress.

9.2 Scope

The RMP is applicable to all activities related to the planning, design, approval, delivery and implementation of the proposed Tamworth Performing Arts Centre and Cultural Precinct comprising the Works.

The Works addressed by this RMP comprise the following elements:

- Zone 1: Front-of-House
- Zone 2: Centre Operation
- Zone 3: Café and Retail
- Zone 4: Functions and Board Room
- Zone 4: Rehearsal / Dance Studio (RDS)
- Zone 5: Proscenium Auditorium
- Zone 5: Stagehouse
- Zone 6: Studio Theatre
- Zone 7: Salon and Recording Studio
- Zone 8: Production / Stage Support - Backstage
- Zone 8: Performer & Crew Support - Backstage
- Zone 9: Centre Servicing
- Zone 10: Creative Tenancies - ABC, TRCM

The RMP will apply to the activities of all employees and contractors Tamworth Regional Council engages on the Works including but not limited to, clients, consultants, stakeholders. The RMP will also apply to those members of the public who may be involved on the Works in all of those activities where risk is required to be addressed.

9.3 Responsibility

The following personnel will be responsible for the development and implementation of the Risk Management Plan:

Role/Position	Responsibilities
Project Manager Senior Project Engineer	<ul style="list-style-type: none">• Development and implementation of a Project RMP;• Organisation of regular risk management workshops throughout the life of the project in order that the project as a whole can be reviewed and potential new risks identified;• Assessment of identified risks and developing strategies to manage those risks for each phase of the project;• Ensure that risks given a High Risk rating are given priority and alternative strategies are developed to minimise the impact to the project;• Providing regular reports to the Project Control Group [PCG] specifying any changes to the risks identified during each activity and project component and the strategies adopted to manage them.
Assistant Project Manager Senior Engineer, Infrastructure Planning	<ul style="list-style-type: none">• Assist the Project Manager in the identification, monitoring and developing strategies to minimise the impact of risks to the project;• Implement risk treatment/control measures as identified in this plan;• Act as Contracts Manager in calling tenders and contract administration of the Works.

9.4 Risk Register - Identification, Assessment And Control

A detailed Risk Register is provided outlining Risk Identification, Assessment and Treatment for all development, design and construction phases to complete each project comprising the Works.

Tamworth Regional Council, through the utilisation and application of risk management, is committed to protecting the health and safety of our employees, the environment and to achieving a sustained level of quality which enhances Council's reputation for satisfying the needs and expectations of ratepayers and customers.

Tamworth Regional Council [Council] has developed policy statements for Risk Management, Environment, Quality and Workplace Health and Safety as a reflection of Council's commitment to continuously improving the management of these disciplines across all of Council's operations. The policies act as a central point for the Integrated Management System (IMS) and are included as part of the Risk Management approach for the Tamworth Performing Arts Centre and Cultural Precinct.

9.5 Risk Management Strategy

Council's Project Management Team will identify and assess all risks using the following Risk Management process, reporting templates and procedures to:

1. Define the scope of the activity to be assessed;
2. Identify the risks and any triggers for each risk;

3. Assess the risk/s;
4. Evaluate the risk/s;
5. Formulate action/s to control the risk/s
6. Establish a continual monitoring and review of the risk management process.

Council will implement actions and controls using the following hierarchy of risk control, developed specifically by Council, for the types of risk expected to be encountered during delivery of the Works:

1. Reducing either the likelihood or consequences of the risk/s by deleting or modifying the process or activity;
2. Eliminating the function giving rise to the risk/s;
3. Sharing the risk/s with another party or parties, thereby diluting the consequences;
4. Avoiding the risk/s by not starting or terminating the activity that gives rise to the risk/s;
5. Retaining the risk/s but managing the risk/s by informed decision;
6. Using a combination of controls developed by the team to manage or eliminate the risk/s; The selection of appropriate treatment methods or controls will take into account:-
 - financial impacts;
 - scheduling and timing implications;
 - the possible creation of secondary risk/s;
 - the impact on other activities and the effect on project outcomes.

9.6 Risk Identification

Involves identifying sources of risk/s, areas of impact/s, events including changes in circumstances, their causes and their potential consequences.

These potential sources of risk/s include but are not limited to:

- risk/s that may create, enhance, prevent, degrade or delay the project or project components.
- risk/s whose source is not under the control of Council, such as Government Departments, changes in legislation, other stakeholders involved with the Cultural Precinct, or those risk/s whose source or cause may not be evident until the project is in train.
- consideration of the 'knock-on effects' or particular consequences, including cascade or cumulative effects. This is particularly pertinent with those projects whose delivery schedule and milestones 'run through' the critical path program for the Works.
- any events or actions that may trigger the emergence or activation of a specific risk/s. Treatment and control of these specific risk/s events which have been triggered may be necessary where a high or serious rated risk/s is identified.

9.7 Risk Assessment

Involves developing an understanding of the risk/s and provides an input to risk evaluation and to decisions on whether action needs to be taken on any specific risk, as well as the most appropriate strategies and methods to be actioned in managing the risk. The assessment also involves consideration of the causes and sources of risk, their positive and negative consequences, and the likelihood that those consequences can occur.

The level of risk is determined by comparing the likelihood and consequences according to the Risk Matrix below:

		Consequence				
Likelihood	Definition	Insignificant	Minor	Major	Critical	Extreme
Almost Certain	Could be expected to occur in most circumstances	M	S	S	H	H
Likely	Will probably occur at least once	M	M	S	S	H
Possible	Might occur at some time	L	M	M	S	S
Unlikely	Not expected to occur or only in exceptional circumstances	L	M	M	M	S
Rare	May only occur in exceptional circumstances	L	L	L	M	M

The definition of each category of consequence will vary with the type of risk being assessed. Some of the risk categories that can be expected to be encountered in delivery of the Tamworth Performing Arts Centre and Cultural Precinct include;

- Financial;
- Reputation;
- Political and Governance;
- Environmental;
- Occupational Health and Safety;
- Security;
- Contractual and Legal

It must be acknowledged that each risk identified must be addressed firstly on a standalone basis, then on it's possible 'domino effect' on other areas of the project.

9.8 Risk Evaluation

Involves making informed decisions, based on the outcomes of the risk assessment, which identifies those risks needing to be addressed by the appropriate action required and the priority for implementation of corrective action.

9.9 Risk Treatment

Involves selecting one of more options for modifying, eliminating or reducing risks, and implementing those options.

The level of risk remaining in a particular process after a treatment or control measure have been implemented is known as 'residual risk'. Each residual risk should be assessed as a new risk in a cyclical process, until an acceptable level of risk is reached.

The process of risk management involves:

1. Assessing a potential risk treatment for its effectiveness in reducing the rating of a risk;
2. Deciding whether residual risk levels are tolerable and if not tolerable, generating an alternative risk treatment;
3. Assessing the effectiveness of that treatment.

Selecting the most appropriate risk treatment option involves balancing the costs and efforts of implementation against the benefits derived by taking into account and factoring in the requirements and expectations of the Tamworth Performing Arts Centre and Cultural Precinct, any legal, regulatory, and other requirements such as social responsibility and the protection of the natural environment. The financial implications of a potential risk treatment will be considered for all risks, however all high or serious rated risks must be treated appropriately regardless of the financial implications and budgets should be prepared accordingly.

Consideration will be given to the values and perceptions of both the stakeholders and wider public and the most appropriate ways to communicate with them developed as an important function of the project. Risk management options may impact on risk elsewhere within the Works where each element of the project has a number of directly interested parties as the end users in the applicable cultural facility (including tenants). All of these interested parties should be involved in the decision making process to ensure the end result meets with the agreed specification and is fit-for-purpose.

A Risk Treatment Plan will be developed for the Works to document how the options determined by the risk analysis will be implemented.

The Plan includes:

- The description and reasons for selection of treatment options,
- The key personnel responsible for approval and implementation of the Treatment Plan;
- Resource requirements including contingencies for unforeseen events;
- Reporting and monitoring requirements;
- Timing and schedules

9.10 Reporting, Monitoring and Review

The Project Management Team will be responsible for reporting, review and monitoring of the risk management process. It shall prepare a reporting and monitoring schedule based on the quantity and severity of each identified risk.

The schedule will include review and monitoring of the following;

- Ensuring that all known risks have been identified and assessed;
- Ensuring that controls in managing the risk/s are effective and efficient in both design, financial and operation;
- Identifying emerging risks and developing an Action Plan to address those emerging risks;
- Reviewing and learning from events, changes, trends, and applying lessons learned to future risk evaluation and management.

9.11 Risk Management Register

• Tamworth Performing Arts Centre and Cultural Precinct Project



Risk Level 1= high risk

Risk Level 5= low risk

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Works	Design is not able to reach expectations of Council and end users	<ul style="list-style-type: none"> Appoint appropriate professional consultants for relevant disciplines. Project manage the design in an iterative process with ongoing review and reporting. Ensure completed facility design can be constructed within agreed budget 	<ul style="list-style-type: none"> Design changes need to be tested against Business Case. Ensure Quantity Surveyor develops revised Cost Plans at key points in design. 	4	<ul style="list-style-type: none"> Project may be delayed until detailed design for construction phase and pre tender estimates are within budget. 	<ul style="list-style-type: none"> Minimal with strict control of cost planning the design.
Community	Community complains TPAC is not warranted. Objections by the community and/or adjacent landowners and businesses to planning permission.	<ul style="list-style-type: none"> Council communicates to explain the development of TPAC for the benefit of the community as a whole. Ensure all development will comply with zoning and planning constraints and stand up to scrutiny. 	<ul style="list-style-type: none"> Ensure good communication with the community on development of TPAC. 	5	<ul style="list-style-type: none"> Minimal delays can be managed within the Works programme. 	<ul style="list-style-type: none"> No increase in costs.

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Works	Cost of construction exceeds budget and funds available	<ul style="list-style-type: none"> • Estimates of design and construction costs prepared by qualified professionals. Contingencies included in estimates. • Reduction in number of unknown elements by design review. • Design to be rigorously Project Managed and value managed during development to ensure end cost is within budget. • Update cost estimates regularly during design. • Revise project scope if necessary while ensuring the end product meets Council expectations. • Ensure all applicable grants are applied for. • Tenders for construction are based on firm lump sum prices 	<ul style="list-style-type: none"> • Third party audit of estimates. • Ensure design meets the budget by issue of comprehensive briefs to the consultants and rigorous review and cost planning during the design phase. • Contracts for materials goods and services to be firm, lump sum. • Project Management to ensure changes to the scope and resulting variations kept to a minimum. 	3	<ul style="list-style-type: none"> • Works may have to be staged to stay within funding budgets. 	<ul style="list-style-type: none"> • Works may have to be staged to stay within funding budgets • Scope of Works may have to be reduced. • Standards of fitout and finish may have to be reduced.

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Community	Neighbouring businesses and community access may be affected during construction.	<ul style="list-style-type: none"> Neighbouring businesses and community to be advised of any necessary road closures with maximum notice. Loss of street parking and rear parking during construction works. 	<ul style="list-style-type: none"> Safety of residents and public and site workers is the prime consideration. Council is to formulate a Traffic Management Plan to address the traffic around the site and to ensure the required traffic controls are in place during construction. Communication regarding impact on parking and location of alternate parking options. 	3	<ul style="list-style-type: none"> Minimal 	Cost of traffic management built into the cost estimates during the design phase. Construction contracts contract sums to include for traffic control.
Works	Works are not delivered within the required programs and milestones not met.	<ul style="list-style-type: none"> Manage the design process to ensure buildability. Review specialist supply items [eg theatre technical equipment] to determine delivery times and pre- order if long lead time. Include completion dates in construction contracts with penalties for late delivery. Should the Works fall behind schedule manage the contractors and investigate ways of accelerating the works 	<ul style="list-style-type: none"> The pre-ordering of long lead time proprietary items is essential if delivery could adversely affect the Works program. Designs to use existing technologies and finishes and be buildable by general contractors other than specialist theatre infrastructure. 	3	<ul style="list-style-type: none"> May delay completion of the Works within the agreed time frames and program. Note delays may be caused by inclement weather resulting in claims for extensions of time. Any extension of time for inclement weather will not attract cost increases. 	<ul style="list-style-type: none"> Minimal

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Precinct operations and management.	The Works will be constructed within the expanded Cultural Precinct. The Tamworth Library and Tamworth Regional Gallery will continue to operate throughout the construction period.	<ul style="list-style-type: none"> Project Management to work with Tamworth Library and Tamworth Regional Gallery management during design and approval process to design and document safety control measures to protect patrons and the workforce. This includes public access and back of house access for deliveries. Cost to be included in Works estimates and construction contracts Special purpose build protection barriers and procedures to be installed if required and maintained during construction. Construction contracts Scopes of Work to include all necessary safety control measures. Safety measures will include upgraded barriers, noise, and dust controls. 	<ul style="list-style-type: none"> Tamworth Library and Tamworth Regional Gallery will continue to operate. Both facilities operate over extended hours during the week and on weekends. Patrons include children and older members of the community who may have particular access requirements (eg prams, disabled parking). All measures must be taken to protect the safety and wellbeing of all persons within the Cultural Precinct. 	5	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Nil Cost of safety control measures allowed in the Works cost estimates. Construction contract prices include a fixed amount for all safety and control measures.

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Community	Community complaints in respect of disruption of access to businesses and the Cultural Precinct and from dust and noise from the Works.	<ul style="list-style-type: none"> • Council to communicate to the community that Works on site are to commence at the commencement of contract • Roads to adjoining businesses and the Cultural Precinct to remain open to vehicle and foot traffic for duration of the Works. • Options to reduce dust and excessive noise are to be developed as part of construction contracts. • Library and Gallery staff advised/contacted directly for specific strategies to be formulated. • Council to develop procedure for accepting and addressing complaints. • Types of compaction or other noise generating equipment to be selected for minimum impact. • Council to impose noise levels on Contractor. Monitoring of vibration during compaction imposed on contractors. 	<ul style="list-style-type: none"> • Council to advertise through appropriate media and letter drop in adjacent residential and business areas. • Complaints to be recorded and addressed as soon as possible. • Contractors to have access, dust and noise controls included in their Safety Plan and SMWS. 	3	<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Nil • Costs of control measures included in Works estimates and budget and in fixed price construction contracts.

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Works	Increased cost of materials and/or proprietary items outside the control of Council or Contractors i.e. imported equipment.	<ul style="list-style-type: none"> • Designs and specifications to incorporate standard items, locally available where possible. • Identification and forward ordering and/or purchase of goods, materials or equipment where cost increases are forecasts particularly in respect of imported items. • Where possible 'lock' contractors into fixed price, lump sum contracts. 	<ul style="list-style-type: none"> • Impact of cost increases to specific items will be minimized by design incorporating readily obtainable materials and equipment where possible. • Where overseas supply is required place forward orders on fixed prices. 	4	<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Minor
Works/ Community	Vandalism by intruders onto site during out of hours.	<ul style="list-style-type: none"> • Worksites will be securely fenced. • Security measures which may include security guard visits and CCTV will be considered. • Security of work sites is the responsibility of the contractors. 	<ul style="list-style-type: none"> • Fencing design should address the visual amenity of the Cultural Precinct. Consider use of hoardings with appropriate visual arts or graphic design. 	5	<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Nil

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Community	Special Interest group or issue not identified.	<ul style="list-style-type: none"> • Communication plan to identify all interest groups and issues. • Identify all special events that may occur in the Cultural Precinct during the year. 		4	<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Nil
Program	Is the contractor able to achieve proposed contract period?	<ul style="list-style-type: none"> • Principal to assist contractor where ever possible by: <ul style="list-style-type: none"> ○ Minimal scope changes ○ Speedy approvals of design, documentation, etc. ○ Prompt replies to RFI's ○ Council to monitor contractor performance end schedule. 		3	<ul style="list-style-type: none"> • Delay to contract period will delay opening of facilities and transfer from Capitol Theatre. 	<ul style="list-style-type: none"> • Scope changes will affect both time and budget. • Delay in opening of facilities impact on scheduling of events and loss of income.
Program	Client approval of Design Drawings/RFIs.	<ul style="list-style-type: none"> • Ensure adequate and speedy response to queries 		5	<ul style="list-style-type: none"> • Delays may affect construction program 	<ul style="list-style-type: none"> • Nil
Program	Other Council projects affecting this contract.	<ul style="list-style-type: none"> • No disruptions anticipated. • Contractor to be advised of any disruptions. • Canvas all Council Divisions to determine all potential Council activities. 		3	<ul style="list-style-type: none"> • Conflicts may affect construction program 	<ul style="list-style-type: none"> • Minor

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Program	DA and CC approvals.	<ul style="list-style-type: none"> DA documentation to be prepared by Council. Council to ensure speedy approval of DA and CC. Council to arrange delegated authority to approve DA to ensure no delays are incurred due to Council Meeting dates. 	<ul style="list-style-type: none"> Regular communication between Project Manager and Planners required. 	3	<ul style="list-style-type: none"> No construction works can commence until DA and CC have been issued. 	<ul style="list-style-type: none">
Program/ Procurement.	Services procurement and installation coordination	<ul style="list-style-type: none"> Place order for service relocations /materials promptly after contract award. Monitor 		5	<ul style="list-style-type: none"> Delivery needs to be coordinated with contractor. 	<ul style="list-style-type: none">
Contract	Non-performing contractor	<ul style="list-style-type: none"> Conduct monthly contractor meetings to monitor and address any issues. Prepare satisfactory audit schedule and execute. If found additional audits are required then carry out at contractor's expense. 	<ul style="list-style-type: none"> Tight time frame may affect quality of the project. 	3	<ul style="list-style-type: none"> Additional Management resources may be required. Non- performance will have an effect on contract period. 	<ul style="list-style-type: none">
Contract	Contractor QA systems not in place.	<ul style="list-style-type: none"> Additional Management may be required to monitor quality. Contractor to be advised of shortcomings and suggested mitigation strategy. 	<ul style="list-style-type: none"> Careful assessment required of all Tenders to ensure draft Quality Plans are included. 	4	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> If additional auditing is required management costs may be recovered from contractor.

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Contract	Contractor/client relationship breakdown.	<ul style="list-style-type: none"> Ensure open and honest communications at all times. 	<ul style="list-style-type: none"> Project Manager to manage Council/ contractor communications channels to prevent clashes. 	4	<ul style="list-style-type: none"> Delays may occur if disputes escalate. 	<ul style="list-style-type: none"> Minor. Contractor has to comply with terms and conditions of the Agreement.
Contract/ Budget	Dispute develops during construction.	<ul style="list-style-type: none"> Ensure open and honest communications at all times. 	<ul style="list-style-type: none"> Project Manager to administer the contract fair and reasonably to minimise disputes. 	4	<ul style="list-style-type: none"> Delays may occur if disputes escalate. 	<ul style="list-style-type: none"> Minor. Contractor has to comply with terms and conditions of the Agreement.
Contract/ Budget	Excessive variation claims.	<ul style="list-style-type: none"> Council to approve all variation claims prior to payment. Council to approve all scope changes prior to issue to the contractor for pricing. Project Manager to ensure scope of work is accurately defined in the contract prior to award. 	<ul style="list-style-type: none"> The level of variation claims throughout the construction of the Works will depend upon the detail and accuracy of the contract documents. The Project Manager is to ensure the documents are accurate and meet Council expectations in order that Council does not have to issue instructions for changes to the Works. 	3	<ul style="list-style-type: none"> Payment disputes may cause delays or stop work. 	<ul style="list-style-type: none"> Variations to be paid from construction contingency.
Contract/ Budget	Contingency	<ul style="list-style-type: none"> Ensure minimal client initiated scope changes. Manage fees to ensure no fee over run in overall project budget. 	<ul style="list-style-type: none"> Ensure appropriate allowances in project budget for design contingency and construction contingency. 	3	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Any increase in costs to be contained within the overall budget by applying contingencies.

Risk Category	Risk Description	Risk Response Strategy	Comments	Risk level (1 – 5)	Effect on Time	Effect on Budget
Funding	Grant applications.	<ul style="list-style-type: none"> Grants to be applied for prior to works being included in the construction contract. 	<ul style="list-style-type: none"> If grant applications are denied, Council may need to vary scope to exclude work, stage work or fund works through project contingency. 	4	<ul style="list-style-type: none"> If scope is to be reduced after issuing of construction contract, variations must be issued. 	<ul style="list-style-type: none"> If grants approved no effect on budget. If grants not approved, scope will be reduced and/or alternative funding obtained.

9.12 Risk Management Policy



Risk Management Policy

Tamworth Regional Council recognises that Risk Management is the systematic application of management practices for the identification, analysis, control and monitoring of uncertainties that may impact on Council's ability to achieve its objectives.

Tamworth Regional Council will ensure that risks are identified at a corporate and operational level and that these risks are managed and reported on regularly. Risks considered may include those impacting on Council's reputation and its operational, financial, technological, environmental, compliance, product/service quality, human resources and financial reporting performance.

Additionally, Council shall foster a culture of risk management across all its operations. This shall include the use of risk assessments as part of most operational decisions.

As part of its approach to systematically managing risk at the Tamworth Regional Council, the following will be undertaken:

- Establish and maintain Risk Registers of all known risks affecting or likely to affect Council at a Corporate and Business Unit level;
- Record the output of risk assessments; and
- Annually review operational and compliance risks.

All Council staff are responsible for managing risk associated with the activities and functions under their control. Risk management processes should be integrated with normal planning processes and management activities.

Risks must be escalated in accordance with Council's Risk Delegation levels.

A handwritten signature in black ink, appearing to read "Paul Bennett".

Paul Bennett
General Manager

Last Review Date	TRIM Template Reference Only	Revision Status	Next Scheduled Review Date	Page
May 2019	SF6286	Rev 6	May 2020	1 of 1

10. APPENDIX 1 – Economic Impact Assessment

Economic Impact Assessment– Tamworth Performing Arts Centre (TPAC)

The Economic Impact Assessment was prepared by the Economic Development Unit of Tamworth Regional Council based on the Capital Cost Plan and the operational Financial Modelling for the project.

There are significant economic benefits associated with the development of Tamworth Performing Arts Centre. There are six major outcomes from the Tamworth Performing Arts Centre and Creative Precinct project:

- Operational savings from the new structure
- New employment opportunities as a result of developing TPAC and surrounding amenities.
- Additional economic benefit to local economy through on site café, functions and theatre hiring.
- Additional economic benefit from cultural tourism and business conferences visitors to Tamworth
- Reduction on travel time and vehicle operating cost through having new programs and shows in the local area.
- Reduction in social cost through improved culture inclusion and employment opportunities for migrants and disadvantaged groups.

1. Construction

The total cost of the construction of this project is \$128,200,000 over two years, which is equal to present value of \$124,006,542 (approx.124 million). It is assumed that most of the cost will be retained locally. The total expenditure is expected to be spent between the construction, retail, manufacturing, professional and technical services sectors. We assume the asset life of TPAC is 30 years from the day it starts operates.

The direct investment of \$124 million in the Construction sector of Tamworth Regional Council economy would lead to indirect demand for intermediate goods and services across related industry sectors. These indirect industrial impacts are estimated to be an additional \$44.48m in Output.

This direct investment in the construction sector in Tamworth's economy is estimated to lead to a corresponding direct addition of 288 jobs in the local Construction sector. From this direct expansion in the economy it is anticipated that there would be flow on effects into other related intermediate industries, creating an additional 181 jobs, and it is estimated this investment is estimated to increase GRP in Tamworth Regional Council by \$72.38m.

Economic Impact Summary - Construction			
Tamworth Regional Council - Modelling the effect of adding \$124.0m sales in Construction - Inflation adjusted			
Summary	Output (\$m)	Value-added (\$m)	Local jobs
Starting position Tamworth Regional Council (year ended June 2018)			
Construction	953	292	2,217
All industries	6,228	2,743	28,855
Impacts on Tamworth Regional Council economy			
Direct impact on Construction sector	124	38	288
Industrial impact	44	19	181
Consumption impact	34	15	168
Total impact on Tamworth Regional Council economy	203	72	637
Type 1 multiplier (direct & industrial)	1	2	2
Type 2 multiplier (direct, industrial & consumption)	2	2	2
Impact on New South Wales economy			
Total impact - New South Wales outside Tamworth Regional Council	32	14	113
Total impact New South Wales economy	234	86	750
Impact on Australian economy			
Total impact outside New South Wales economy	35	15	139
Total impact on Australian economy	270	102	889

Source: National Institute of Economic and Industry Research (NIEIR) ©2019. Compiled and presented in economy.id by .id , the population experts.

2. On-going benefits

2.1. Operational saving from new structure

The new structure is expected to create \$561,136 operational saving when the new structure is at full capacity. Despite an additional operating cost of \$38,124 in year one projection, operational savings will occur from year two onwards.

The deficit in year one is higher due to the facilities only operating for three months and will be quickly turned around from year two onwards as the revenue picks up.

Operational saving summary table						
	Existing EV + Old Parry Building	Total EV New Structure- Year 1	Total EV New Structure- Year 2	Total EV New Structure- Year 3	Total EV New Structure- Year 4	Total EV New Structure- Year 5 onwards
TOTAL REVENUE	\$1,734,836	\$1,409,470	\$2,980,217	\$3,243,003	\$3,505,788	\$3,637,181
TOTAL EXPENDITURE	\$3,601,854	\$3,637,285	\$4,556,656	\$4,711,335	\$4,858,514	\$4,943,063
SURPLUS (DEFICIT)	-\$1,867,018	-\$2,227,815	-\$1,576,439	-\$1,468,333	-\$1,352,726	-\$1,305,882
Operational Saving		-\$360,797	\$290,579	\$398,685	\$514,292	\$561,136

2.2. On-going employment benefits

The financial modelling and employment projection are estimated by Rob Gebert Arts Consultancy. This estimates a total of an additional 10.86 FTE core positions are created including 5.4 core positions, and 5.46 non-core positions across all entertainment venues once the TPAC is fully operating. In addition, 11 jobs are created in relation to the restaurant and café and the functions business in the precinct. However, it is estimated that the number of jobs in the restaurant and café and the functions business will grow from 5 in year one to 11 in year five progressively. The detail economic benefit from employment is presented below:

Projected New Employment (FTE)					
	Year 1 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 onwards
TPAC	10.85	10.85	10.85	10.85	10.85
Restaurant and Café	5	7	9	10	11
Total Employment figure	15.85	17.85	19.85	20.85	21.85

	Year 1 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 To Year 30
First and Secondary spending - jobs TPAC	\$1,029,600	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000
First and Secondary spending - jobs New Café and Restaurant	\$165,600	\$1,280,000	\$1,670,000	\$1,830,000	\$2,200,000
Total Economic benefit from additional employment	\$1,195,200	\$7,000,000	\$7,390,000	\$7,550,000	\$7,920,000

2.3 Additional economic benefits

It is estimated that the contractors based in TPAC will have gross revenue of:

- \$1,248,352 from food and beverage charges to clients on functions.
- \$1,420,751 through theatre hirers.
- \$1,253,480 from café estimated turnover.

Despite the fact that these revenues are not part of TPAC's revenue, it does have significant impact on Tamworth economy. As a result, the NIEIR model has been applied together with the growth rate in the first five years. The food and beverage charges on functions and café have been combined to show the overall effect of increase sales in accommodation and food industry. The economic impact for the Tamworth economy from additional sales at café, functions, and theatre hiring will be \$3,593,400 in year 1 and subsequently increased to \$6,780,000 from year 5 onwards.

Contractor Revenue

Version 3 as at 26 August

Detailed BS

Tamworth Cultural Precinct Financial Modelling

Contractor	Total Revenue	TPAC Revenue	Contractor Revenue	Notes
Functions	\$1,434,186	\$185,834	\$1,248,352	Food and beverage charges to clients.
Theatre Hirers	\$2,382,307	\$961,556	\$1,420,751	Gross Box Office
Café	\$1,350,000	\$96,520	\$1,253,480	Estimate of turnover. TPAC Revenue Lease.
Total	\$5,166,493	\$1,243,910	\$3,922,583	

	Year 1 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 to Year 30
Economic Impact from additional sales on Theatre hiring, café and Functions					
%	18%	75%	85%	95%	100%
Economic impact to LGA area from Theatre Hiring - contractor	\$1,383,300	\$1,957,500	\$2,218,500	\$2,479,500	\$2,610,000
Economic impact to LGA area from new Café and Functions - Contractor	\$2,210,100	\$3,127,500	\$3,544,500	\$4,170,000	\$4,170,000
Economic impact to LGA area from Theatre Hiring - Contractor-after adjustment	\$248,994	\$1,468,125	\$1,885,725	\$2,355,525	\$2,610,000
Economic impact to LGA area from new Café and Functions - Contractor -after adjustment	\$397,818	\$2,345,625	\$3,012,825	\$3,961,500	\$4,170,000
Total Economic Benefit from theatre hiring, café, and functions	\$646,812	\$3,813,750	\$4,898,550	\$6,317,025	\$6,780,000

Source: National Institute of Economic and Industry Research (NIEIR) @2019. Compiled and presented in economy.id by .id, the population experts.

<https://home.id.com.au>

2.4 Additional economic benefit from cultural and business visitors

The new Tamworth Performing Art Centre is projected to have 123,360 attendances in the main venues compared to current figures of 26,000 per annum in sector 7.5 of the business case. This indicated an additional 97,360 visitors going through the main venues for events. According to the current catchment analysis in section 5.4 of the business case, on average, there are 70.8% audience from Tamworth region and 13.9% from the immediate catchment (adjoining LGAs). The assumptions are that the entire local and adjoining LGA audiences will only pay for their ticket, and other spending has been factored into the café or bar on site. Further assumption has been made on audiences from the wider catchment and the rest of Australia, which is 15.3% of total audiences are going to stay in Tamworth for 1 night. This means 14,896 additional overnight visitors to Tamworth region.

According to Tourism Research Australia (TRA, TRC Economic Development Team) the average daily spending for recreation event in Tamworth region is \$151, which including ticketing, food, accommodation, patrol and other spending incurred in Tamworth. The average ticket price based on current ticketing system is \$44.08 for all events. The net spending per day is \$151-\$44.08= \$106.92. The direct injection into Tamworth economy will be 14,896*\$106.92=\$1,592,698.98:

Attendances on TPAC	Existing attendances	Additional Visitors	Current wider catchment %	Additional overnight visitors	Daily spending	Direct injection into Tamworth Economy
123,360	26,000	97,360	15.30%	14,896	\$106.92	\$1,592,698

2.5 Reduction on travel time and vehicle operating cost

It is estimated that currently around 2,000 – 3,000 of Tamworth or adjoining LGA travel to Port Macquarie, or Newcastle for shows that are not available in Tamworth. With the expansion in the range of performances at TPAC, these audiences will attend Tamworth performances. According to Asutroads 2008, Vehicle Running Costs Guide, the vehicle operating costs assumed to be 83c/km, average occupancy of 1.6 persons per car, and vehicle travel costs assumed to be \$11.49/person-hr (Asutroads, Guide to project Evaluation Part 4, 2008).

Travel Time and Operating Cost Saving - Newcastle					
Year	1	2	3	4	5
	18%	75%	85%	95%	100%
Cars	112.5	468.75	531.25	593.75	625
Time Hourly rate	11.49	11.49	11.49	11.49	11.49
time-Newcastle	7.34	7.34	7.34	7.34	7.34
Time Saving - Newcastle	\$9,488	\$39,533	\$44,804	\$50,075	\$52,710
Return distance	564	564	564	564	564
Operating Cost Per Km	0.83	0.83	0.83	0.83	0.83
Operating Saving-Newcastle	\$52,664	\$219,431	\$248,689	\$277,946	\$292,575

Travel Time and Operating Cost Saving - Port Macquarie					
Year	1	2	3	4	5
	18%	75%	85%	95%	100%
Cars	112.5	468.75	531.25	593.75	625
Time Hourly rate	11.49	11.49	11.49	11.49	11.49
time-Newcastle	7	7	7	7	7
Time Saving - Port Macquarie	\$9,048	\$37,702	\$42,728	\$47,755	\$50,269
Return distance	382	382	382	382	382
Operating Cost Per Km	0.83	0.83	0.83	0.83	0.83
Operating Saving-Port Macquarie	\$35,669	\$148,622	\$168,438	\$188,254	\$198,163
Total time saving	\$18,536	\$77,234	\$87,532	\$97,830	\$102,979
Total Operating	\$88,333	\$368,053	\$417,127	\$466,201	\$490,738

**Time and distance are based on the shortest travel time and distance on Google Map*

2.6 Reduction on social cost through improved culture inclusion and employment opportunities

Arts initiatives are now increasingly being used as a way to facilitate social inclusion of refugee and recent migrant communities and facilitate reconnection with Indigenous cultural practice (Creative Victoria, 2016).

Improving social inclusion – defined here as ‘affording all people the best opportunities to enjoy life and prosper in society’ – is a source of economic strength and higher living standards. Having an inclusive society avoids the costs incurred when people are excluded – from jobs, from businesses and from accessing social services (Deloitte Access Economics, 2019).

The average unemployment cost to the individual is \$77,431, and \$97,126 to the society. In a very conservative calculation, the increase in social inclusion will save \$63,742 in social cost by assuming the TPAC increase in minimum amount of social inclusion.

Social Cost Reduction					
	Year 1	Year 2	Year 3	Year 4	Year 5 onwards
Cost of unemployment Per year	\$97,125	\$97,125	\$97,125	\$97,125	\$97,125
Reduce unemployment by improving social inclusion(FTE)	0.656292	0.656292	0.656292	0.656292	0.656292
Percentage	18%	75%	85%	95%	100%
Total social cost reduction	\$11,473.62	\$47,806.77	\$54,181.01	\$60,555.24	\$63,742.36

3. Benefit-Cost Ratio (BCR)

The BCR is calculated by dividing the total present value of all benefits by the present value of total cost.

The formulae is $BCR = PV(\text{Total Benefits}) / PV(\text{Total Cost})$. To make the project viable, the BCR has to be greater than 1 by using the recommended discount rate at 7% per annum (*Handbook of cost-Benefit Analysis, 2006*). Sensitivity analysis has been conducted by using 2 recommended interest rate, 3% and 10% (*NSW Treasury, 2017*), to test this project under uncertainty. Please refer below to the summary table.

Cost Benefit Analysis Summary Table	
Discount Rate (\$)	7%
Construction Cost (\$)	\$128,200,000
Construction period (Years)	2
Construction Cost Present Value (\$)	\$124,006,542
Present value of total surplus of 30 years	\$189,890,915
Benefit Cost Ratio	1.53

Sensitivity Analysis			
Discount Rate	3%	7%	10%
BCR	2.62	1.53	1.09

30 Year Detailed Operating Budget by Account			Version 3 as at 26 August																													
Summary CC																																
Tamworth Cultural Precinct Financial Modelling																																
	Year 1 23/24	Year 2 24/25	Year 3 25/26	Year 4 26/27	Year 5 27/28	Year 6 28/29	Year 7 29/30	Year 8 30/31	Year 9 31/32	Year 10 32/33	Year 11 33/34	Year 12 34/35	Year 13 35/36	Year 14 36/37	Year 15 37/38	Year 16 38/39	Year 17 39/40	Year 18 40/41	Year 19 41/42	Year 20 42/43	Year 21 43/44	Year 22 44/45	Year 23 45/46	Year 24 46/47	Year 25 47/48	Year 26 48/49	Year 27 49/50	Year 28 50/51	Year 29 51/52	Year 30 52/53		
REVENUE																																
%	18%	73%	83%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
TOTAL FINANCIAL REVENUE	\$1,626,370	\$2,277,367	\$2,540,153	\$2,822,988	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331	\$2,994,331		
ECONOMIC BENEFIT																																
Operational Saving (Deficit) for New EV	-\$30,739	\$20,573	\$58,865	\$34,232	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136	\$50,136		
First and Secondary spending - jobs TPAC	\$1,029,600	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000	\$5,720,000		
First and Secondary spending - jobs New Café and Restaurant	\$165,607	\$1,280,000	\$1,670,000	\$1,890,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000		
Economic impact to LGA area from Theatre Hiring - contractor	\$248,994	\$1,488,125	\$1,885,725	\$2,355,525	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000		
Economic impact to LGA area from new Café and Functions - Contractor	\$387,888	\$2,365,625	\$3,022,825	\$3,980,500	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000	\$4,170,000		
Economic benefit for overnight Visitor spending Direct injection	\$286,686	\$1,194,524	\$1,353,794	\$1,513,054	\$1,592,889	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367	\$4,666,367		
Travel time saving	\$18,536	\$77,234	\$87,532	\$97,880	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	\$102,975	
Vehicle Operating Cost Savings	\$88,333	\$980,053	\$407,127	\$466,200	\$480,738	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	\$366,575	
Reduction in social cost by improving culture inclusion	\$11,474	\$47,807	\$54,181	\$60,555	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	\$63,742	
TOTAL FINANCIAL AND ECONOMIC REVENUE	\$3,502,633	\$15,089,314	\$17,140,022	\$19,321,905	\$20,446,625	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131	\$23,365,131		
EXPENDITURE																																
Total Salaries	\$1,174,631	\$1,263,971	\$1,304,590	\$1,345,188	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	\$1,372,703	
Total Building Utilities and Overheads	\$401,404	\$405,404	\$401,404	\$408,904	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	\$466,404	
Total Operational Overheads	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	\$74,100	
Total Corporate Overheads	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	\$221,973	
Total Other Business Stream Costs	\$525,071	\$746,025	\$842,035	\$941,165	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	\$990,700	
TOTAL EXPENDITURE	\$2,407,189	\$2,729,468	\$2,884,162	\$3,031,341	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	\$3,115,889	
SURPLUS (DEFICIT)	\$1,115,444	\$12,339,822	\$14,255,860	\$16,290,564	\$17,330,736	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	
NON-OPERATING EXPENDITURE																																
Interest & Principal Loan	\$1,438,355	\$1,407,367	\$1,355,419	\$1,373,452	\$1,351,484	\$1,329,516	\$1,307,548	\$1,285,580	\$1,263,613	\$1,241,646	\$1,219,677	\$1,197,710	\$1,175,742	\$1,153,774	\$1,131,806	\$1,109,838	\$1,087,871	\$1,065,903	\$1,043,935	\$1,021,968												
TOTAL NON-OPERATING EXPENDITURE	\$1,438,355	\$1,407,367	\$1,355,419	\$1,373,452	\$1,351,484	\$1,329,516	\$1,307,548	\$1,285,580	\$1,263,613	\$1,241,646	\$1,219,677	\$1,197,710	\$1,175,742	\$1,153,774	\$1,131,806	\$1,109,838	\$1,087,871	\$1,065,903	\$1,043,935	\$1,021,968												
TOTAL SURPLUS (DEFICIT)	-\$323,911	\$10,932,455	\$12,880,441	\$14,917,113	\$15,979,252	\$18,949,725	\$18,971,693	\$18,993,661	\$19,015,629	\$19,037,596	\$19,059,564	\$19,081,532	\$19,103,499	\$19,125,467	\$19,147,435	\$19,169,403	\$19,191,370	\$19,213,338	\$19,235,306	\$19,257,274	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	\$20,279,241	

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11. APPENDIX 2 - DESIGN REPORT WILLIAMS ROSS ARCHITECTS