

Canberra Theatre

The recommended Option 2 Canberra Theatre upgrades will modernise and optimise the venue for both performers and audiences. New flexibility will enable a range of contemporary programming, including programs suitable for a flat floor (standing audience).

The key spaces and inclusions for the Canberra Theatre are listed below.

- **Automated retractable seating** – provides flexibility and adaptability to cater to various events, from intimate performances to larger productions in both raked seating and flat floor configurations.
- **Re-raking balcony seats** – improves sightlines and elevates the audience experience.
- **Compliance works** – addressing essential accessibility and DDA requirements underscores the importance of inclusivity, making the venue more welcome to diverse audiences.
- **New theatre systems** – ensures that the venue is equipped with industry standard technical requirements capable of hosting a wide range of performances, increasing operating efficiency and production capability.
- **Foyer and amenities** – upgrades and increased connections to outdoor terrace, with foyer areas to be destinations.

The Playhouse

The proposed upgrades to the Playhouse under Option 2 will position the venue as modern and technically equipped, capable of delivering exceptional performances and providing audiences with an enriching and immersive cultural experience.

A loved space that requires upgrades to meet modern standards but maintain its character and intimacy for theatre, dance, and a range of contemporary programming.

The inclusions for The Playhouse are listed below.

- **Seats re-raking** – focusing on improved sightlines will optimise the viewing experience for audiences.
- **Orchestra pit lifts** – refurbishment will improve theatre operational efficiency and reduce operating costs.
- **Automated fly system** – further enhances the versatility of the venue, allowing for seamless set changes and adding a layer of sophistication to stage productions.

Studio Theatre

The recommended Option 2 proposes the Studio Theatre as a fully flexible black box theatre, capable of accommodating a wide range of performances while providing an enhanced cultural and social experience for its audiences.

A theatre that can bring smaller scale touring works from other theatres and festivals plus provide a space for local works and emerging artists, the new Studio will provide a much needed 300 seat venue to showcase work produced by the local arts sector, filling a current gap in the market.

Figure 6.2: Transformation of the Studio Theatre, existing (top) and indicative view of future (bottom)



(artist impression)

The key specifications for the functional areas are listed below.

- **Functional black box theatre** – capacity increases to 300 patrons in a more flexible format increasing the number and type of performances therefore increasing participation and revenue.

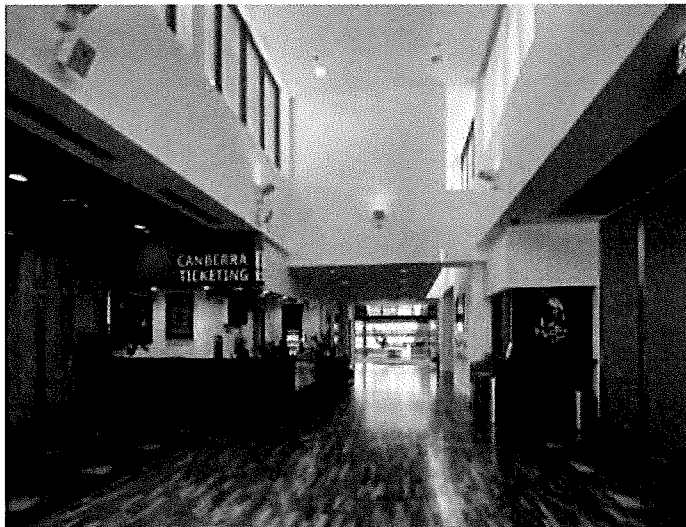
- **Dedicated ancillary facilities** – such as the new bar, foyer, dressing rooms, and back-of-house facilities, significantly improves the overall functionality and comfort for both performers and patrons.
- **Interconnected foyer** – linking to the Canberra Theatre and Link seamlessly integrates the Studio Theatre into the remainder of the CTC, creating a unified and cohesive cultural hub.
- **New theatre systems** – provides technologically up-to-date theatre systems, guaranteeing high-quality productions.

Link and Theatre Lane

The recommended Option 2 proposes extensive development of the middle of the CTC, the Link, to improve urban outcomes, patron experience and accessibility, staff safety and functional efficiency.

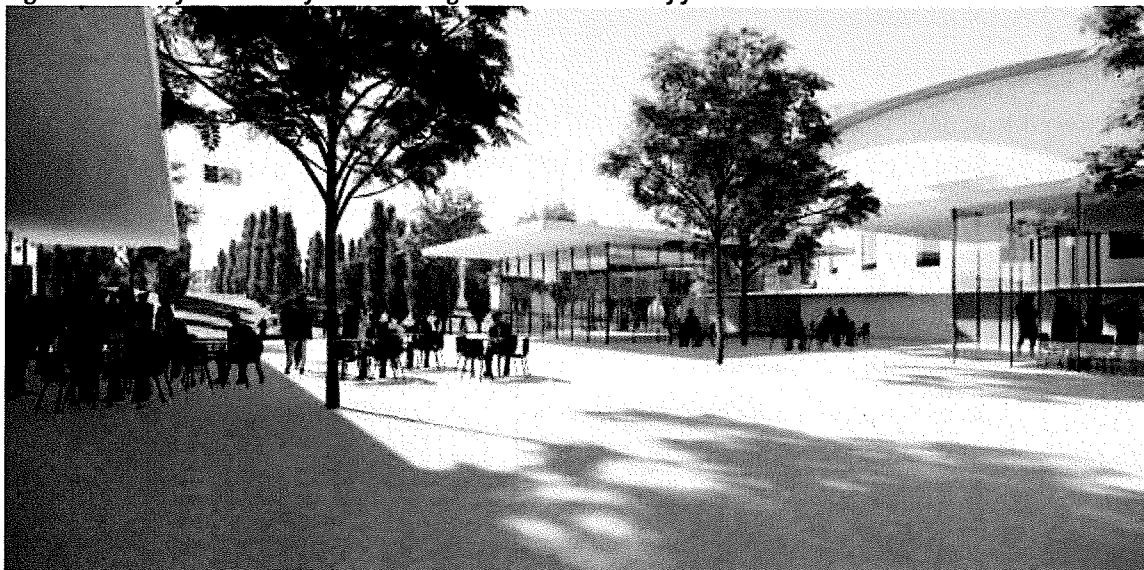
The Link provides the foyer connections to the Playhouse and Canberra Theatre, food and beverage amenities both inside the foyer spaces and on the new rooftop terraces. The rooftop connection is directly visible and accessible from Civic Square and creates a new public urban space. The upgrades provide opportunities for casual live entertainment pre and post-show.

Figure 6.3 Transformation of Link Building – existing (below left) and indicative of future (below right)



(artist impression)

Figure 6.4 Transformation of Link Building –indicative views of future



(artist impression)



(artist impression)

The key specifications for the functional areas are listed below.

- **Public realm** – restoration of the Mount Ainslie – City Hill axis and honouring the original intentions of the Griffin plan, thereby providing heritage benefits and improved the interfaces and connections to Vernon Circle and Civic Square.
- **Entertainment offerings** – new rooftop hospitality at the Link and open public space will activate the CCCD, providing a scenic destination for patrons and the public to engage with the arts and enjoy the cityscape.

- **Landbridge** – covering theatre lane with an active frontage on Vernon Circle makes a weather protected loading dock as well as creating a more safe and secure space for back-of-house operations and increasing operational efficiency.
- **Back-of-house connectivity** – safe movement of people and goods, separated from vehicles.
- **New Link building** – establishes a dynamic cultural centrepiece of the CTC and CCCD that is transparent and accessible from Vernon Circle and Civic Square.
- **Drop off** – provides for an accessible and VIP drop off at Vernon Circle

Office space

The inclusion of up to 400 square metres of space on location will provide organisational efficiency by allowing key personnel, including event managers, technical directors and administrative staff, to be physically present and easily accessible.

This option provides for future expansion of office accommodation by the provision of a cold shell of 1100sqm on level 4 capable of being fitted out for offices in the future.

6.2.1 Staging and budget

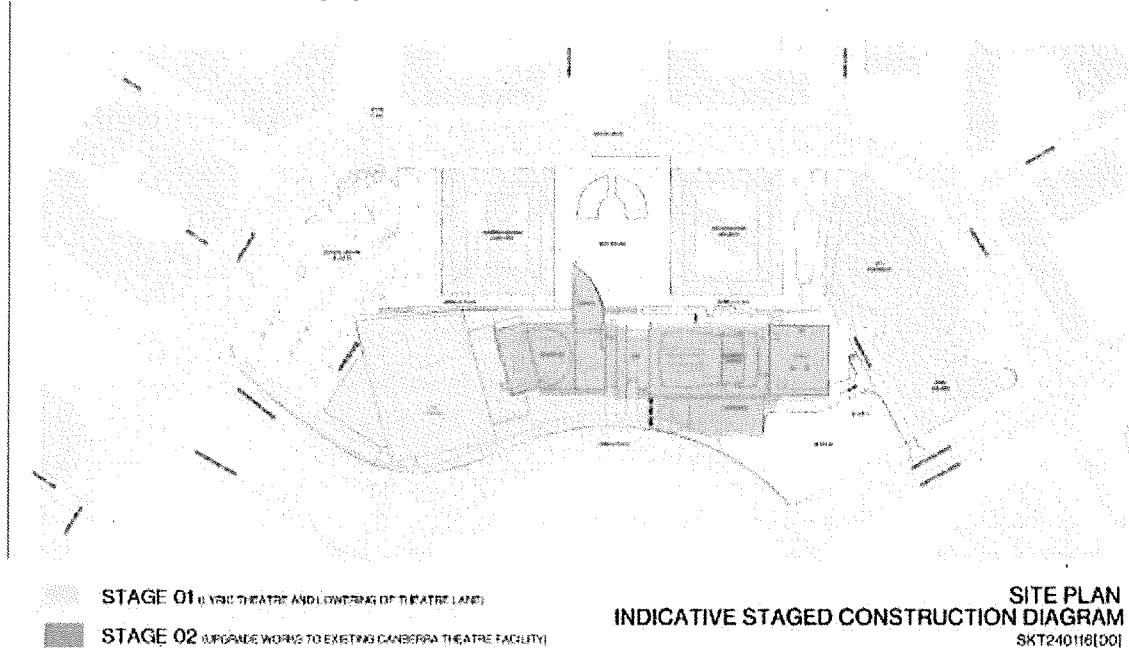
Stage 1 is delivery of the Lyric, the Loading Dock and interface to the existing building (at the back of the Playhouse/Link).

Stage 2 is the redevelopment of the Canberra Theatre, The Playhouse, the Courtyard Studio, and the Link building.

This business case presents the redevelopment of Stage 2 as a target scope, against a target budget. The budget for Stage 2 is subject to future Government approval and submission of a business case.

Stage 2 design development will continue to interrogate the most effective solutions to achieve the Project Objectives for the existing facilities. In particular, the achievement of the desired level of flexibility for the Canberra Theatre within a target budget is challenging given the existing condition of the venue. The business case for Stage 2 works may present options to deliver the full aspiration of the vision for the redeveloped CTC.

The recommended staging is shown in Figure 6.5 below.

Figure 6.5 Recommended staging

6.2.2 Heritage considerations

The original CTC dates back to 1965 and has cultural and historical significance as the first Government-built arts centre in Australia. Heritage advice has been developed by GML in conjunction with the design development, which has identified potential heritage impacts and provides mitigation measures to avoid or reduce the possibility of the Project diminishing the heritage significance of Civic Square and City Hill.

Key considerations and recommendations from the heritage advice are listed below.

- There are opportunities within the design of **the Link** to conserve and celebrate the heritage of Civic Square and City Hill.
- Consideration should be given to the form and scale of **the Lyric Theatre** and the extent of its alignment to the heritage values of Civic Square.
- The proposed refurbishment of **the Canberra Theatre** has been designed to minimise the potential impacts to internal historic fabric. Although the interior fabric of the Canberra Theatre is not listed in the ACT Heritage Register, a best practice heritage approach will be taken to retain as much of the significant fabric as possible.
- The **Studio** is unlikely to diminish the heritage significance of the CTC, noting the design inclusions for the Studio should respect the heritage significance of Civic Square and the CTC.

The Project team will continue to monitor the heritage implications of the Project and will develop a full and detailed Statement of Heritage Effect (SHE) when the Project undergoes detailed design development.

6.2.3 Construction considerations

There are several key issues that must be considered when determining the optimum construction method for the Project. A summary of key considerations is provided below.

Business Continuity

Given that the CTC will continue to be operational throughout the entire construction program, a staged approach to construction has been proposed to allow for at least one significant venue to be open at all stages of the construction period. For the purposes of this Business Case, it has been assumed that the Playhouse will close for approximately 12 months during Stage 1 to undertake interfacing works in conjunction with the Lyric Theatre. This will be further tested through the design development and further constructability advice with a view to limiting the disruption to The Playhouse performances in Stage 1.

Site Logistics

The Project's location and proposed timing means that there may be site constraints with adjacent sites and facilities which may complicate construction logistics, including material deliveries, equipment access and storage areas. Ensuring efficient movement of construction materials and minimising disruption to neighbouring sites or facilities is essential. Early buildability advice identified the existing car park on Block 23 as a potential project establishment site. This is explored in further detail in Section 6.3. Construction management approaches should be coordinated with adjacent sites where applicable.

6.2.4 ESD Initiatives

To achieve the Ecologically Sustainable Development (ESD) targets, initiatives are being incorporated into the design to provide efficiency and reduction of impacts. The Project is designed to target a 5 Star Green Star Building, rating with 6 Star as a stretch target, as well as a 100% electric building in line with the ACT Government's Net Zero Emissions Policy. Initiatives included in the design or considered for inclusion are listed below.

- **Energy** – Passive House principles, Grid Responsive Building, all-LED lighting, occupancy sensors, heat pumps, high performance chillers and cooling towers.
- **Water** – high efficiency water fixtures and fittings, stormwater treatment and rainwater/stormwater collection.
- **Materials and Waste** – re-use of existing structures, on-site waste separation, carbon neutral concrete, low carbon steel, recycled aluminium in façade, storage space for reusable production materials and self-contained organic waste processing equipment.

Appropriate allowances will be made for inclusion of potential climate change impacts. The increase included will be coordinated with the climate change adaptation strategy to be developed for the Project with the ESD consultant as part of the Project's sustainability and climate adaptation strategy.

6.2.5 Compliance considerations

While the current applicable version of the National Construction Code is the 2022 edition, NCC 2025 may be applicable to the Project depending on release of the NCC revision and timing of the

Construction Certificate application. The assumptions on Compliance with the NCC in this Business Case are based on advice relating to NCC 2022.

Section 29 of the *Building Act 2004*, states that an existing building is required to be upgraded to meet current day compliance regulations should a substantial alteration (such as extension or refurbishment) occur within the building that exceed 50 per cent of the area of the original building. Compliance standards triggered by this requirement are per the NCC 2022 Volume One – Building Code of Australia.

[REDACTED]

[REDACTED]

The base case includes the estimated compliance cost alongside the end of life systems replacement nothing that the extent of these works will be further tested during the detailed design phase.

The cost consultant has estimated the construction cost of the direct compliance work at [REDACTED] in 2024\$ (excluding design and ACT Government delivery costs). The full extent of works is costed within stage 2 of the project. The direct compliance work also forms part of the base costs or "do minimum option" capital costs, alongside the end of life systems replacement.

6.2.6 Operations and maintenance considerations

The Project introduces a significant enhancement in the scale of the CTC and its ongoing operations. With modern facilities and new theatre systems and technical equipment, the CTC will be able to host a greater number and more diverse array of live performances and will streamline processes, enabling smoother and more efficient rehearsals and performances. The significant investment in non-performance spaces such as the Link and supporting food & beverage offerings will elevate the audience experience as well as enable higher revenue generating capabilities.

It is expected that additional operations and facilities maintenance (FM) capability will be required to manage the new and upgraded facilities. Further analysis on the ongoing financial impact is explored in Section 9. Further detailed analysis on the CTC's future operational efficiencies is explored in the separate Operational Business Case.

The Project's significant capital investment will revitalise the current ageing facility and ensure a more durable and resilient facility, reducing the scale of major repairs and ongoing maintenance. Further analysis on the planned replacement costs post construction completion is explored in Section 9.

6.3 Project Assumptions

The following Assumptions, inform the outcomes of the Business Case analysis:

1. Stage 2 works follows sequentially the completion of Stage 1. [REDACTED]
[REDACTED]
[REDACTED]
2. Stage 2 works are delivered concurrently rather than in a staged manner – i.e. all venues (Playhouse, Studio and Canberra Theatre) will close to allow these works to be delivered. This will be further tested during 2024 with input from the Territory's advisors and feedback from the Contractor procurement for Stage 1, with further updates to be brought back to Board progressively leading into the request for an Investment decision for Stage 2.
3. That the Playhouse Theatre may be required to close twice - once in stage 1 (for a period of 12 months) and during Stage 2 when the works to the Playhouse are undertaken. The extent of closure, should it be required for Stage 1 will be further tested through the design process and following constructability advice. Noting the ultimate benefit arising from the upgraded to the Playhouse, the current proposed two closures will present challenges for the CTC to manage audience and staff retention and disruption.
4. The Business Case assumes a target budget for the recommended concept design for Stage 2, noting there are major risks associated with the existing buildings (as outlined elsewhere in this paper and the Business Case). This will be further developed, leading to a request for funding approval – including the presentation of options regarding scope and budget – particularly for the Canberra Theatre and Playhouse.
5. Both Stages will be designed to a level required to enable Works Approval (particularly important for urban design elements such as the New Lyric, Loading Dock, new Link and new Studio).

6.4 Project interdependencies

Whilst discussion of how the Project complements the CCCD Program is outlined in Section 4.3, there are key interdependencies such as timing, delivery and operating constraints that must be considered to ensure successful delivery which successfully manages and mitigates any interface risk. These have been documented in Table 6.1 below.

Table 6.1 CCCD interdependent projects

Project / Development	Timing	Delivery and operating considerations
Block 40, Section 19, City	The vacant 2,743 square metre block was released by the ACT Government in mid-2023, with the Capital Property Group to begin construction on the development in FY2024-25 featuring 14,000 square	Service continuity during Block 40 construction. CTC accessibility during construction. Increased CTC foot and vehicle traffic. Impact on local parking.

	meters of office and retail space.⁴² Construction takes place prior to the Project's works, to be undertaken FY25.	
Block 23, Section 19, City	Given Block 23 is directly adjacent to the proposed Lyric Theatre, staging analysis must be considered to determine an optimum approach which minimises adjacency impacts. Block 23 is currently targeted for mixed development, including development of a landmark building in the north-east corner and the CRA is developing a masterplan and design guidelines to ensure the development complements the redeveloped CTC, including the provision of future public parking for the CTC.	As per Block 40. Impacts to parking for the CTC are a further key consideration (addressed further in Section 5 Options Analysis).
Civic Library	Options to relocate the Civic Library prior to construction work on the Project commencing (proposed Q1 2025) are currently being considered.	Civic Library relocation prior to Q1 2025. If the Library is not relocated, the construction work will need to enable it to continue operations as much as practicable.
Light Rail Stage 2A	Construction on Stage 2A is set to commence in late 2024 and expected to run concurrently with the Project. Potential site access issues with extended closures of surrounding roads.	Potential access issues to the loading dock in Theatre Lane depending on traffic changes for Vernon Circle. Disruption Taskforce to oversee overall impact, however the Project team must manage CTC specific disruptions.
Civic Square	Timing of Civic Square works is unconfirmed however would impact interfacing works with Link.	Interface works of Civic Square and Link need to be confirmed prior to Stage 2.
Canberra Civic and Cultural District (CCCD)	The CCCD masterplan and design guidelines are being prepared in response to the CCCD Concept Design Report. The masterplan will provide a vision for the CCCD and how adjoining developments and public spaces will interface with and enhance the CTC redevelopment. Confirmation of scale and timing of CCCD works is yet to be determined.	Opportunity for the CCCD vision to be realised with the Project as the cultural centrepiece. Provision of CCCD masterplan and design guidelines are critical to the Projects Works Approval, given the focus of the NCA on the impact of the Project to the City Hill Precinct and the interfaces between the CTR Project and the District.

⁴² City Renewal Authority (2023) 'New \$150 million office development coming to Constitution Avenue' [https://www.act.gov.au/cityrenewal/blog/city-renews/new-\\$150-million-office-development-coming-to-constitution-avenue](https://www.act.gov.au/cityrenewal/blog/city-renews/new-$150-million-office-development-coming-to-constitution-avenue)

7. Risk Analysis



7 Risk Analysis

This section of the Business Case outlines the key Project risks and the risk management governance and risk management controls.

Key messages

- The risk rating for project delivery across all phases, including design and delivery:
 - **Option 1:** Overall risk rating of [REDACTED]
 - **Options 2 and 3:** Overall risk rating of [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- [REDACTED] The Business Case has robustly evaluated these risks and detailed the mitigations and controls measures proposed to be undertaken during the project to ensure project success.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
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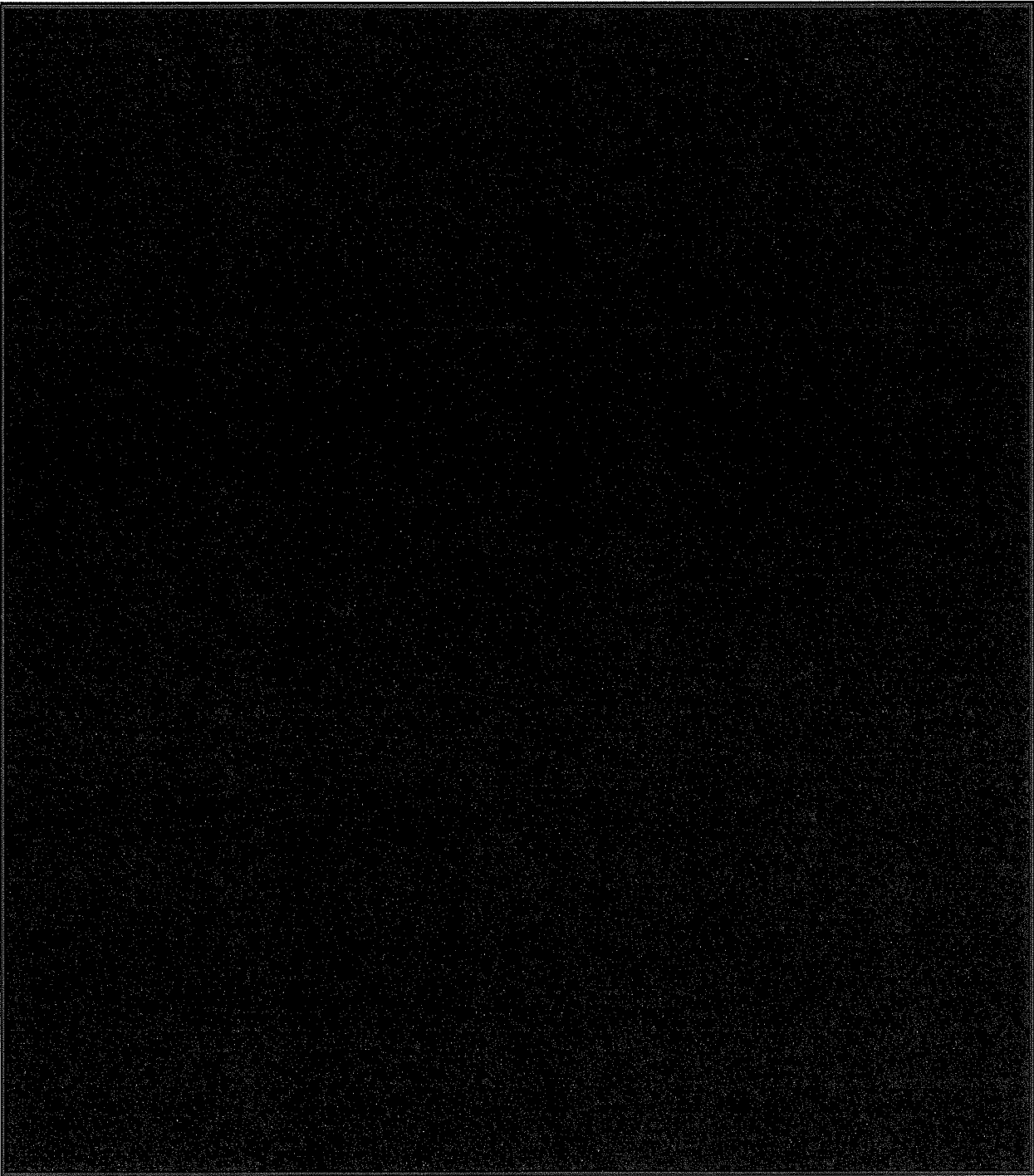
- Analysis of Project Risk Informs the Proposed Delivery Model, which is further discussed in Section 8 and the Project Contingency, further discussed in Section 9.

7.1 Key Project Risks

7.1.1 Key Project Risks

A risk identification and rating workshop was held on 20 October 2023 with participants from MPC, CFC, CMTEDD (including Treasury and artsACT), CRA, TCSS, ESPDD, Architectus and facilitated by Deloitte. The purpose of the workshop was to identify Project risks and assess the likelihood and consequences of those risks eventuating and assign associated mitigation measures.

The top risks identified as a result of the workshop are shown in Table 7.1 below:





7.1.2 Notable Risk Implications and Themes

The top Project risks outlined in Table 7.1 and other significant risks have implications and considerations for the delivery phase. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

7.1.3 Options Risk Rating and Risk Register

Based on the top project risks and the overall risks identified in the risk register],

- **Option 1** has an overall option risk rating of **Low**, and
- **Options 2 and 3** both have an overall option risk rating **Low**

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

- [illegible]

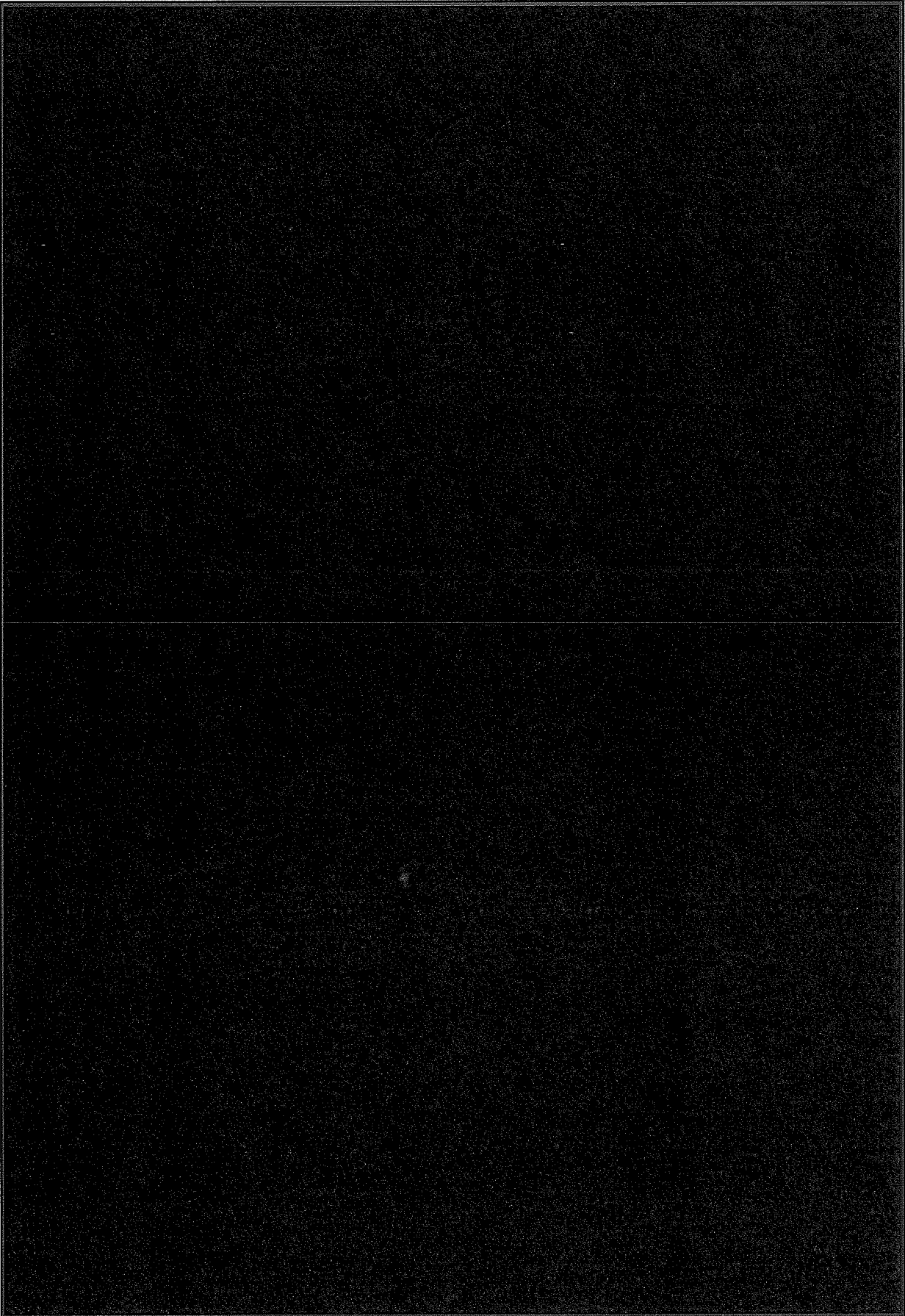
The detailed risk register with all Project risks is included in Appendix E – CTR Risk Register.

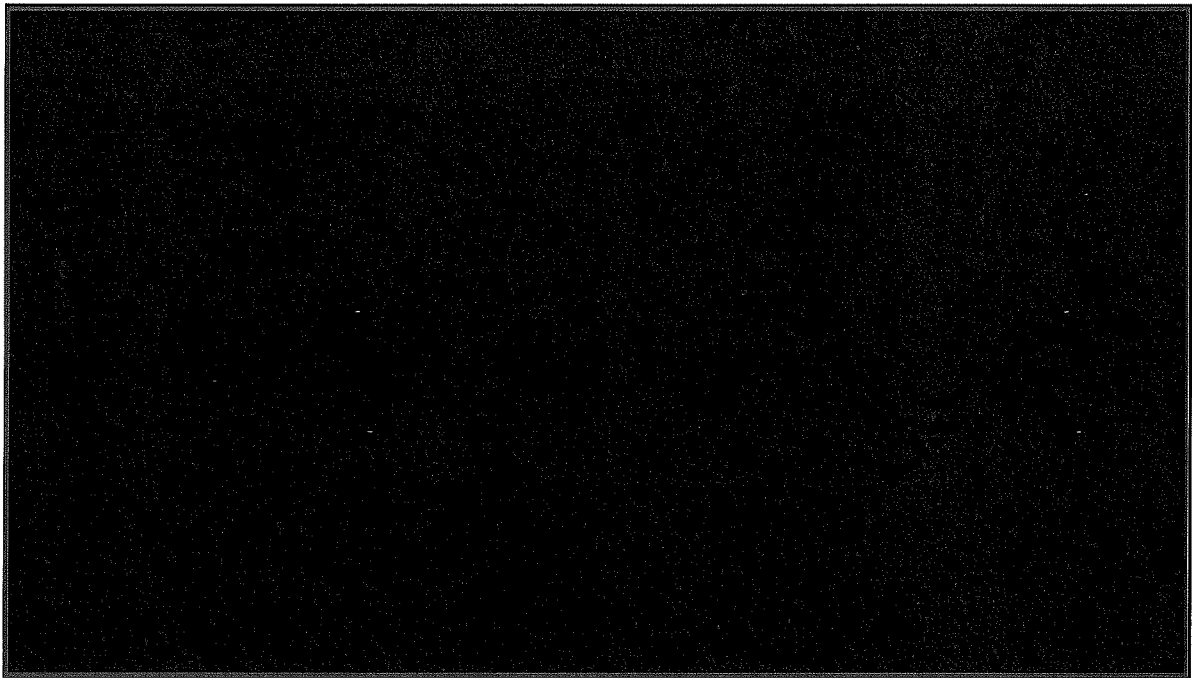
As per the Project's RMC Terms of Reference, the full risk register and summary of high rated risks are reported to the Project Board monthly.

7.1.4 Risk Mitigations

Risk mitigation measures are included for all risks within the risk register. Risks are monitored and reviewed on a regular basis to ensure that the mitigations are appropriate and provide effective controls for the risk. Should there be any changes with the risk ratings, the mitigation measures are reviewed and updated accordingly.

A summary of the mitigation measures established for the top project risks are provided in Table 7.3 below:





7.2 Risk process

This section outlines the risk processes currently underway within the Project including Risk Governance and Risk Management. Further, this section summarises the risk workshops and evaluation undertaken as part of preparing this Business Case.

7.2.1 Risk Workshops Undertaken

Two risk workshops with key stakeholders were conducted, under the guidelines of the capital framework as part of the development of this Business Case:

- A risk identification workshop on 20 October 2023 with participants from: MPC, CFC, CMTEDD (including Treasury and artsACT), CRA, TCSS, ESPDD, Architectus, Arup and Deloitte, to identify the risks of the Project and assess the likelihood and consequences of those risks eventuating and associated mitigation measures.
- A risk quantification workshop on 2 November 2023 with participants from: MPC, CFC, CMTEDD (including Treasury and artsACT), CRA, TCSS, ESPDD, RLB, Architectus, Henning Larsen, Arup and Deloitte, to quantify delay and/or cost estimates of Project risks eventuating.

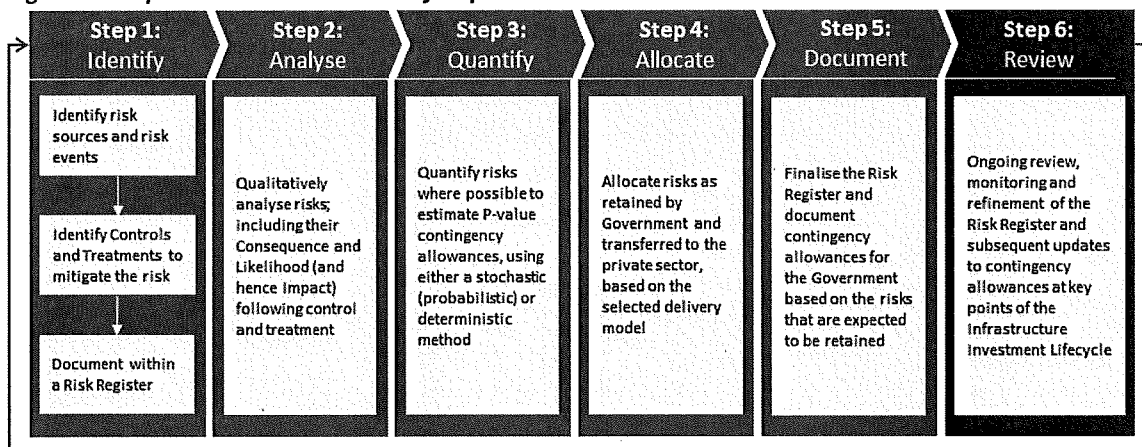
Risks were identified in the first workshop, with appropriate likelihoods and consequences, and hence impact, applied to each option. The workshop also identified the appropriate mitigation measures to be taken to lower the likelihood and impact of risks occurring.

The risk quantification workshop enabled the development of the Project financial risk impacts and contingency analysis. This involved utilising stakeholder inputs to estimate the impacts of risks on the Project's schedule and costs. Stakeholders identified the best case, most likely and worst-case scenarios of risks occurring and the appropriate cost impact.

7.2.2 Risk Management Process

The comprehensive risk assessment process was undertaken in accordance with the ACT Government's Capital Framework and is summarised below in Figure 7.1 below:

Figure 7.1 Capital Framework risk analysis process



Source: ACT Government (n.d.) Capital Framework: Risk analysis process

7.2.3 Risk Matrix, Likelihood and Consequence thresholds

The risk register rates risks by utilising the ACT Government Risk Assessment Framework, as presented in the risk matrix (Figure 7.2), with assessment of the Risk Likelihood (Figure 7.3), against the Risk Consequence (Figure 7.4) at the thresholds detailed.

A summary of the project specific Risk Likelihood probability and definitions, with the Risk Consequence values and definitions is detailed in the figures below:

Figure 7.2 Risk impact matrix

		Consequence				
		Negligible	Minor	Moderate	Major	Extreme
Likelihood	Almost Certain	Medium	High	High	Extreme	Extreme
	Likely	Medium	Medium	High	High	Extreme
	Possible	Low	Medium	Medium	High	Extreme
	Unlikely	Low	Medium	Medium	High	High
	Rare	Low	Low	Medium	Medium	High

Source: ACT Government Capital Framework

Figure 7.3 Risk likelihood definitions

Likelihood	Historical frequency	Expectation	Indicative frequency	Probability of occurrence
Almost Certain	The event occurs on most occurrences of the activity	The event is expected to occur this time	1 every year or more	75-100%
Likely	The event occurs on some occurrences of the activity	The event is expected to occur on one of the next few occasions	1 every year to 4 years	25-75%
Possible	The event infrequently occurs here	The event could occur at some time in the future. It would not be surprising if the event occurred	1 in every 4-10 years	10-25%
Unlikely	The event has never occurred here	The event might occur, but it is unlikely. It would be surprising if the event occurred	1 in every 10-100 years	1-10%
Rare	The event has never occurred here, but may have/has occurred somewhere	The event might occur but only in exceptional circumstances. It would be very surprising if the event occurred	1 in every 100 years or less	0-1%

Source: ACT Government Capital Framework

Figure 7.4 Risk Consequence definitions

Consequence	Insignificant	Minor	Moderate	Major	Catastrophic
Description	An event, the impact of which can be absorbed through normal activity	An event, the consequence of which can be absorbed but management is required to minimise the impact	A significant event that can be managed under normal circumstances	A critical event that with proper management can be endured	A disaster with potential to lead to collapse of the project
Capital cost impact	Less than 2.5% of total capital costs, or less than \$5,000, whichever is the greater	At least 2.5% but less than 5% of total capital costs, or at least \$5,000 and less than \$50,000, whichever is the greater	At least 5% but less than 10% of total capital costs, or at least \$50,000 and less than \$500,000, whichever is the greater	At least 10% but less than 25% of total capital costs, or at least \$500,000 and less than \$5 million, whichever is the greater	At least 25% of total capital costs or at least \$5 million, whichever is the lesser
Recurrent cost impact	Less than 2.5% of total annual costs during operations and maintenance	At least 2.5% but less than 5% of total annual costs during operations and maintenance	At least 5% but less than 10% of total annual costs during operations and maintenance	At least 10% but less than 25% of total annual costs during operations and maintenance	At least 25% of total annual costs during operations and maintenance

Source: ACT Government Capital Framework

7.2.4 Risk Governance

Risk Governance is detailed as a part of Project Governance in Chapter 11. The key bodies reviewing project risk (the Project Board, the Risk Management Committee (RMC) and the Project Control Group (PCG) are detailed below.

CTR Project Board

The Project Board is an advisory board focusing primarily on high-level strategic decision-making advice for the Project's strategy, leadership, and management. The Project Board reviews the risk register and the advice from the RMC regarding identification and review of risks and confirming that appropriate mitigations or risk controls are in place.

The members of the Project Board from ACT Government include senior executives from CFC, CRA, EPSDD, TCCS, CMTEDD (Economic Development and Treasury), led by an Independent Chair and supported by an Independent Member with key industry experience. MPC executives attend Board meetings. The roles and responsibilities of the Project Board are discussed further in Section 11.2.

Risk Management Committee

Established in March 2023, the RMC ensures that a common understanding of the Project's risks is maintained by Project personnel and relevant stakeholders. The RMC assesses all strategic risks related to the Project and provides assurance to the Project Board that the risks presented have been reviewed at the working group level.

The members of the RMC are executives from MPC, CFC, CRA, EPSDD, TCCS and CMTEDD (Economic Development and ACT Treasury). The role of the RMC is discussed further in the Project Governance chapter at Section 11.3.2.

Project Control Group

Established in June 2023, the PCG functions as the primary working group for all matters relating to the delivery of the Project, including design, construction, and staging. The PCG assesses all design related risks (including safety in design) and provides assurance to the Project Board that the designs presented have been reviewed with a risk overview at the working group level.

The members of the PCG are from MPC, CFC, CRA and CMTEDD (ACT Treasury) and invitees as required: including CRA, TCCS, CMTEDD and the Design and Technical Advisor. The role of the PCG is discussed further in the Project Governance chapter at Section 11.3.1.

8. Delivery Model Analysis



8 Delivery Model Analysis

Outlined below is the recommended delivery model for both Stage 1 and Stage 2 of the Project. Rigorous testing of alternative models has been undertaken with all key stakeholders, and importantly with the construction market, to ensure that the recommended approach aligns with current market conditions.

Key messages

- The recommended delivery model is based on detailed analysis, project benchmarking and market engagement feedback. The recommended delivery models are:

■ [REDACTED]

■ [REDACTED]

- The market has confirmed their interest in the project and the results of the market engagement confirm that the industry has begun thinking about how to mitigate key risks and are readying themselves for a future procurement should funding be confirmed.
- The recommended delivery model is designed around appropriate allocation of risk between Government and the private sector and provides the platform for successful delivery on time and budget, maximising value for money for the ACT.
- MPC has the deep expertise to support the preferred delivery model and deliver a project of this size and scale with the industry.

8.1 Recommended Delivery model

The recommended delivery model is the result of a deliberate and detailed two-stage process which is detailed below.

1. A delivery model assessment with industry experts and key stakeholders to shortlist appropriate delivery model options, given the size, scale, risk profile and detailed characteristics of the build.
2. A market validation process of broad industry consultation and benchmarking against similar projects.

Based on the delivery model assessment and subsequent validation process, the following delivery models are recommended for the Project:

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

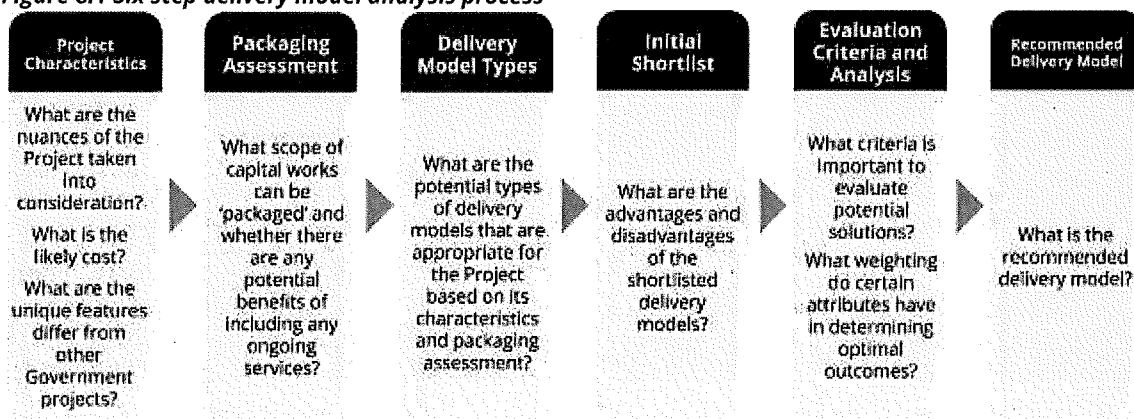
[REDACTED]

The subsequent sections step through the detailed analysis from the delivery model assessment and validation processes that were undertaken.

8.2 Delivery model assessment

A six-step process defined in the Capital Framework, was the basis to determine a recommended delivery model for the Project (or project stages). The six steps are noted in Figure 8.1 below.

Figure 8.1 Six step delivery model analysis process



The following subsections summarise the results from each of the analysis steps.

8.2.1 CTR Project key characteristics

The Project has a number of characteristics that informed and shaped the delivery model assessment. These are listed below.

- **Parameters for future operations** - core theatre operations will continue to be operated by CFC. Non-core services (FM, grounds maintenance etc.) will continue to be managed by CFC via their FM team and vendor contracts.
- **Project cost profile** - the capital costs for Stage 1 are over [REDACTED] and the anticipated capital costs for Stage 2 are over [REDACTED].
- **Construction considerations:**
 - **Continued operations** – requirement to continue operating the CTC throughout the construction period
 - **Location** – the site is in a prominent location within the CCCD and there is a requirement for integration with the surrounding precinct.

- **Existing conditions** – the redevelopment will include a mix of new build and refurbishment of existing buildings, which have potential latent conditions risk.
- **Specialist uses** – specific arts and culture uses including specialist theatre equipment as part of the fit out.
- **Project risks** – as discussed in Section 7, key delivery risks for the Project includes:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

8.2.2 Packaging assessment / services bundling

The packaging assessment considers the packaging or bundling of some or all potential scope items. The full spectrum of scope items considered in the packaging assessment includes both capital works and services:

- **Capital works** scope items includes design, site preparation (e.g. decommissioning, excavation), Facility build, and speciality fit out of theatre equipment.
- **Services** scope items consider Soft FM (e.g. cleaning, security), Hard FM (e.g. maintenance), Specialist Theatre systems maintenance and Theatre operations.

[REDACTED]

[REDACTED]

[REDACTED] capital works as a single package

was not considered in the delivery model shortlisting process.

8.2.3 Delivery model types and shortlisting

The initial shortlisting from the Capital Framework's longlist of delivery models was conducted to rule out any models that are inappropriate for a bespoke Project such as this. Table 8.1 overleaf shows the shortlisting analysis and concluding recommended delivery models.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

As per the initial analysis, four delivery model types were deemed appropriate for further investigation and shortlisted for evaluation in the delivery model assessment:

-
- Four horizontal bars of varying lengths, each preceded by a small square icon. The bars are arranged vertically and represent different levels of a scale, with the top bar being the longest and the bottom bar being the shortest.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

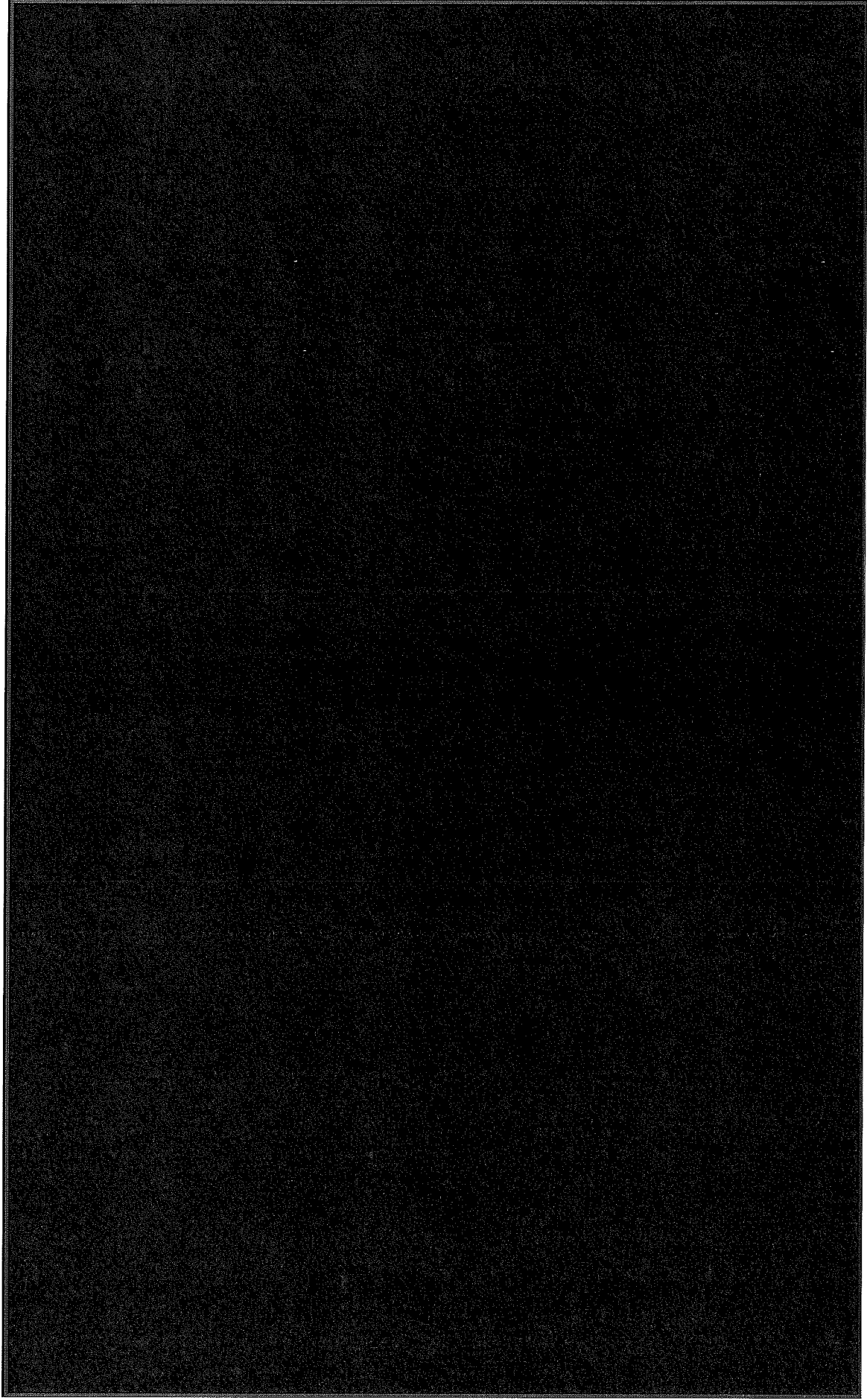
[illegible]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]



8.2.5 Evaluation criteria and assessment

A delivery model workshop was conducted on 9 November 2023 with participants from MPC, Treasury in CMTEDD and Deloitte. The workshop participants confirmed the shortlisted delivery models, confirmed the relative weightings for each of the evaluation criteria, and then evaluated the shortlisted delivery models.

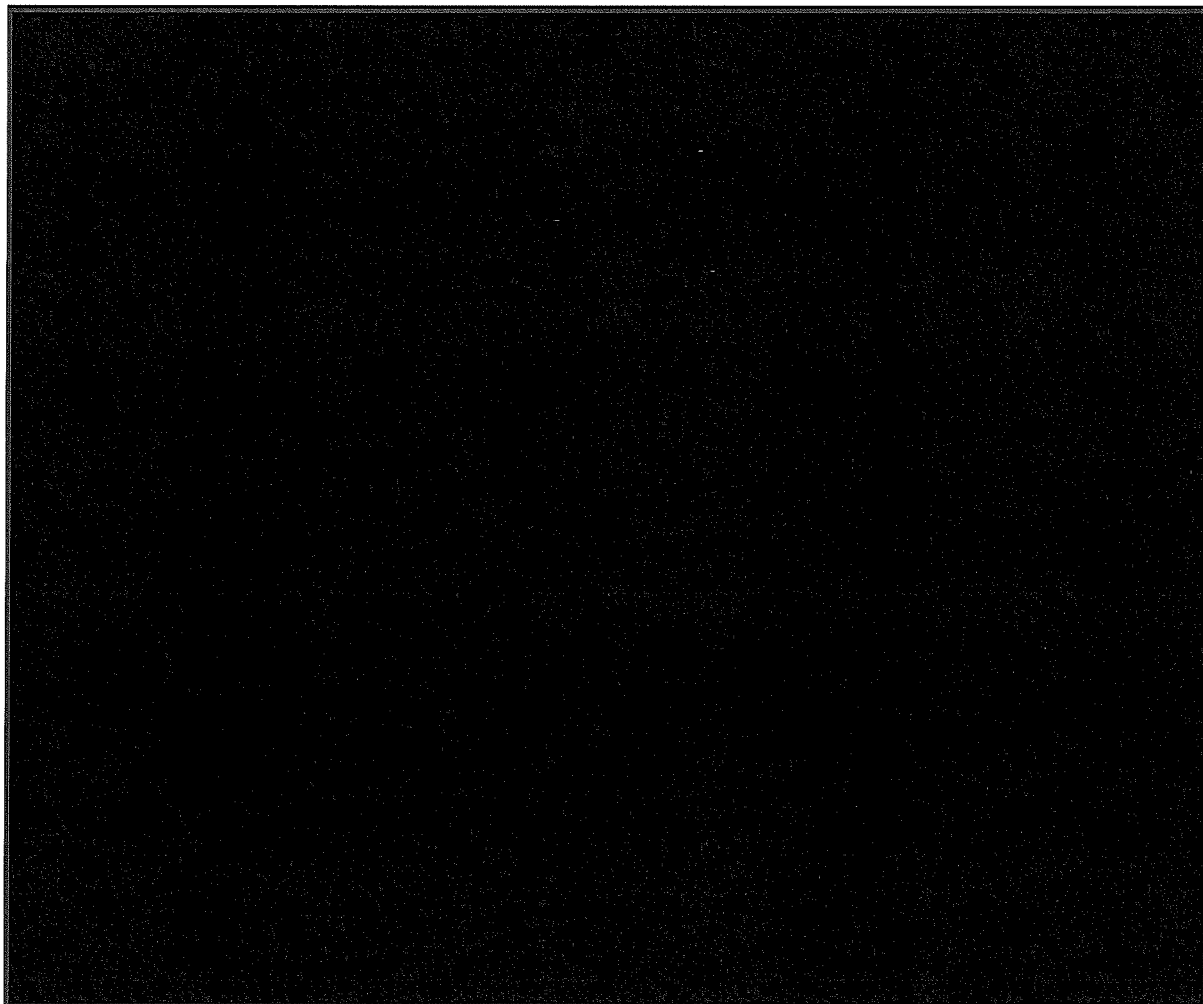
Within the evaluation process the workshop noted that:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Table 8.3 Delivery model assessment evaluation criteria

Evaluation Criteria	Weighting	Rationale
Project value	Medium	The extent to which the delivery model suits the complexity, scale and estimated costs of the Project.
Project scope and duration	Medium	The extent to which the project has a clear scope and the extent of opportunity to bundle services to create long term operational opportunity.
Ability to specify Project outputs clearly	High	- The extent to which the delivery model allows for Project outputs to be included clearly in tender documents and agreed upon in the contract. - As design is already underway, the procurement will be based on at least a developed design as opposed to being based on an output specification. Certainty in design is a high priority for the project.
Time to deliver	High	The extent to which the delivery model enables timely completion and accommodates for compression and meeting critical deadlines.
Flexibility	Low	The extent to which the delivery model assists Government in managing and implementing changes as required over the life of the Project (both during the design and construction stages).
Price certainty	High	The extent to which the delivery model facilitates cost control and certainty throughout the construction lifecycle.
Innovation and incentive	Medium	The extent to which the delivery model enables opportunities and incentives to drive innovation and help deliver best value for money outcome for Government.
Risk allocation to private sector	Medium	The extent to which the delivery model facilitates the allocation of risks between Government and the private sector in the most optimal and effective manner.
Procurement and supervision costs	Low	The costs and level of effort required to undertake the procurement process using the selected delivery model and to subsequently manage the delivery of the Project.
Stakeholder management	Medium	The extent to which the delivery model enables Government to manage key stakeholders throughout the delivery of the Project.

The results of the delivery model analysis are listed below in Figure 8.6, utilising the evaluation criteria and respective weightings as shown in Table 8.3 above against the shortlisted delivery models.



The approach and assessment of Weighted Score is defined in the delivery model assessment guidelines of the Capital Framework.

A summary of the key conclusions from the delivery model assessment are outlined below:

- [Redacted list item]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

8.3 Validation and recommendation

A testing and validation process was undertaken following the workshop to further analyse the [REDACTED] and to determine the final recommended delivery model.

8.3.1 Validation

Table 8.4 outlines a number of major capital projects that have been delivered or are being delivered in the ACT and interstate, in order to benchmark the delivery models of projects with similar scope and/or scale.

MPC has deep experience and expertise in delivering projects of similar scale and complexity, which significantly de-risks the assessment and selection of delivery models. [REDACTED] [REDACTED] this has been used to deliver a range of other performing arts projects, although the scale of the benchmarked projects aligns more to the Project Stage 2 rather than Stage 1.

Table 8.4 Relevant ACT and interstate capital projects

Project	Delivery Model	Description
ACT Projects		
Canberra Hospital Expansion (CHE) (\$500+m)	ECI to D&C	The CHE project, one of the largest healthcare projects ever undertaken in the ACT, is currently being delivered via a two-stage ECI then D&C model. The ECI phase of the project (now completed) involved completion of a collaborative design and contract negotiation phase. This was followed by the D&C contract currently being delivered.
Interstate Projects		
New Theatre at the Queensland Performing Arts Centre (QPAC) (\$150m)	Two-stage Managing Contractor	The New Theatre is being delivered via a two-stage MC approach, which will allow for early engagement so the managing contractor can participate in the design process to optimise design and ensure value-for-money. The QPAC is a statutory corporation of the Queensland Government, similar to the arrangement for the CTC.
The Melbourne Recital Centre (\$128 million)	Managing Contractor	The Melbourne Recital Centre (\$128 million) was delivered by the managing contractor Lendlease and comprises a 1,000-seat hall and 500 seat theatre. The Melbourne Recital Centre is operated by a government owned organisation, similar to the arrangement for the CTC.
Hamer Hall Redevelopment in Melbourne (\$135.8m)	Alliance	The \$135.8 million redevelopment of the Hamer Hall was delivered via an alliance and involved Lendlease as the alliance contractor. The Hamer Hall is operated by the Victorian Arts Centre Trust.

Source: Publicly available information

8.3.2 Market Engagement

A market engagement process was undertaken by Deloitte to seek input from Tier 1 and Tier 2 construction contractors with delivery experience on either significant Territory projects or Major Performing Arts / Cultural venues around Australia, on various aspects of the Project. The market engagement process focused on project staging, construction and operational interfaces, proposed delivery models, constructability considerations, timeframes, and general market interest and feedback.

Market interest in the Project is very high, there was a strong appetite from all market participants to be involved, share insights and their views on market conditions and to confirm their interest in further stages of the Project.

Some specific insights from the meetings included:

- Input on noise management in a sensitive operating environment and some suggestions on how this can be successfully managed.
- The potential long lead times on specialist theatre equipment procurement and the need for detailed planning and early discussions with the supplier market which is in some cases very narrow globally.
- The importance of stakeholder engagement in the context of design collaboration and particularly making sure that all user groups are intimately involved in the finalisation of the design.

Key findings are summarised below in Table 8.5, with further detail provided in the Market Engagement Report at [Appendix O](#).

Table 8.5 Market Engagement key findings

Consideration	Key themes and feedback
Market interest / Conditions	All participants indicated a strong interest in the Project and reaffirmed that there is depth in the supplier market and given the size and scale of the project, The proposed timing of the Project as it currently stands was suitable for the market participants. The Project was of interest to both Tier 1 and Tier 2 providers who participated in the market engagement, each noting capability and experience on projects of similar scale and complexity. Participants noted there was a strong pipeline of projects in the Canberra market, that could be running at competing timeframes to the Project. Noted potential for considering engaging with subcontractors early, and noted local availability of resources was an item to continue to monitor. Participants' feedback acknowledged the value of the market engagement process, with an expressed willingness to attend future sessions.
Challenges and lessons learned	Construction in a live operating environment: Requires effective communication systems, a clear understanding of operational requirements and constraints were identified as essential for managing construction and operations interfaces successfully. Participants recommended the use of acoustic walls, monitoring, and alarms to mitigate potential disruptions to ongoing business operations. Opportunities for prefabrication for reduced on-site disruption. Constrained site: Utilising the carpark (Block 23) for site establishment and cranes were seen as necessary due to the constrained site space.
Delivery models	Stakeholders noted that both proposed delivery models could work on the basis of an appropriate allocation of risks. The potential for a shared risk model was seen as beneficial, emphasising clarity on escalation (CPI) and risk/fall in contracts will need to be resolved at the appropriate time.

	Early contractor involvement was raised as potentially beneficial to mitigate risks associated with working on a constrained site and within a live operating environment.
Timeframes	Participants noted that the proposed construction timeframe seemed suitable for the project and did not generate additional project risk. With regards to potential compression of construction timeframe, participants noted that there would likely be opportunities for reducing the proposed construction timeframe however further information was required.
Other relevant feedback	One participant noted that buildability advisors may withhold innovations until they are tendering or in a construction role. Participants noted the need for clarity on risk transfer, especially regarding latent conditions such as underground utilities.

8.3.3 Conclusion and recommendation

The focus of this business case is Stage 1. The detailed analysis, benchmarking and consultation with the market has confirmed that the recommended delivery model for Stage 1 is [REDACTED]

Stage 2 of the Project has different characteristics, scale and will be delivered on a different timeframe. The funding for Stage 2 will also be supported with further technical investigations and detailed analysis. Therefore, subject to further analysis, the preliminary recommended delivery model for Stage 2 is [REDACTED]

Further details regarding rationale for final selection of the delivery models is shown in Table 8.6 on the next page.

Table 8.6 Rationale for final recommended model per Stage

Stage characteristics	
Stage 1	- Currently the design is in PSP phase and will be within FSP stage at the point of the contractor procurement. - There is little flexibility in the timeframes for construction, based on commencement of Stage 2 being dependant on the completion of Stage 1. There will also be increased operational pressure on CTC during the construction, so there is a high priority on an efficient construction duration. - There is less uncertainty in the agreed design outcome of Stage 1 vs. Stage 2, resulting in a reduced requirement for design flexibility. - While there is some underground latent conditions risk associated with Stage 1, there is less latent conditions risk from an aged infrastructure standpoint due to minimal redevelopment scope within Stage 1. - There is reduced complexity in Stage 1 construction due to it being a new build vs a redevelopment, and due to the site location and staging availability. - The high requirement for price certainty is a key priority of Stage 1. - Currently the design is in PSP phase, however there is more flexibility in overall design timing as Stage 2 will not commence construction until the completion of Stage 1. - In the current design stage, there is slightly higher uncertainty in the agreed design outcome for Stage 2, as there is a greater extent of variation in the scope options being considered. - There is greater extent of latent conditions risk from an aged infrastructure standpoint in Stage 2 due to the extensive redevelopment scope covering all existing venues within the CTC. - There is higher complexity in Stage 2 construction as it is a redevelopment and the location within the site yields less opportunities for convenient construction staging. - The timeline of design development for Stage 2 will overlap the construction timeline of Stage 1, making effective management of overall stakeholder engagement an important consideration for Stage 2.
Stage 2	

9. Financial Analysis



⁴³ Act Government (2023), 'ACT Government Capital Framework', <https://www.treasury.act.gov.au/capital-framework/prove/business-case/financial-analysis>

Note: All Figures presented in this section are in nominal terms unless otherwise specified.

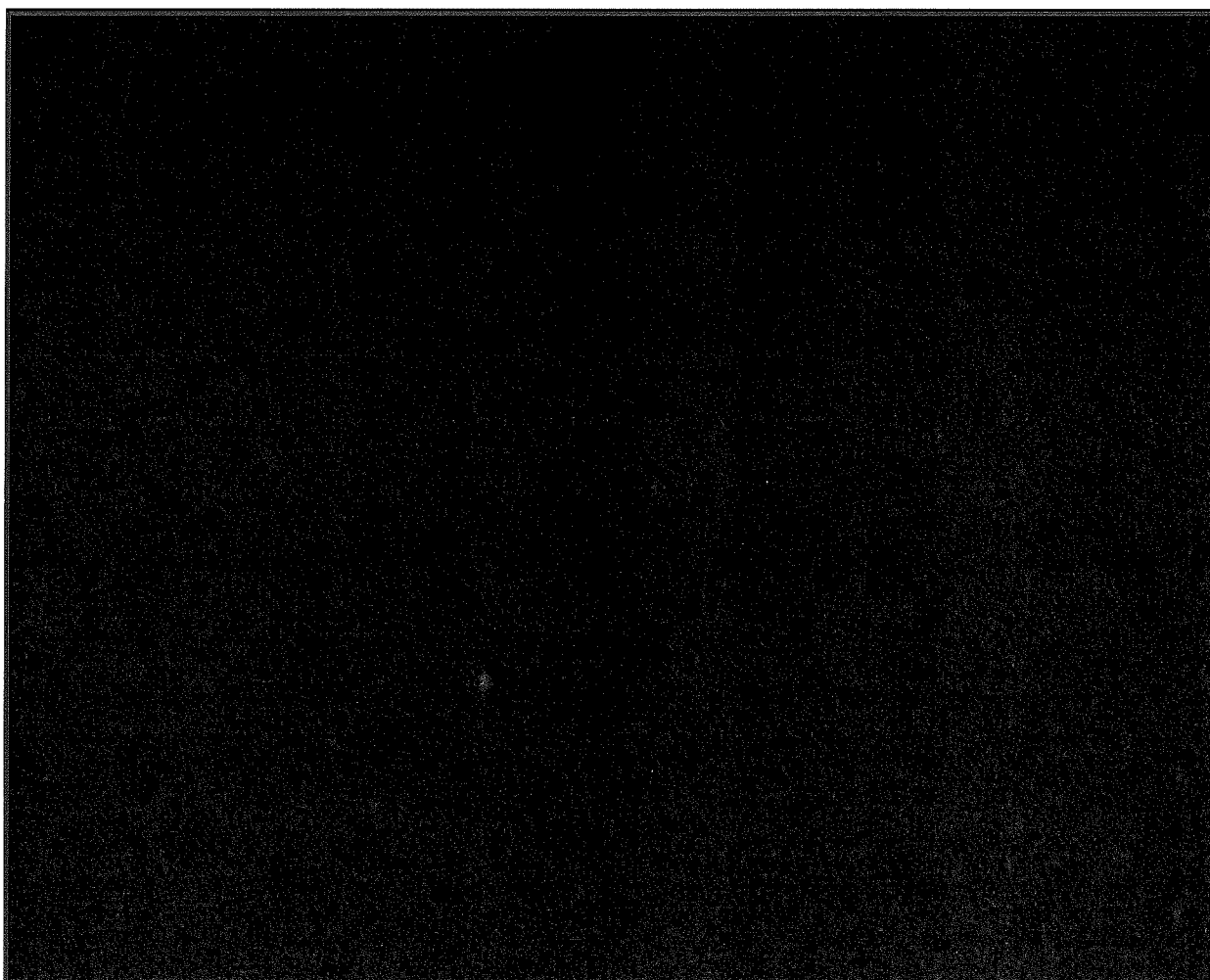
9.1 Project capital costs

The scope of the items considered within each stage of the Project includes:

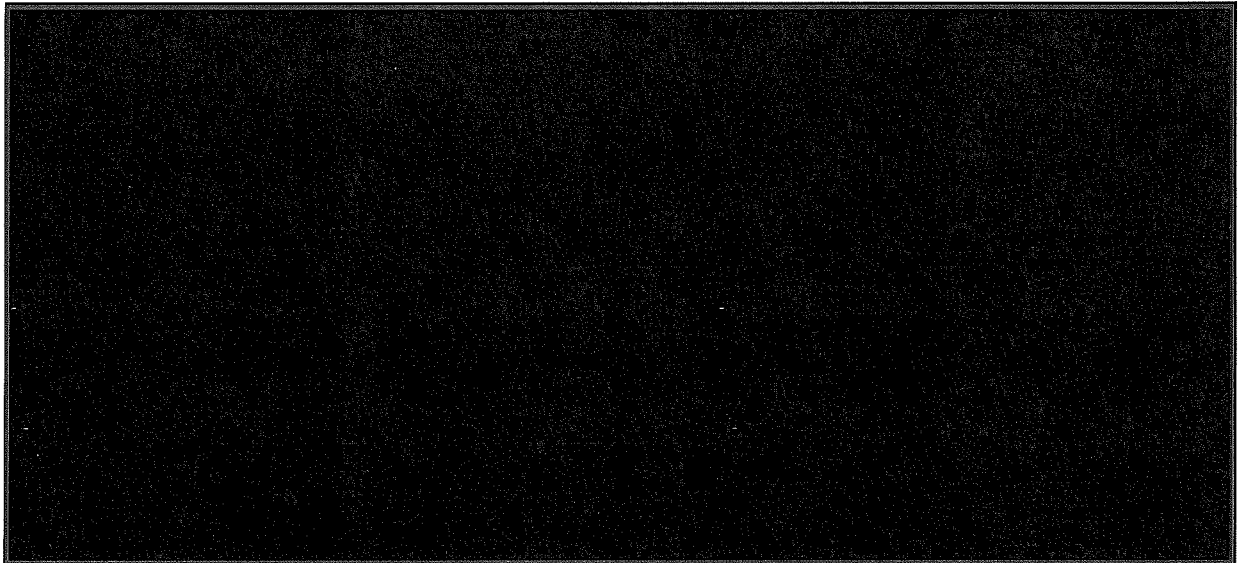
- **Stage 1** is delivery of the new theatre, and access and egress interfaces, which include the Lyric Theatre, the loading dock and interfaces to the existing buildings – being primarily The Playhouse and Link Buildings. Stage 1 is the subject of the funding request in this Business case.
- **Stage 2** is the redevelopment of the Canberra Theatre, The Playhouse, the new Courtyard Studio, and the Link Building. The financial numbers quoted in this document are a target budget based on a target scope. The future budget ask for Stage 2 is subject to submission of a business case and Government approval. The future business case for stage 2 works may present options to deliver the full aspiration of the vision for the redeveloped CTC.

The staged delivery of the project for the Base Case and each of the Project options in nominal terms is detailed in the below Table 9.1. Overall, the preferred Option 2's total capital cost is [REDACTED] as discussed in Chapter 6 Project scope – Recommended Option.

A description of the scope drives for the different capital costs is provided following the table.



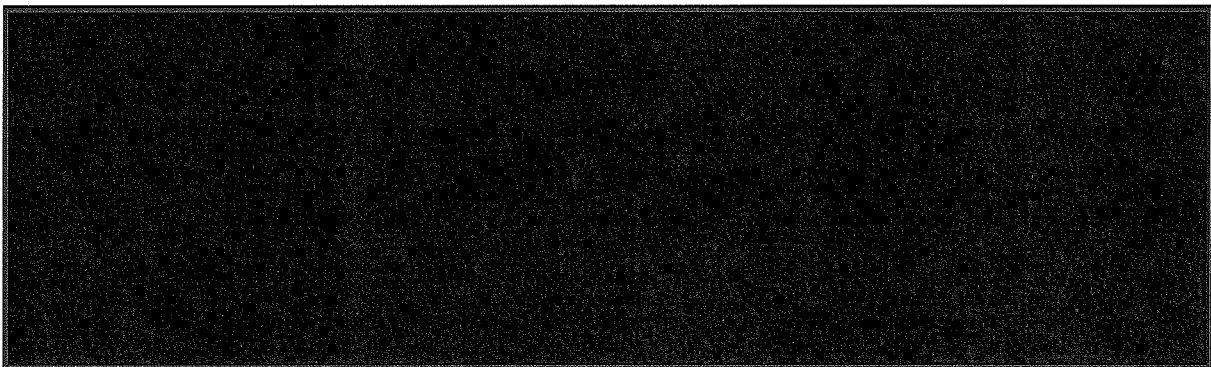
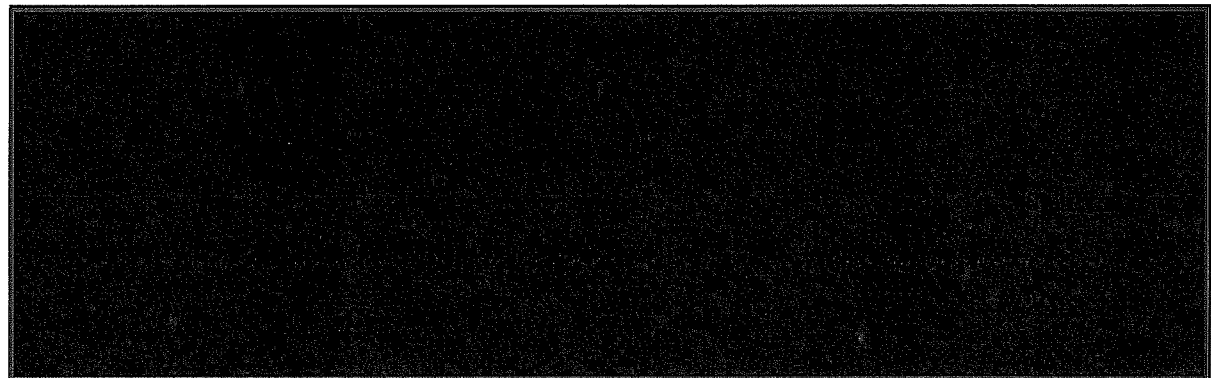
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9.2 Project Contingency

[REDACTED] to inform the calculation of the P50 and P90 contingency allowances.

Table 9.3 and Table 9.4 show the P90 and P50 risk adjustment estimates of respective cost components for the Project Options as a percentage and nominal figure. P50 and P90 risk adjustment estimates are comparatively close as a PERT (Program Evaluation and Review Technique) distribution has been applied.



[REDACTED]

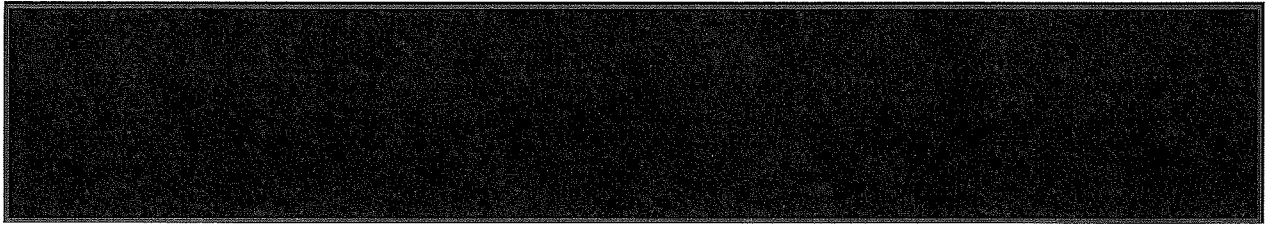
9.2.1 Key quantifiable risks

[REDACTED]

[REDACTED]

The estimated capital values in Table 9.5 inform the calculation of the P50 and P90 risk quantification of the contingency. Note that the numbers below are part of the Monte Carlo inputs, but do not directly equate to the total P50 & P90 contingency, following the simulation process.

[REDACTED]



9.2.2 Public and private risk allocation



9.3 Whole-of-life cashflows

This section presents the total whole-of-life (WOL) costs, including planned replacement costs and operating costs, for the Base Case and Project options.

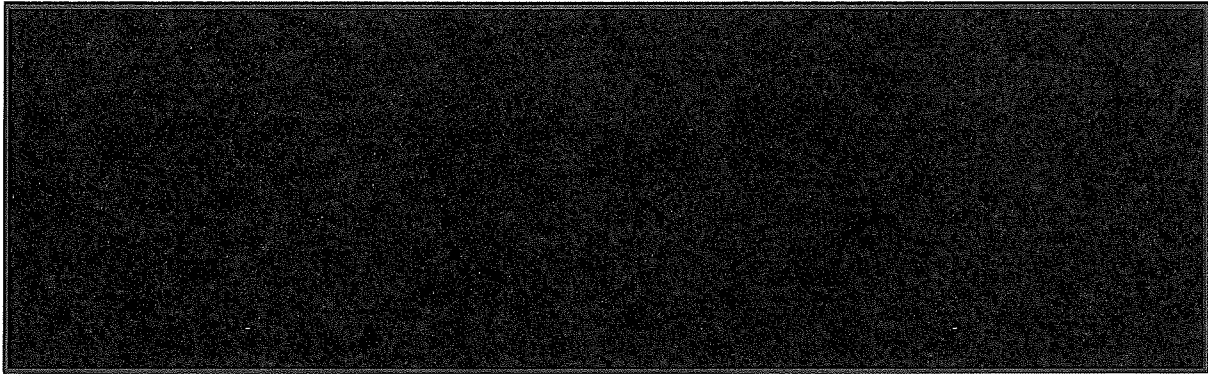
9.3.1 Planned replacement costs

Following completion of both Stage 1 and Stage 2 of the Project, planned replacement costs until FY59 have been calculated. Each Project Option will require significantly less ongoing planned replacement costs compared to the Base Case [REDACTED]. In the absence of intervention, the CTC venues in the Base Case will continue to age, become increasingly less fit for purpose, and expensive to maintain and upkeep compared to the brand new and refurbished venues in the Project options.

Out of all Project options, Option 1 has the highest planned replacement costs [REDACTED] as it features the least intervention to its existing venues. Similarly, to the Base Case, higher replacement costs represent the trade-off of retaining a larger proportion of existing venues and functionality, which will require greater replacement costs compared with brand new venues.

Option 3 [REDACTED] has less replacement costs than Option 1, yet more than Option 2, as it includes a broader construction scope, including the highest number of new venues and function spaces, which will naturally require a relatively higher degree of replacement costs.

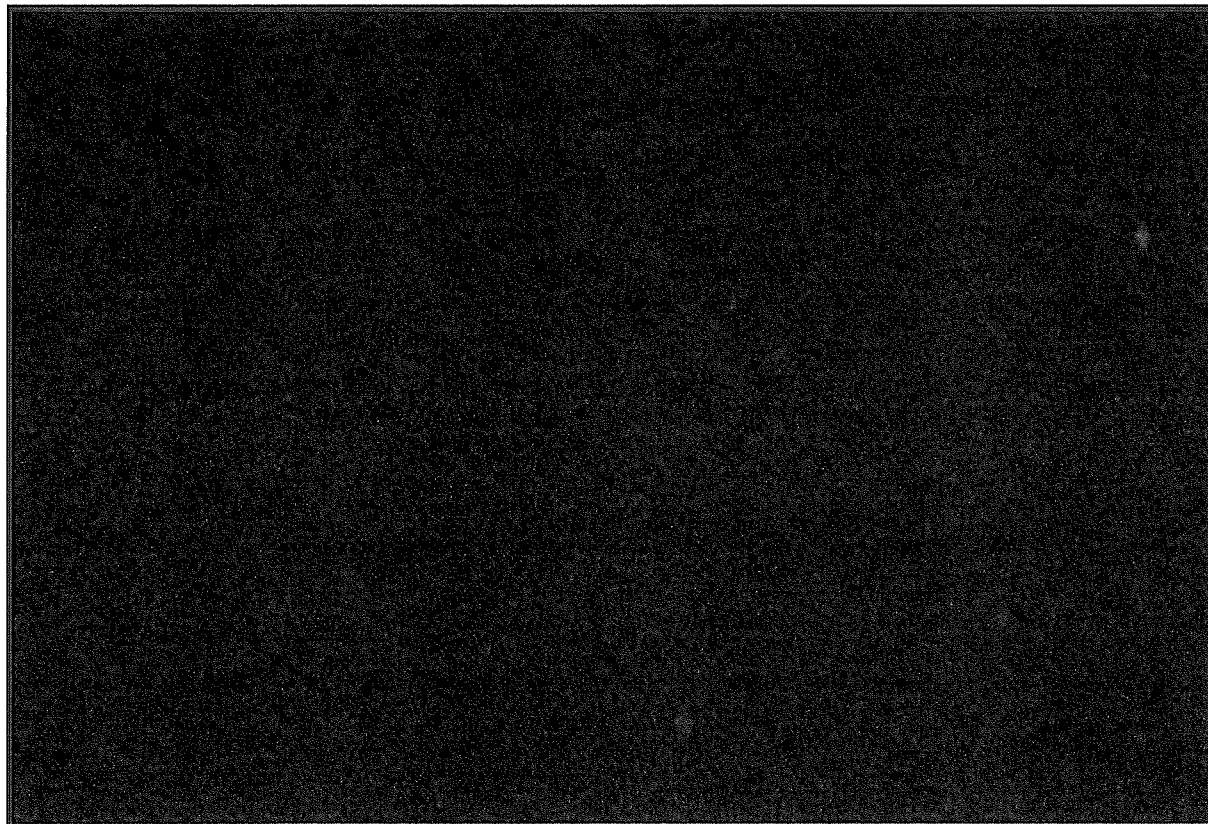
Option 2 has the least planned replacement costs [REDACTED] due to its balanced scope. Option 2 supports new builds (Lyric Theatre and Studio Theatre) to replace existing ageing venues, which are expensive to maintain, yet does not represent as large an increase in number of venues from the Base Case as Option 3, lowering overall replacement costs.

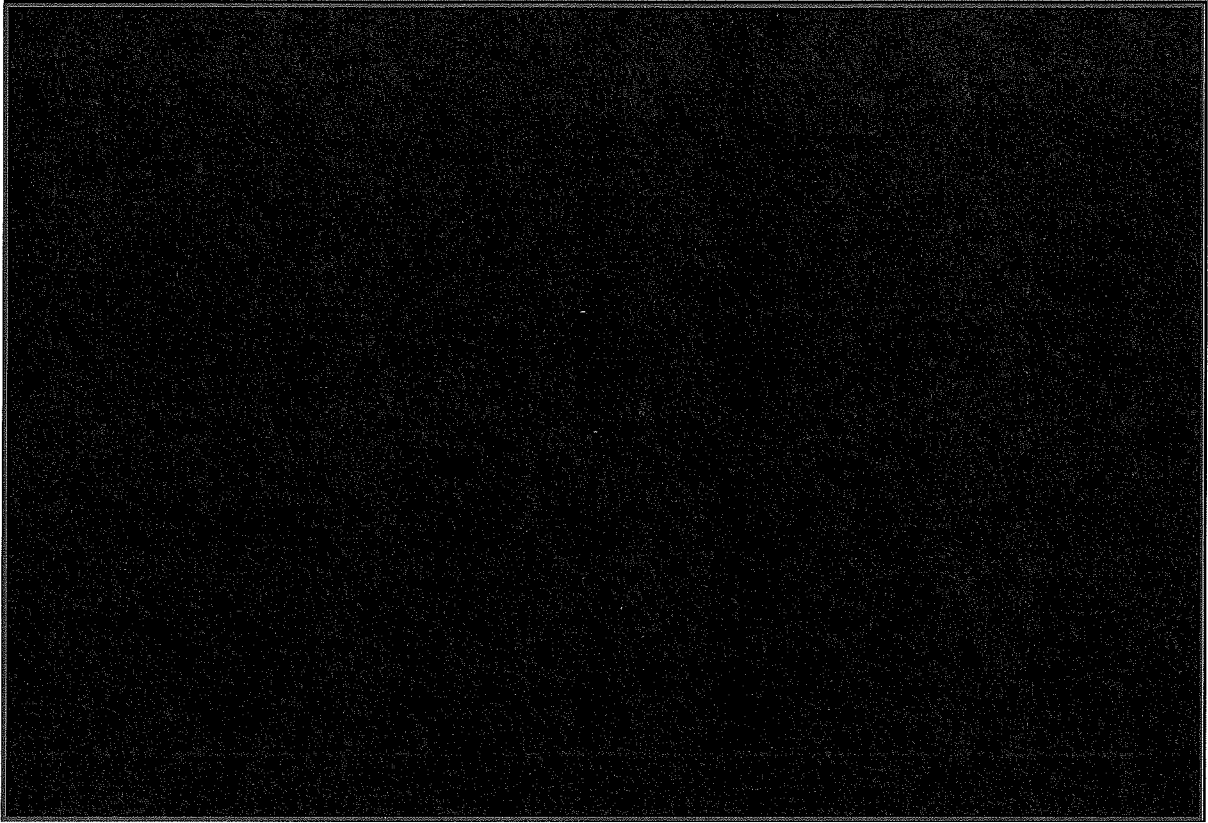


9.3.2 Operating costs

The Project is expected to enable a significant uplift in theatre operations which requires a corresponding increase in operating costs and revenues (as noted below). Upon project commencement, operational readiness activities are forecast in the first 10 years to support the transformation of CTC's operations. The annual operating costs once the CTC reaches "steady state" operations (from FY36 onwards) is shown in real values in Table 9.7 below, while Table 9.8 presents the total operating costs over 35 years in nominal terms.

Further analysis on the key drivers for these operating costs are outlined in the CFC Operational Business Case.





9.3.3 Revenue

The expanded theatre operations that the Project will enable a significant increase in revenues primarily driven by the increase in total performances and attendance as well as unlocking new revenue streams such as food & beverage offerings and philanthropic contributions in line with other government-supported arts institutions across Australia. The annual revenue once the CTC reaches “steady state” operations (from FY36 onwards) is shown in real values in Table 9.9 below. Further analysis on the key drivers for these revenues are outlined in the CFC Operational Business Case.

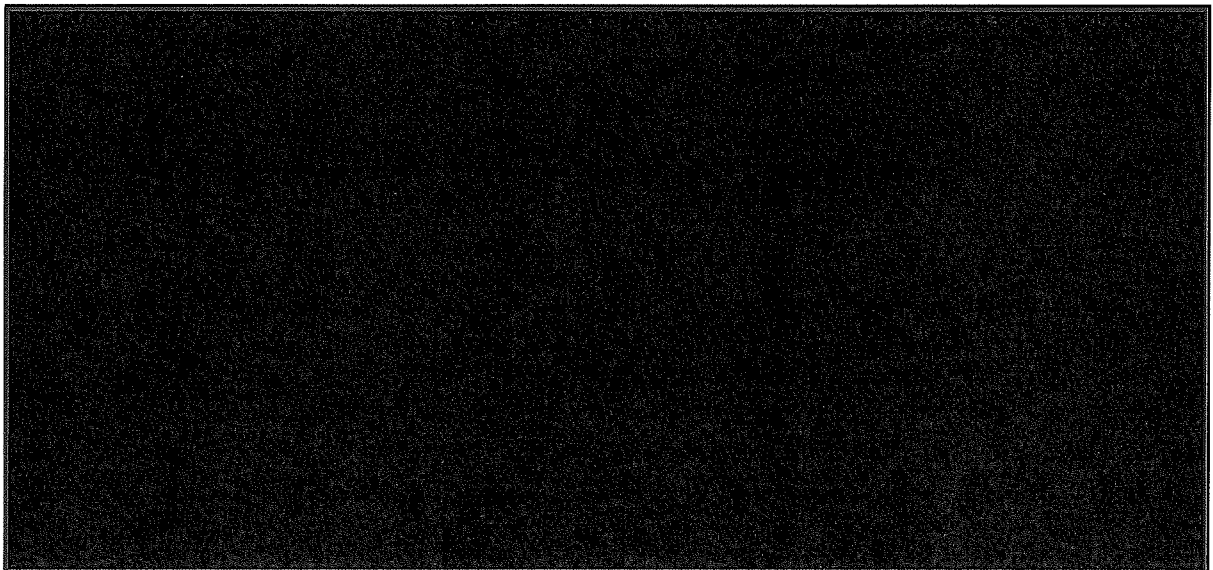


Table 9.10 presents the total Project revenue over the WOL period for the Base Case and each of the Project options in nominal terms.

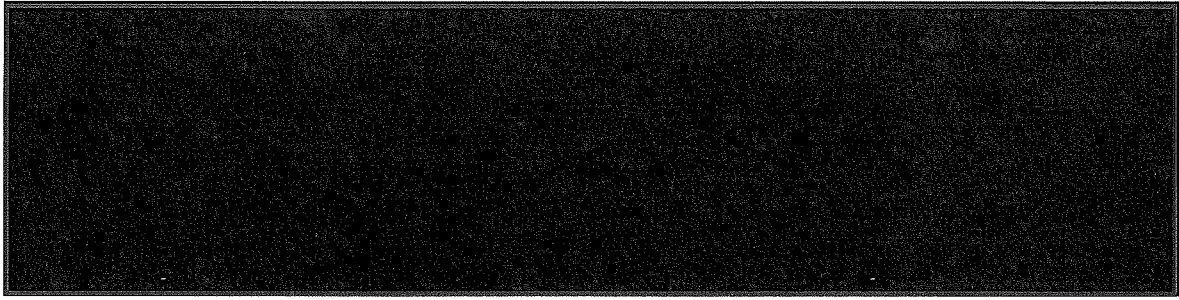
9.4 Summary of results

The NPV for the Project options range between [REDACTED] over 35 years. However, when considering the extensive investment required for the 'do minimum' Base Case, the incremental NPV for all Project options are more favourable, ranging between [REDACTED]. Table 9.11 summarises the total costs and revenue over the 35-year appraisal period (FY25 – FY59) period for the Base Case and each Project option in NPV terms.

Table 9.11 Project NPV (\$m, discounted, FY25 – FY59, 35 years)

Item	Base Case	Option 1	Option 2	Option 3
Total Capital Costs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total WOL Costs*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Revenue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NPV (@4.13%)	(452.6)	(966.8)	(1,022.7)	(1,021.5)
Incremental NPV (against Base Case)	0.0	(514.2)	(570.1)	(568.9)

Note*: Total WOL costs include planned replacement costs and operating costs.



9.5 Sensitivity analysis

Sensitivities have been conducted on key drivers of operating costs and revenue, including:

- venue utilisation rate (performances)
- paid tickets (attendance)

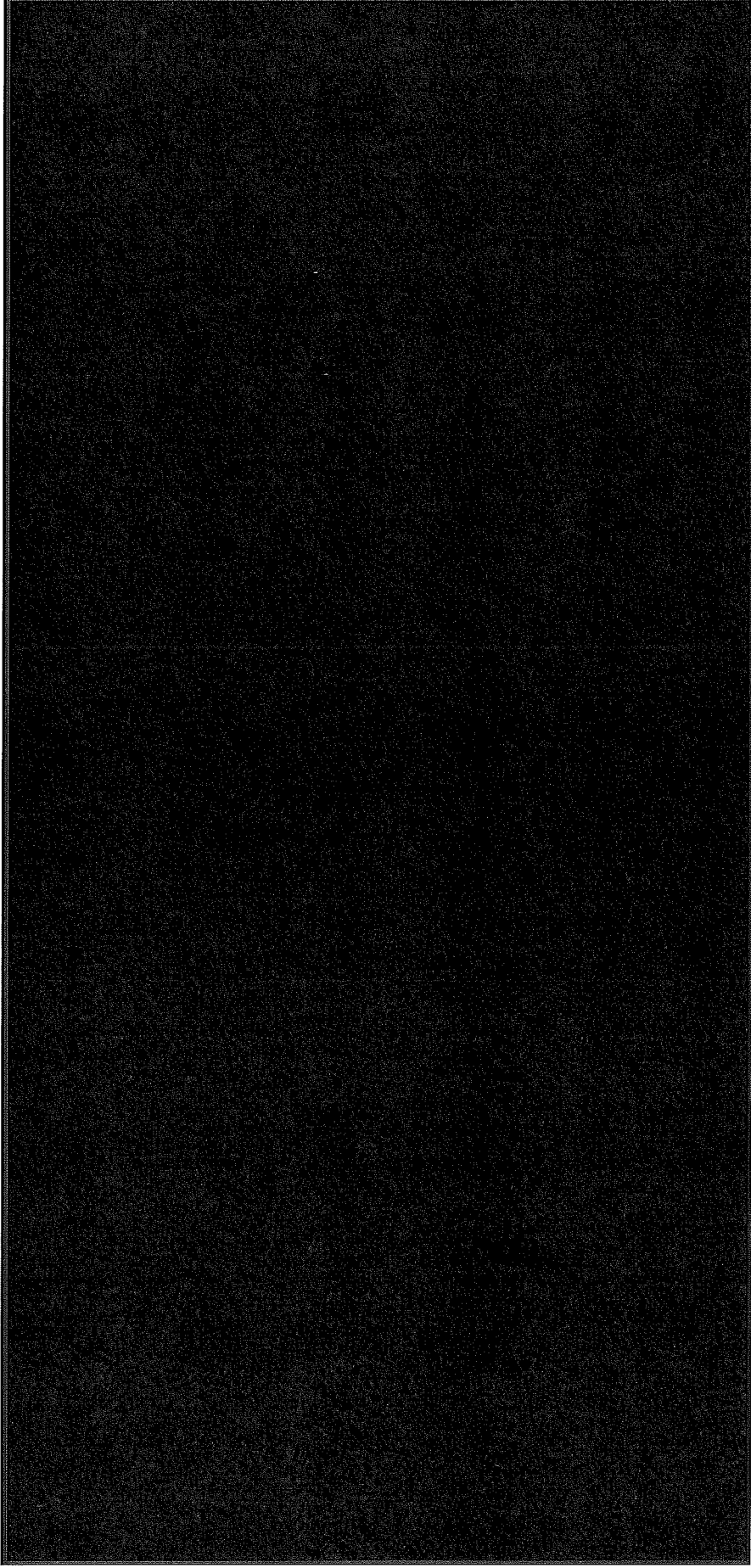
These sensitivities have been assessed on CTC's budgetary net result and subsidy in FY36, to show the potential financial outcomes at full operations.

An additional sensitivity to illustrate the financial results of different subsidy percentages has also been provided. Refer to Table 9.13 overleaf.

The utilisation rate (i.e. the total number of days per year that the venues are being utilised for performances, which determines the annual number of performances), has been flexed upwards and downwards. A higher utilisation rate will have a more favourable impact on the net result and subsidy, as revenue exceeds the variable costs required to deliver more performances. An increase in utilisation may occur should CTC realise more operational efficiencies than expected, leading to a reduction in "bump-in" and "bump-out" days per show, and increasing the number of performances delivered per year. Another factor that may influence the utilisation rate is if CTC attracts greater than expected interest from producers and businesses to hire out its venues, as a result of its enhanced reputation and service offerings enabled by the Project. The results are moderately sensitive to these potential changes, with a [REDACTED] change in utilisation rate equating to approximately [REDACTED] operating subsidy.

Sensitivities on the percentage of tickets sold have been tested in order to demonstrate the financial impact of higher or lower than expected demand from individuals to attend performances at the CTC. As expected, a higher number of tickets sold positively affects the net result and subsidy, as higher attendance at the CTC will drive net box office, booking fees revenue, food and beverage consumption, and merchandise purchases, with minimal impact on operating costs. The results are moderately sensitive to these potential changes in supply of and demand for performances, generating a change in subsidy approximately [REDACTED]

A range of subsidy targets has also been explored by altering the total operating costs, while leaving revenue fixed, to understand the net result the CTC needs to achieve to produce those particular subsidies. As an example, to replicate the CTC's current state subsidy of [REDACTED] or lower, operating costs must not exceed higher than [REDACTED] than revenue in the recommended Option 2.



9.6 Budget implications – Stage 1

The budgetary impact of Stage 1 of the Project for the preferred Option 2 is shown in Table 9.14 below.

Table 9.14 Option 2 – Stage 1 financial impacts summary (\$m, nominal, non-discounted, FY25 – FY28, 4 years)

	FY25	FY26	FY27	FY28	FY29	Total
Capital impacts						
Capital Impacts						
Capital injection – Project funding						
Capital Injection – Escalation						
Capital inflows	0.0	0.0	0.0	0.0	0.0	0.0
Capital offset – CTR Central Provision						
Capital offset – Market Central Provision						
New capital provision	n/a	-	-	-	-	0.0
MPC fee – resources received free of charge (if applicable)	n/a	-	-	-	-	0.0
Expense Impacts						
Expenses	0.0	0.0	0.0	0.0	8.1	8.1
Operational expenses	Refer to CFC Operational Business Case					
Expenses – offsets	n/a	-	-	-	-	0.0
Expenses – offsets existing provision	n/a	-	-	-	-	0.0
New expenses provision	n/a	-	-	-	-	0.0
Depreciation						
Revenue/Commonwealth contributions/savings impacts						
Revenue	n/a	-	-	-	-	0.0
Commonwealth contribution	n/a	-	-	-	-	0.0
Savings	n/a	-	-	-	-	0.0
Staffing Impact						
Additional FTE (capital)	1	2	3.5	2	2	10.5
Additional FTE (operational)	Refer to CFC Operational Business Case					

9.7 Model assumptions

9.7.1 General assumptions

The general assumptions underlying the financial analysis is provided in Table 9.15.

Table 9.15 General assumptions

Assumption	Description
Base Year	FY24 (Financial Year 2023-24)
Analysis Period	The analysis period is FY25-FY59. This includes the construction period (Stage 1 FY25 – 28 and Stage 2 FY29 - 30) plus approximately 30 years of full operations. During the construction period, venues will undergo closures to enable construction works to be performed, including in FY29-30 for all venues and an additional closure for the Playhouse in FY27 to manage interface works with the Stage 1 Lyric development.
Discount Rate	A discount rate of 4.13% is used to estimate the NPV of the Base Case and each Project option. This is the average 10-year yield on Australian Government bonds as at the time of writing this Business Case. ⁴⁴
Escalation (general)	The escalation rate of 3% has been applied to all costs (excluding construction costs) and revenue. This is the upper bound of the Reserve Bank of Australia's (RBA) 2-3% inflation target to reflect the current economic climate. ⁴⁵
Escalation (construction costs)	Construction costs have been escalated following advice from the Quantity surveyors, to reflect greater uncertainty and volatility in construction costs. FY25 - 4.5% with 3.5% thereafter.
Contingency	P90 as per the ACT Government Capital Framework.

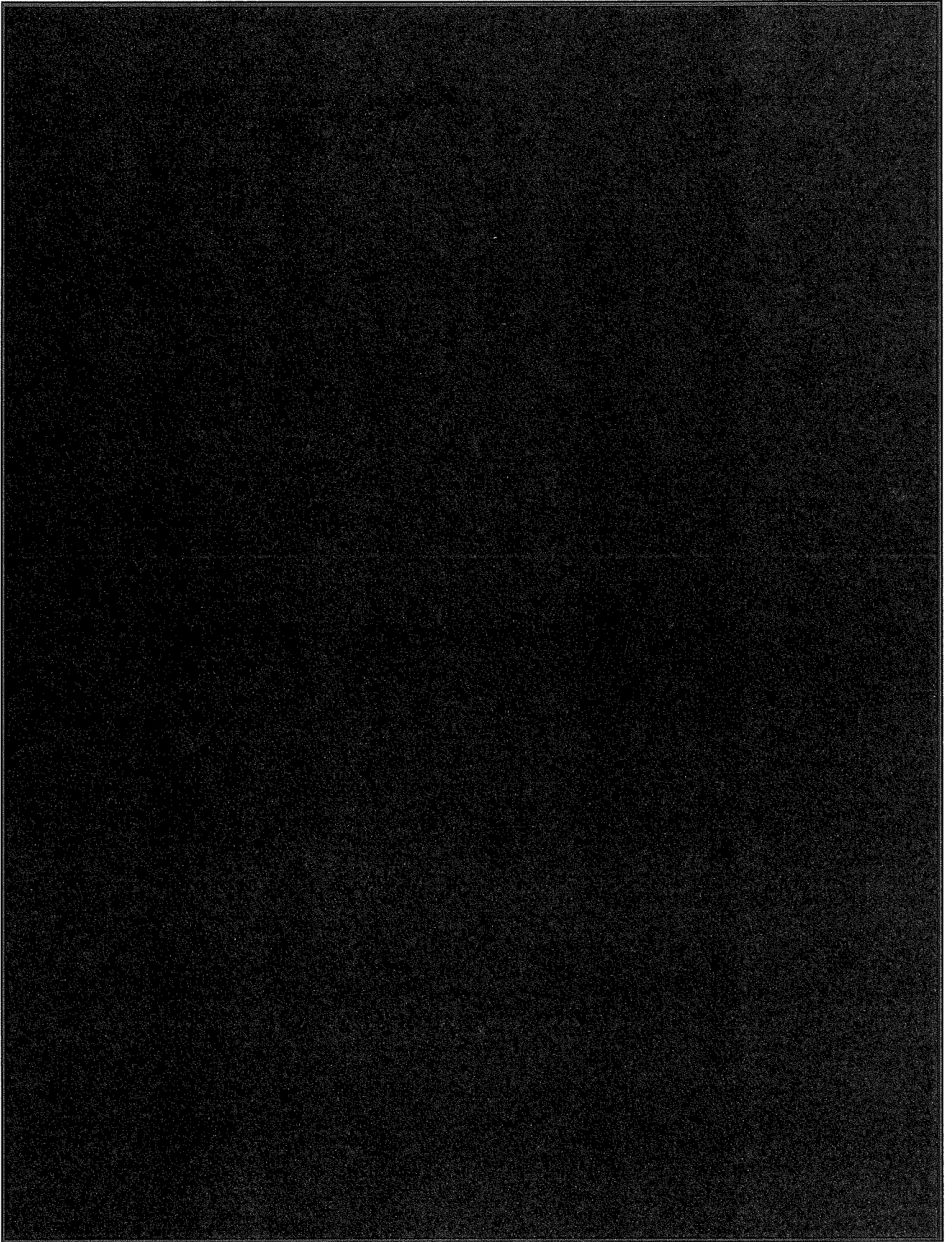
9.7.2 Cost and revenue assumptions

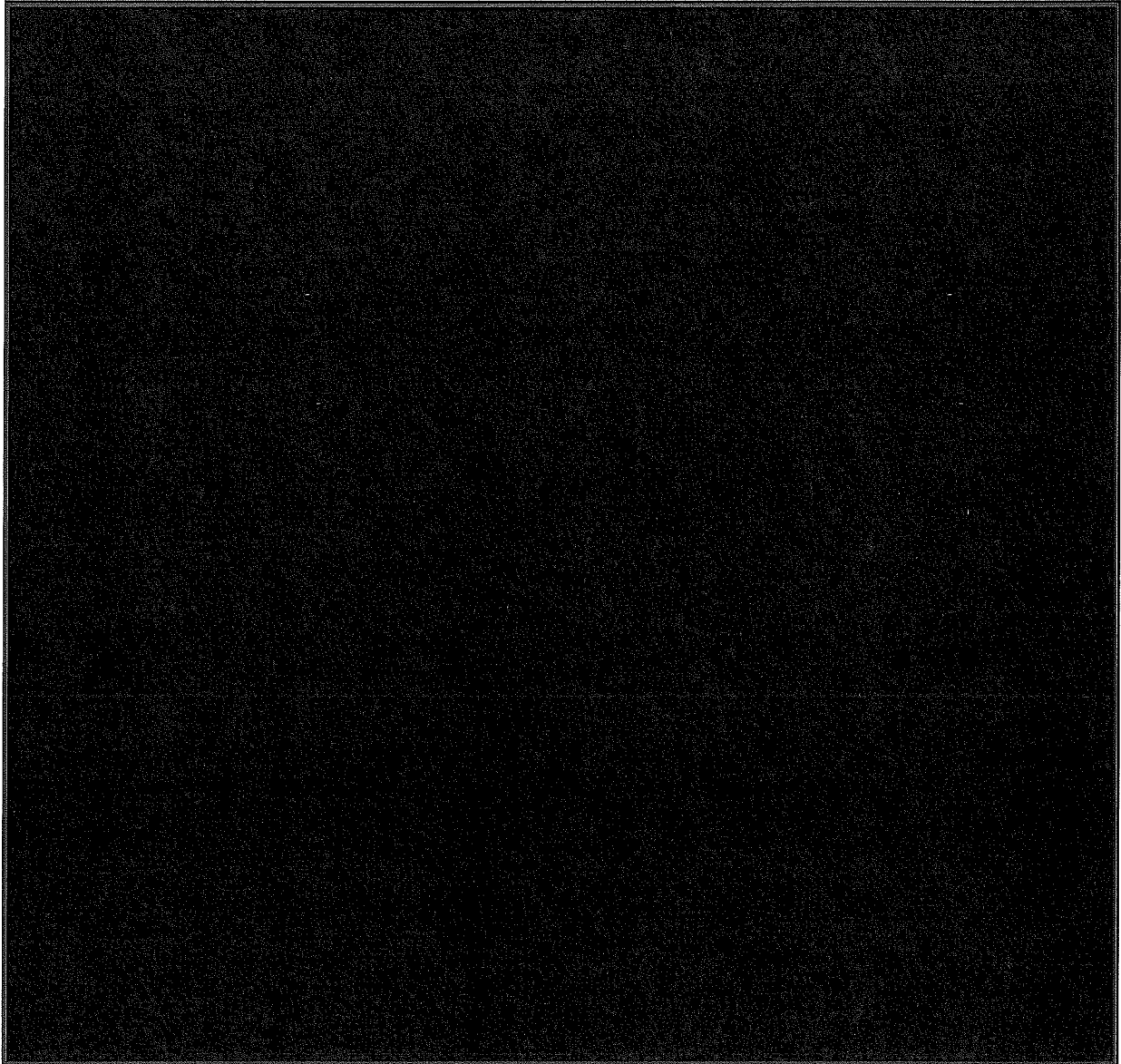
An overview of the cost and revenue components which have been evaluated in the financial analysis is provided in Table 9.16 and Table 9.17 respectively.

Detailed methodology and assumptions behind each cost and revenue are provided in Appendix H: Cashflow and Cost Modelling.

⁴⁴ Bloomberg (2023), 'Australian Rates & Bonds', <https://www.bloomberg.com/markets/rates-bonds/government-bonds/australia>

⁴⁵ Reserve Bank of Australia (2023), 'Australia's Inflation Target', [https://www.rba.gov.au/education/resources/explainers/australias-inflation-target.html#:~:text=Australia's%20inflation%20target%20is%20to,Consumer%20Price%20Index%20\(CPI\).](https://www.rba.gov.au/education/resources/explainers/australias-inflation-target.html#:~:text=Australia's%20inflation%20target%20is%20to,Consumer%20Price%20Index%20(CPI).)





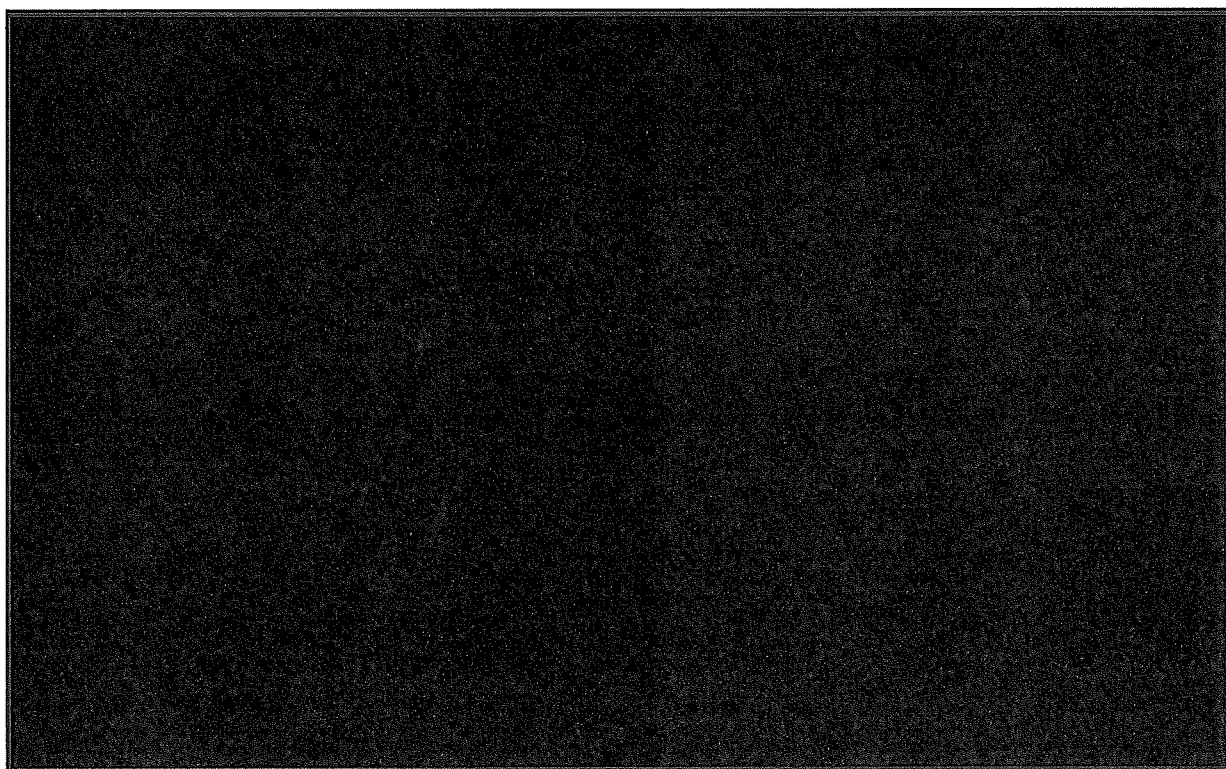
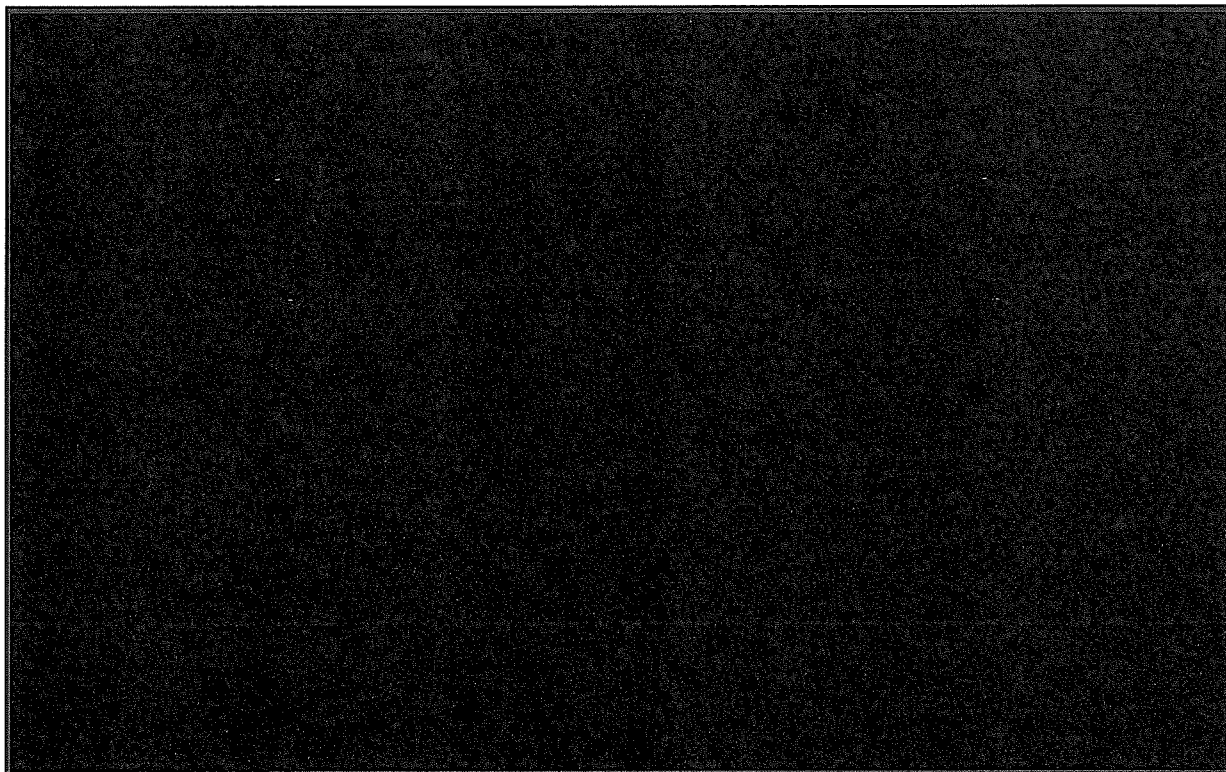
9.7.3 Contingency assumptions

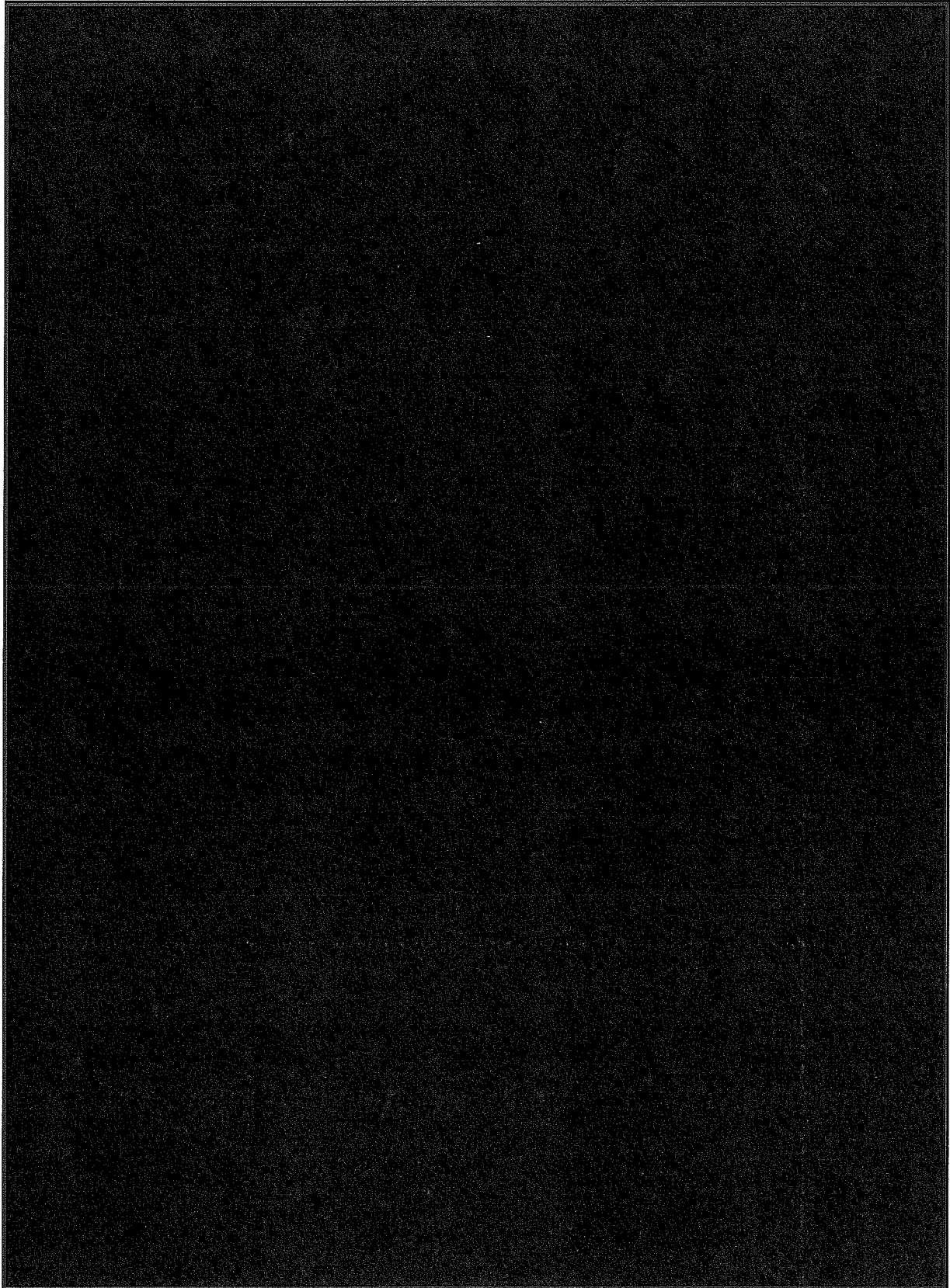
Further to the risk management process outlined in Section 7, a stochastic approach has been undertaken at P50 and P90 levels to develop the contingency allowances for the Project, in line with the guidance of the Capital Framework. This approach is based on a bottom-up methodology which determines the contingency funding applied, based on the specific characteristics of the project.

It is noted that the P50 and P90 risk adjustment estimates are comparatively close, as the PERT (Program Evaluation and Review Technique) statistical distribution was applied to the Monte Carlo Calculation. The benefit of the PERT distribution being favoured as the statistical approach, is that it puts greater weighting to the most likely scenario and lowers sensitivity to the more extreme ends of the best case and worst-case scenarios.

A copy of the detailed risk register, together with quantified risk estimates, is contained in Appendix E – Risk Register. The visually represented Project Options PERT distributions as a result

of a Monte Carlo Analysis of 10,000 simulations are shown in Figure 9.1, Figure 9.2, Figure 9.3 and Figure 9.4.





10. Economic Appraisal



10 Economic Appraisal

This section outlines the overall qualitative and quantitative economic benefits of the Project. This section evaluates the economic costs and benefits of each short-listed Project option in relation to the Base Case. A cost-benefit analysis (CBA) has been undertaken within this section to evaluate the net benefit/cost to the ACT economy of the Project options incremental to the Base Case.

Key messages

- This redevelopment will completely transform how the Canberra Theatre Centre is used, the visitor experience for everyone who attends, and cascade a range of economic and social benefits through the broader ACT economy.
- The key quantifiable benefits that underpin the BCR are:
 - Increased financial revenues from new and expanded theatre operations, through ticketing, food and beverage, and increased partnerships and philanthropy.
 - Consumer surplus demonstrating the amount individuals would be willing to pay for an improved theatre going experience over and above the ticket price.
 - Visitation related expenditure from new visitors, touring event organisers and production companies induced to the ACT and retained resident expenditure from those who no longer have to travel interstate for a world-class theatre experience.
- The project options Cost Benefit Analysis Results at the base discount rate of 7% are:

	Option 1	Option 2	Option 3
Benefit Cost Ratio (BCR)	0.61	0.68	0.68
BCR Sensitivity Analysis	0.45 – 0.78	0.53 – 0.85	0.53 – 0.85

- Social infrastructure projects, including cultural infrastructure projects, commonly have a BCR under 1.0, due to the wide range of qualitative benefits and the lack of accepted economic methods for quantifying these benefits.
- The Project is expected to generate an estimated 254 FTE over 6 years during construction, with an additional 92 permanent FTE positions once fully operational.
- The wide range of qualitative benefits resulting from the Project including social benefits, community connection, civic amenity, wellbeing, and cultural reputation, thereby contributing to the cultural and economic landscape of the ACT.
- A resident and visitation survey, revealed an additional 19% of the resident ACT population would intend to attend a performance at the redeveloped CTC, increasing the intent to visit the CTC to 97%, significantly exceeding the rates seen in other capital cities of 78%.
- The wide range of qualitative benefits resulting from the Project including social benefits, community connection, civic amenity, wellbeing, and cultural reputation, thereby contributing to the cultural and economic landscape of the ACT.
- The Project will provide the opportunity for locals to attend more cultural performances in their hometown, rather than travelling interstate for their theatregoing experiences, ensuring their related expenditure and consumer surplus is retained within the ACT and greater activity for visitors to travel to Canberra or to stay longer.

10.1 Overview and Results

When evaluating a city and nation shaping project such as this, it is critically important that in addition to the quantifiable benefits, there is also consideration of the wide range of qualitative benefits.

A cost-benefit analysis (CBA) framework was employed to evaluate the quantifiable net benefit/cost to the ACT economy of each the Project options, incremental to the Base Case. below. Key benefits quantified as part of the CBA include:

- **Increased financial revenues** from new and expanded theatre operations, through ticketing, food and beverage, and increased partnerships and philanthropy.
- **Consumer surplus** demonstrating the amount individuals would be willing to pay for an improved theatre going experience over and above the ticket price.
- **Visitation related expenditure** from new visitors, touring event organisers and production companies induced to the ACT and retained resident expenditure from those who no longer have to travel interstate for a world-class theatre experience.

The results of the CBA are shown in Table 10.1 below discounted using a 7% discount rate. The benefit cost ratio (BCR) of the recommended Option 2 is 0.68, which is equivalent to the Option 3 BCR and higher than the 0.61 BCR of Option 1.

Table 10.1 Cost Benefit Analysis Results (Discount rate 7%)

	Option 1	Option 2	Option 3
Benefit Cost Ratio (BCR)	0.61	0.68	0.68
BCR Sensitivity Analysis result	0.45 – 0.78	0.53 – 0.85	0.53 – 0.85

A sensitivity analysis was also applied, considering variations to the discount rate, costs, benefits and varying the forecast utilisation numbers impacting attendance forecasts. Based on the sensitivity analysis, the BCR for the recommended Option 2 ranged between 0.53 and 0.85. Social infrastructure projects, including cultural infrastructure projects, commonly have a BCR under 1.0.

In addition to the quantifiable benefits the Project generates a range on qualitative benefits including social benefits, relating to community connection and civic amenity, wellbeing, and cultural reputation, in addition to those quantified specifically within the economic appraisal. Qualitative benefits include:

- Enhanced attractiveness and branding of the city centre.
- Enhanced reputation of ACT Government due to investment in culture and history.
- Increased operating efficiencies and improved working environment and work health and safety for employees and patrons.
- Improved educational outcomes through access to cultural events.
- Travel time saved for local patrons avoiding interstate travel.
- Improved cultural amenity in the ACT.
- Improved liveability and wellbeing.
- Improved community benefits.
- Enhanced pride and community connection.
- Aboriginal and Torres Strait Islander arts and cultural benefits.

Finally, to inform the economic appraisal, Deloitte, in consultation with Taverner Research Group, developed two bespoke surveys. The survey's results revealed a very high percentage of the population intend to attend a performance at the redeveloped CTC, significantly exceeding the rates seen in other capital cities.

The following sections provide further details regarding the overall benefits generated by the Project as well as the economic appraisal undertaken for this business case.

10.2 Economic benefits

When evaluating a city and nation shaping project such as this, it is critically important that in addition to the quantifiable benefits, there is also consideration of the wide range of qualitative benefits. The Project's overall economic framework of quantitative and qualitative benefit achieved by the Project is presented in Figure 10.1 below, grouped by the beneficiaries for each of the Project benefits. The following sections provide a further description of each of the benefits, and for the quantifiable benefits the calculates the incremental economic benefit.

Figure 10.1 Project Benefits and beneficiaries

BENEFICIARIES				
ACT Government	ACT Community	ACT Businesses	CTC Audiences	All
				
BENEFITS				
Increased revenue from new and expanded theatre operations	Consumer surplus – social use or non-use value	Visiting events expenditure benefits	Consumer surplus – use value	Environmental impact from sustainable construction and operational practices ¹
Increased philanthropy from increased recognition	Improved cultural amenity	Visitation expenditure benefits	Improved educational outcomes through access to cultural events	
Residual value of improved assets	Improved liveability and wellbeing	Retained expenditure benefits	Travel time saved for local patrons avoiding interstate travel	
Attractiveness and Branding of the City Centre	Improved community benefits			
Enhance Canberra's attractiveness to potential investors	Enhanced pride and community connection			
Increased operating efficiencies and improved working environment and work health and safety for employees and patrons	Aboriginal and Torres Strait Islander Arts and Cultural Benefits			

Legend
 Quantifiable
 Qualitative

10.3 Cost Benefit Analysis (CBA)

10.3.1 Quantifiable benefits

The quantifiable benefits associated with the Project have been broken down in Table 10.2 below, which also provides a description of the benefit and notes who the beneficiaries are. Further details on the quantification method for each of the benefits is provided in Section 10.3.4.

Table 10.2 Key benefit categories for the CBA

Benefit	Description	Beneficiary
Increased revenue from new and expanded theatre operations	The additional revenue CTC will generate from new and expanded theatre operations held at the CTC.	CFC and broader ACT government
Increase in philanthropy from increased recognition	Greater recognition and awareness of the CTC after it is redeveloped may encourage an increase in the amount of partnerships, sponsorships, and donations CTC receives.	CFC and broader ACT government
Visiting events expenditure	Benefits to ACT industry realised through spend from touring event organisers and production companies anticipated to host events at the lyric theatre	ACT businesses, households, and government
Visitation expenditure	The benefits to ACT industry realised through additional interstate and international visitor spend in the state.	ACT businesses, households, and government
Retained expenditure	The benefits to ACT industry due to residents staying in the ACT to attend performances rather than travelling interstate.	ACT businesses, households, and government
Consumer surplus - use value	The benefits to consumers that attend productions, above the total cost to consumers of attendance.	CTC audiences
Consumer surplus - non-use value	The value to the ACT community resulting from the existence of the Project not relating to direct use, including civic pride and community connection.	ACT households
Residual value of improved assets	The remaining capital value at the end of the evaluation period.	CFC and broader ACT government

A description of some of the key underlying drivers of benefits, followed by the results of the benefits quantification is covered in the following subsections.

10.3.2 Supporting Data

To inform the economic appraisal, supporting analysis was undertaken to forecast the uplift in attendance as a result of the Project and to survey future users of the CTC to understand the value they attribute to a revitalised CTC.

Attendance uplift

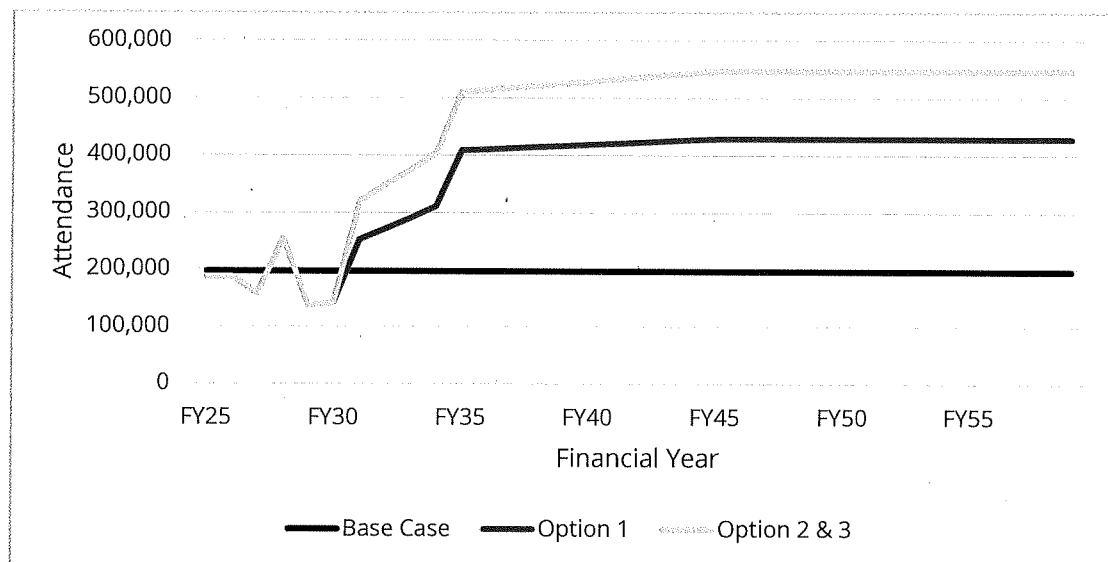
Attendance uplift drives a number of the quantifiable benefits including:

- **Increased revenue from new and expanded theatre operations** – generated by increase in attendance overall
- **Visitation expenditure** – generated by increase in attendance from interstate and international visitors

- **Consumer surplus** – generated by increase in attendance from ACT residents

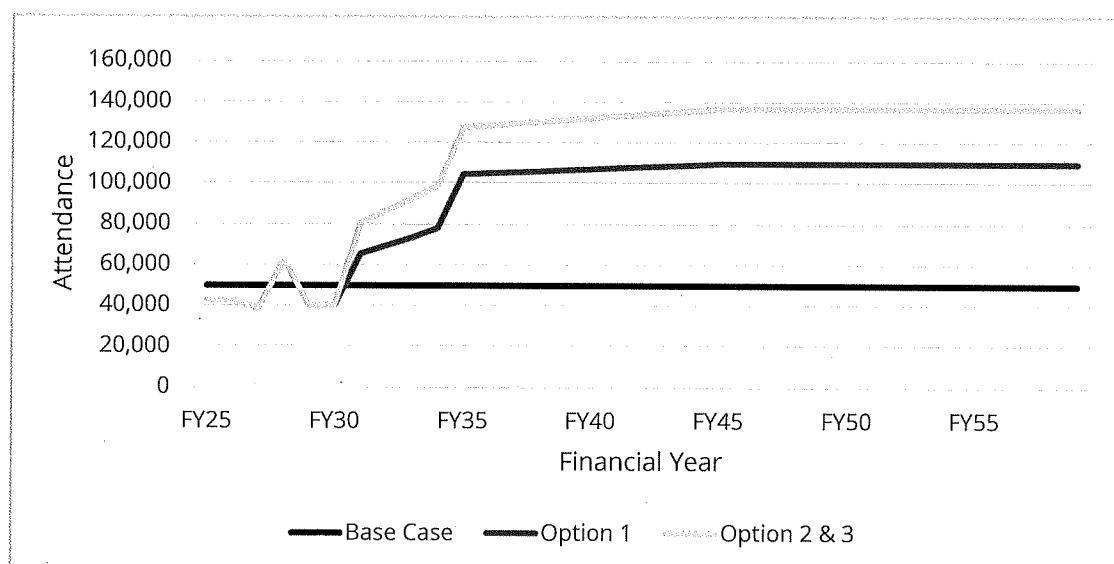
Once the CTC has been fully redeveloped, attendance by ACT locals is forecast to increase by up to 179% over the Base Case (refer to Figure 10.2 below).

Figure 10.2 Attendance forecasts for ACT residents, by option



Attendance by interstate and international visitors is forecast to increase by up to 175% over the Base Case, under both Option 2 and Option 3 (refer to Figure 10.3 below).

Figure 10.3 Attendance forecasts for visitors, by option



The significant increase in attendance can be attributed to the upgrade to a world-class theatre and cultural experience, ensuring the CTC is competitive on a national scale.

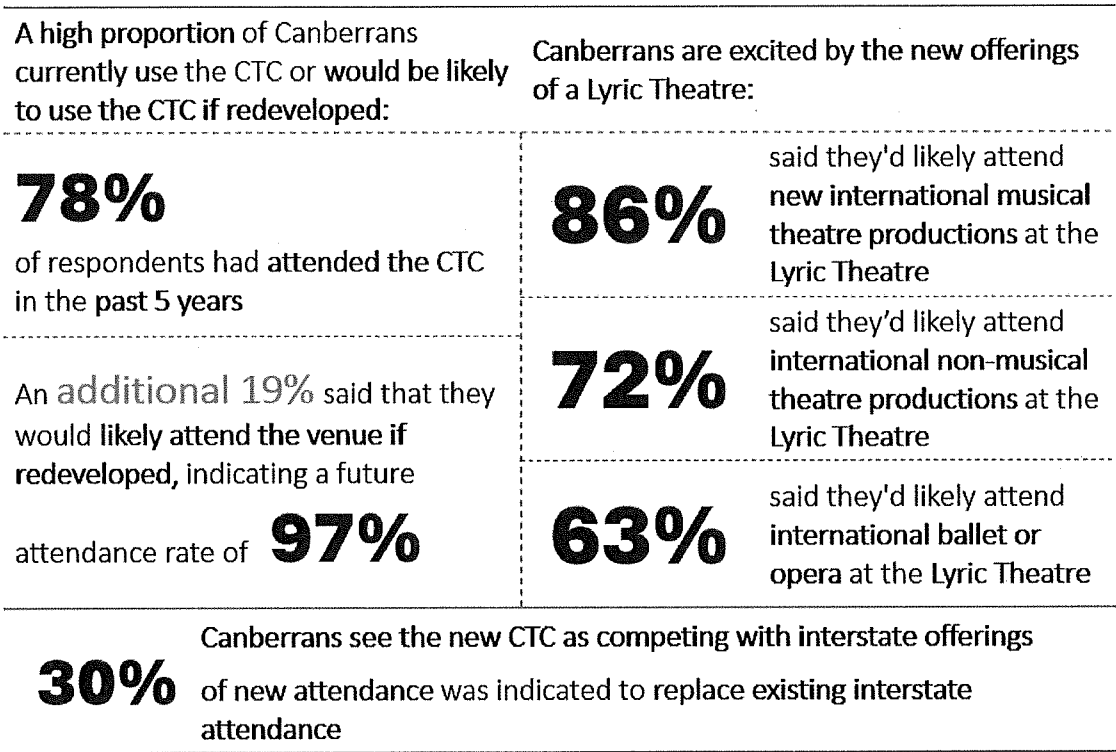
Additional attendance stems from both existing users, and new users enticed by the extended offerings and experience of the proposed redevelopment.

‘New use’ is also generated from the interstate and international visitor cohorts.

Resident and Visitor Surveys

To inform the economic appraisal, Deloitte, in consultation with Taverner Research Group, developed two bespoke surveys to inform the cost benefit analysis. The overall results from the survey are shown in Figure 10.4 below. Overall, there was strong support from the survey participants for a redeveloped CTC. Further details about the survey results are provided in the following paragraphs.

Figure 10.4 Results of resident and visitor surveys



The **resident survey** was targeted towards local residents of the ACT to extract the willingness to pay (WTP) of ACT residents for the Canberra Theatre Centre redevelopment based on whether the participant is a current user of the theatre, a future user of the theatre, or a non-user.

ACT residents are renowned for their high cultural engagement, with 77% of the resident population reporting that they attend music, visual arts, theatre, dance or literary events (compared to 68% of the Australian population). However, currently the ACT itself has limited ability to host larger cultural events itself, with 34% of the population citing distance (travel outside of the ACT) as a barrier to attending these events..⁴⁶

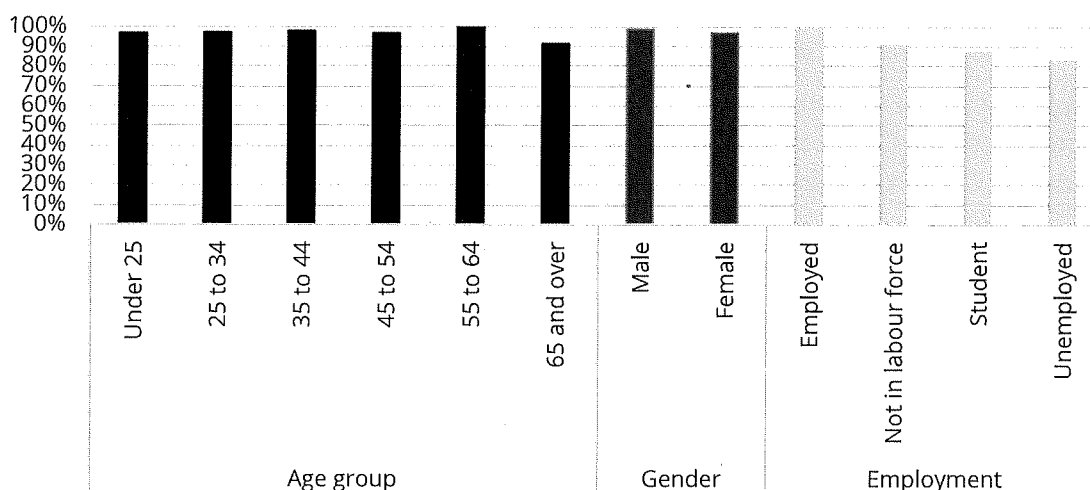
Through the unlocked ability to host world-class performances, the redeveloped CTC will attract increased interstate visitation as well as reinvigorating the interest of locals to attend performances at home in a vibrant, nationally significant performing arts centre. The survey

⁴⁶ Creative Australia (2022) 'National Arts Participation Survey 2022, ACT results'

revealed that an additional 19% of the ACT population would be likely to visit the CTC under the Project, with the CTC's likely resident attendance base increasing from 78% to 97% of the ACT population.

Within the resident survey, above 95% of respondents indicated themselves likely to use a redeveloped CTC for all demographic groups except for those over 65, and those on lower incomes – either as students, outside the labour force, or unemployed. For these groups, attending a paid performance may be difficult, or not financially feasible. Figure 10.5 provides a further detailed view of users by demographic.

Figure 10.5 Proportion of ACT residents likely to use the redeveloped CTC, by demographic



Source: ACT resident survey (2023)

The **visitor survey** was designed for interstate visitors of the Canberra Theatre Centre to determine potential tourism uplift from the redevelopment, in addition to the average expenditure profiles of visitors to the ACT who attend CTC performances.

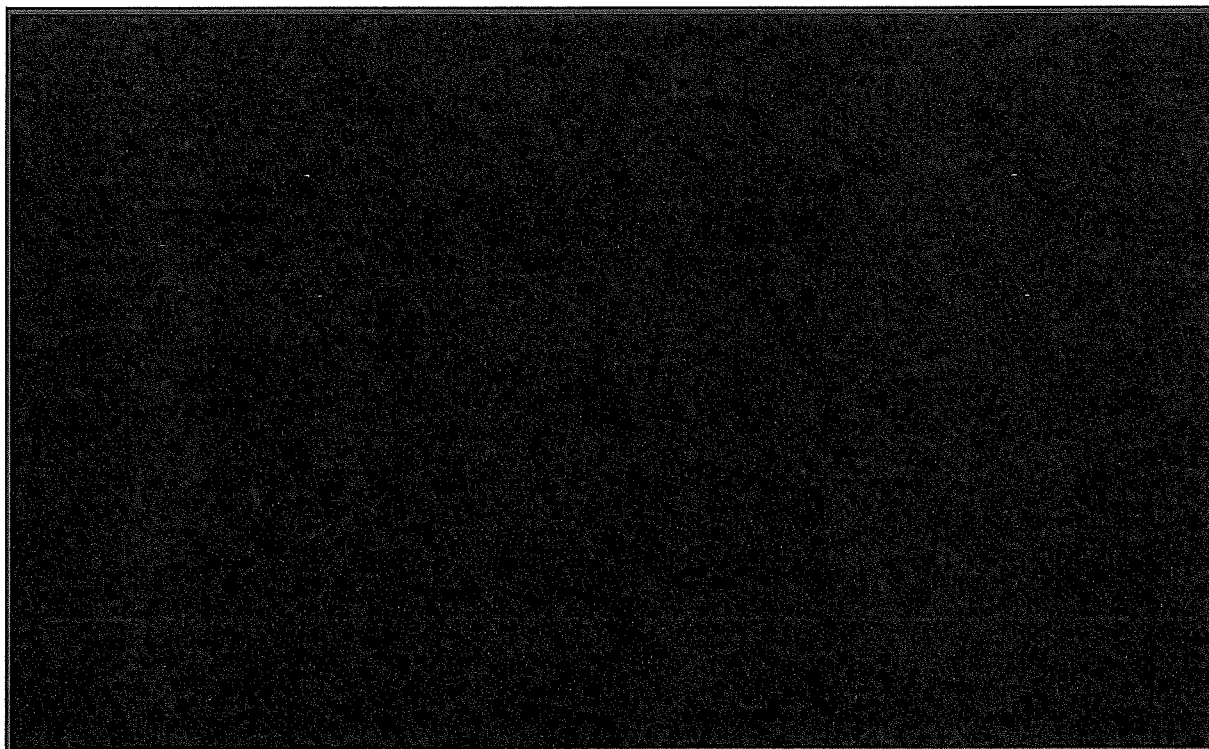
Economic value is created from the increased scale of interstate and international visitation activity induced to attend the new performance and experience offerings of the redeveloped CTC, and the associated tourism expenditure across the broader ACT economy as part of their stay. The visitor survey uncovered a significant current average expenditure of \$295 per interstate daytrip visitor and \$601 per interstate overnight visitor when visiting the ACT to attend a performance. The CTC on average formed 54% of the reason for visiting the ACT for those who attended CTC performances. Thus, increased interstate visitor attendance is forecast to bring significant commensurate visitor expenditure to the ACT economy.

10.3.3 Benefit results

Table 10.3 – Economic Benefits presents a summary of economic benefits across options. The results of the benefits analysis demonstrate that Option 3 will deliver the greatest incremental economic benefit [REDACTED] and Option 1 will deliver the lowest [REDACTED]. That said, Option 2 [REDACTED] has only marginally lower total benefits than Option 3, due to a same level of performances and annual attendance projected under the two options. The small difference between Option 2 and Option 3 reflects higher CTC revenue due to the function capability of the

Sky Stage, which creates private venue hire benefits and a higher residual value of assets but does not shift public performance attendance and thus does not impact other economic benefits.

Further description of the results and drivers for each of the benefits is provided after the table.



Increased revenue from new and expanded theatre operations

The largest quantified benefit of the Project under all options is the **increased revenue from new and expanded theatre operations**, providing not only a direct benefit to the CFC but also underpinning increased visitor activity in the ACT and enhanced economic value of the CTC to ACT residents.

The addition of a Lyric Theatre allows the CTC to attract world-class, high-revenue generating performances across all options. While the ability of the Canberra Theatre to host flat floor events under the redevelopment options enables a strong additional increase in potential revenues from the CFC's existing venues and overall enhances the cultural richness of the theatre experience.

Revenues related to performing arts in the ACT currently lags behind the larger states, with the ACT accounting for 2.1% of the national economy in 2022 but only for 1.7% of national performing arts ticket revenues.⁴⁷ The new competitive event hosting capability of the CTC under the development options enables the ACT to be nationally competitive in its performing arts offerings, recapturing a significant cohort of local theatregoers who currently travel interstate to attend performances.

⁴⁷ ABS (2022). 'Australian National Accounts: State Accounts', and Live Performance Australia (2023). 'Live Performance Industry in Australia: 2022 Ticket Attendance and Revenue Report Final Report'.

Visitation and retained expenditure benefits

The uplift in performance scale and quality also creates economic value from **visitation related expenditure**, including from induced interstate and international visitors. **Retained expenditure** is achieved from locals, drawn to the CTC for their theatre going experience instead of attending performances or undertaking alternate activities in other states. It was indicated through the resident survey that 32% of additional attendance at the new CTC would replace attendance by ACT residents at interstate theatres.

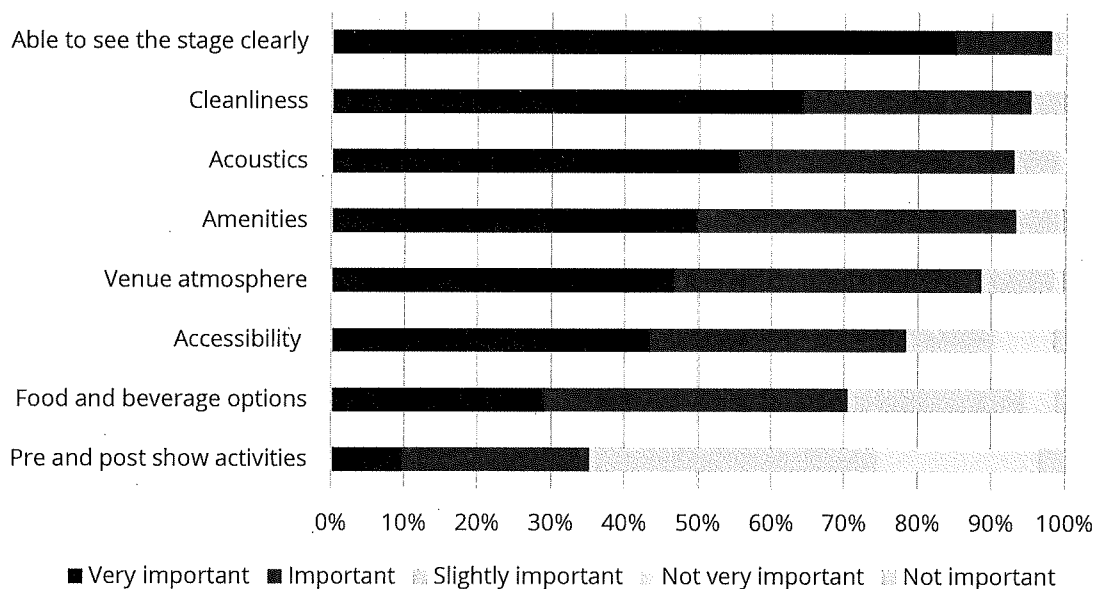
Consumer surplus

Finally, the reported **consumer surplus** of locals attending the redeveloped CTC is the second most significant economic benefit. The consumer surplus is reflecting both a surveyed consumer surplus uplift of 28-35% of the average ticket price for existing CTC users, and new unlocked consumer surplus of 17-23% of the ticket price for new attendance. The significant consumer surplus benefit reflects a strong value placed by the ACT community on attending performances in an upgraded CTC.

The resident survey also asked users what key amenities would improve their quality of experience and therefore, increase consumer surplus. Users reported significant value from improved amenities, atmosphere, and food and beverage options at the CTC under the Project Options, which a majority of current and future audiences reporting these aspects as important or very important to their theatre-going experience (see Figure 10.6 below).

In particular, the potential to improve the quality of the experience at the CTC through improved amenity is valued highly by CTC audiences, with resident survey respondents indicating that \$29.50, on average, just to have the redeveloped foyer space, including improved food and beverage options, available at the next performance they attend at the CTC.

Figure 10.6 Importance to the overall theatregoing experience for ACT current and future patrons, by factor



Source: ACT resident survey (2023)

Increased philanthropy from increased recognition

The benefit of **increased philanthropy from increased recognition** is also significant across all options, reflecting a monetary benefit arising from the positive reputational impacts of the development on the CTC. As this benefit is expected to be realised through the introduction of the world-class lyric theatre and general increases in user experience quality across other venues, it is stable across the three options [REDACTED]

The remainder of the economic benefit is made up of (1) **the residual value benefit** which correlates with the scope size and capital expenditure of each option, and (2) value generated to ACT businesses associated with the **visitation expenditure** by touring events companies now inclined to add performances in Canberra.

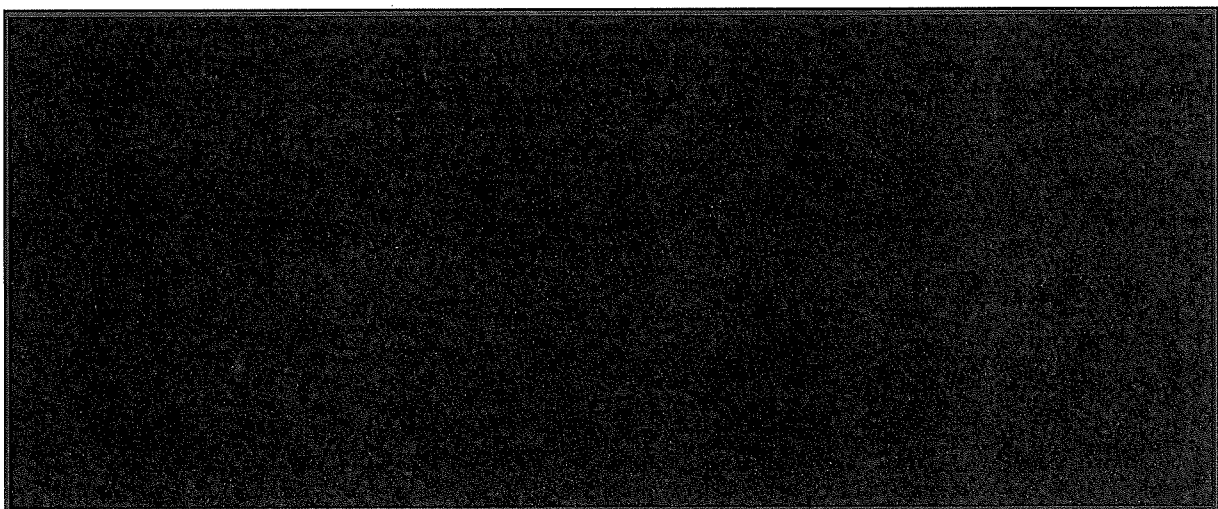
10.3.4 Economic costs

Table 10.4 below outlines the cost categories that have been included in the economic appraisal.

Table 10.4: Economic cost categories

Economic Cost	Description	Beneficiary
Capital Costs	Please see the Financial Appraisal Section (Section 9) for a description of the project capital costs.	CFC & broader ACT government
Whole-of Life-Costs	Please see the Financial Appraisal Section (Section 9) for a description of the project whole-of-life costs.	CFC & broader ACT government
Environmental impact from sustainable construction and operational practices	Measures the GHG emissions resulting from the construction works of the Project and ongoing emissions, incremental to the Base Case.	ACT community

The present value of the economic costs associated with the Project over 35 years are presented in Table 10.5 below.



While the capital expenditure required for all Project Options are relatively similar, the marginal increase from Option 1 to Option 2 will greatly increase CTC's operations by being able to host 189

more performances annually equating to almost 150,000 additional annual tickets sold. This increase in operations is reflected in the significant increase in whole of life costs,

Option 3 is expected to incur the greatest incremental capital expenditure [REDACTED] due to delivering the largest scope including major refurbishments to the Canberra Theatre, Playhouse, and new builds for the Studio Theatre and Link and Theatre Lane. Option 1 has the lowest capital expenditure [REDACTED] due to its condensed scope, whereby only minor refurbishments will be performed on the Canberra Theatre, Playhouse, and Link and Theatre Lane, and the Studio Theatre. Option 2 incurs moderate capital expenditure [REDACTED] when compared to Option 1 and 3.

Option 3 will undergo the greatest scale of redevelopment, which will enable the largest increase in overall operations and consequently associated whole-of-life costs [REDACTED]. Option 2 [REDACTED] has only marginally lower whole-of-life costs compared to Option 3, given a similar scale of development which allows both options to conduct the same increased annual number of performances but has slightly reduced ancillary functions such as corporate venue hire and food & beverage offerings.

The incorporation of ESD initiatives in the Project options as outlined in Section 6.2.4, which will enable CTC to fully rely on renewable energy sources, have been reflected in the expected environmental costs. Whilst there is an upfront investment required, the Project will directly contribute to achieving net zero emissions from ACT Government operations by 2040 by making the CTC all-electric and climate-wise. This relatively minimal investment will make the CTC more resilient to climate change and potentially avoids significantly higher costs in future to resolve issues caused climate change.

10.3.5 Quantitative Results

The overall results of the economic appraisal are presented in Table 10.6 below, discounted using a 7% discount rate. The recommended Option 2 generates the highest NPV of -\$202.4 million converting to a BCR of 0.68, further supporting it as the recommended Option from an economic appraisal perspective.

Table 10.6 Economic appraisal results

(incremental to the Base Case, \$m, real FY24, discounted, FY25 – FY59, 35 years)

	Option 1	Option 2	Option 3
Economic Costs	[REDACTED]	[REDACTED]	[REDACTED]
Economic Benefits	[REDACTED]	[REDACTED]	[REDACTED]
NPV	[REDACTED]	[REDACTED]	[REDACTED]
BCR	0.61	0.68	0.68

10.3.6 Sensitivity analysis

Sensitivity analysis has been conducted on the NPV and BCR to test different scenarios (discount rates, costs, revenue, benefits and attendance related metrics). While the recommended Option 2 has a BCR of 0.68 in the primary analysis, the sensitivity analysis demonstrates that the BCR could see a range between 0.53 to 0.85 (refer to Table 10.7).

Likely drivers of the higher BCR would result from a lower discount rate, of 4% vs 7%, from the operating costs being lower than assumed, or the utilisation rate (number of performances and therefore higher audience numbers) being higher than forecasts.

It is noted that social infrastructure projects, including cultural infrastructure projects commonly have a BCR under 1.0.

Table 10.7 Sensitivity analysis

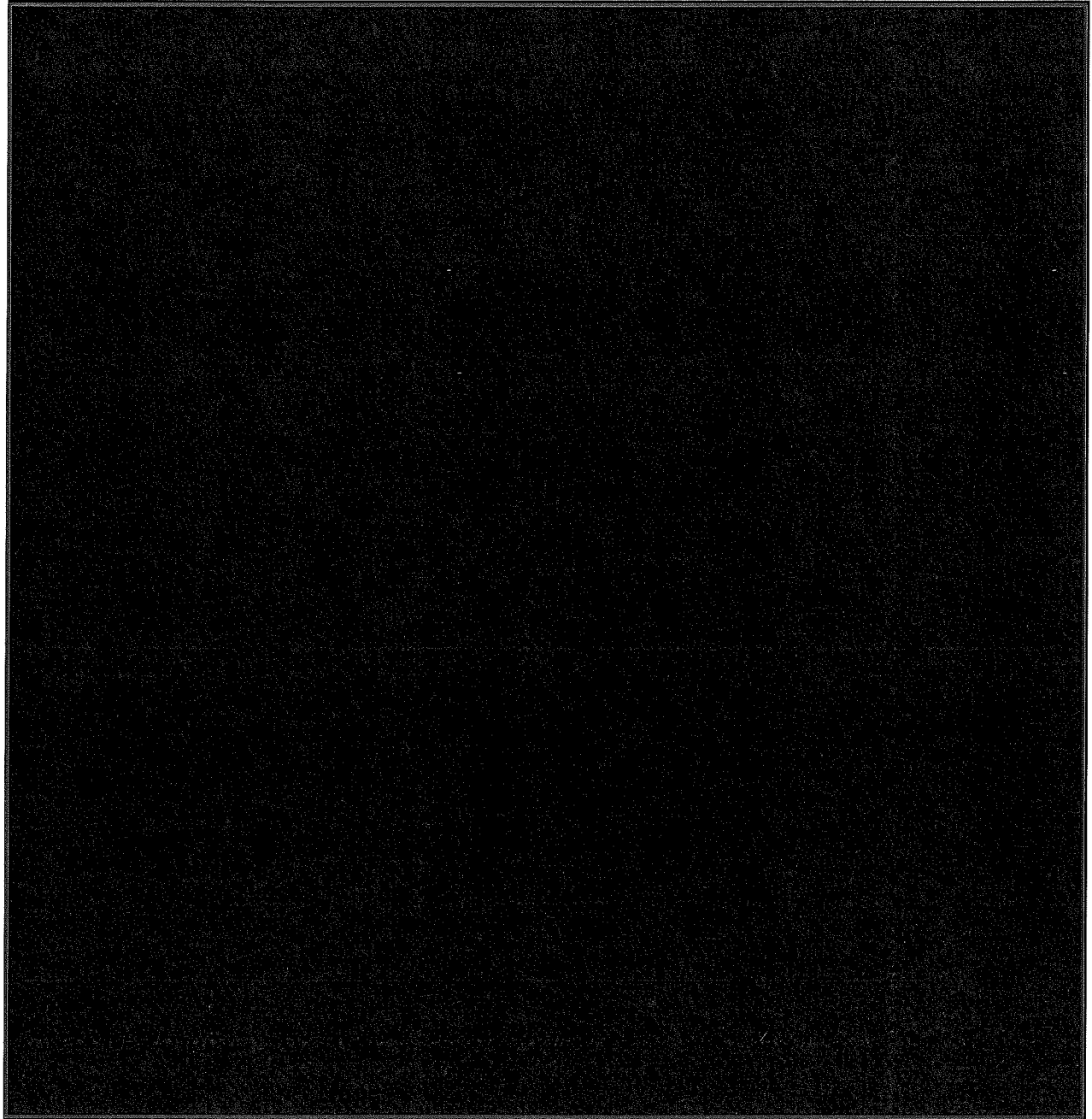
(incremental to the Base Case, \$m, real FY24, discounted, FY25 – FY59, 35 years)

		Option 1	Option 2	Option 3
Central Case BCR		0.61	0.68	0.68
Sensitivity BCR range		0.45 – 0.78	0.53 – 0.85	0.53 – 0.85
Sensitivity based on movements in key BCR drivers:				
Discount rate	4% rate	0.78	0.85	0.85
	10% rate	0.47	0.54	0.54
Capital Costs	+10%	0.57	0.65	0.65
	-10%	0.64	0.71	0.71
Operating Costs	+10%	0.58	0.65	0.65
	-10%	0.63	0.72	0.71
Benefits	+10%	0.67	0.75	0.75
	-10%	0.55	0.61	0.61
Sensitivity based on movements in key CTC operational parameters:				
Venue Utilisation Rate	+10% (80% Utilisation Rate)	0.67	0.75	0.74
	-10% (60% Utilisation Rate)	0.53	0.60	0.61
	+20% (90% Utilisation Rate)	0.74	0.81	0.81
	-20% (50% Utilisation Rate)	0.45	0.53	0.53
Paid Tickets	+10% (80% of Venue Capacity)	0.66	0.73	0.73
	-10% (60% of Venue Capacity)	0.55	0.62	0.62

10.3.7 Distributional analysis

A distributional analysis has been performed on the recommended Option 2 to determine the net beneficiaries of the CTC redevelopment within the ACT economy. The results of the distributional analysis are presented in Table 10.8. below.

However, this cost is offset by benefits to other areas of the ACT economy, including CTC audiences, ACT businesses, and the wider ACT community.



Overwhelmingly, CTC audiences are the greatest beneficiaries of the development. The NPV for audiences arising from the development is captured quantitatively through the consumer surplus use value benefit, estimated to total [REDACTED] under the Preferred option. The benefit is captured as an increase in consumer surplus applied to each performance attended by CTC audience members from the ACT.

Other beneficiaries of the development include ACT businesses, expected to derive [REDACTED] of net benefit under Option 2. Additional expenditure within the ACT from visiting leisure travellers, visiting events companies, and those who stay in the ACT instead of travelling to attend performances is expected to provide significant additional demand for local ACT businesses. Beneficiary businesses are primarily within tourism-connected industries, including accommodation, transport, and food and beverage services.

Expenditure towards businesses also provides flow-on benefits to the ACT labour force, captured through the ██████████ in net benefit directed to the ACT Community. Through supporting tourism-connected industries, the development is able to support the employment of the young and part-time workers that are more likely to work within these industries.

10.4 Qualitative benefits

Just as significant as the quantitative benefits are the range of qualitative benefits the Project will provide to the ACT community, CTC and its audiences, as well as to broader ACT Government.

In contributing to the cultural and entertainment landscape of the ACT, the Project would generate many socio-economic benefits relating to social amenity, wellbeing, and economic and social development, in addition to those quantified specifically within the economic appraisal. This section discusses the non-monetised economic benefits, which have been grouped into benefits to the CTC and ACT Government, benefits to CTC audiences, and benefits to the ACT community.

It should be noted that there have been no non-monetised economic costs of significance identified for the Project.

10.4.1 Benefits to CTC and broader ACT Government

Attractiveness and branding of the city centre

The Project's architectural aspects, in addition to the ability of the Lyric Theatre to host high-profile national touring musical theatre and other performances, will increase the attractiveness and 'branding' of the city centre as a cultural and commercial destination for locals and visitors (tourists). This development is consistent with the CRA's and VisitCanberra's strategic objectives for the Canberra city centre.

The Project will have flow-on benefits to Canberra's other cultural facilities including the ones co-located within the CCCD, through attracting additional cultural tourists and providing opportunities to integrate cultural offerings across the CFC's portfolio, including providing a high-quality venue for collaborative projects with CMAG and other cultural events work.

Enhance Canberra's attractiveness to potential investors

Investment in the CTC and improving recognition of its cultural and civic importance will have reputational benefits to the ACT Government. Canberra, as the nation's capital, is currently uncompetitive against other state capital cities in its ability to host large-scale arts productions. This is in contrast to the city's leading role in museums and galleries. The Project would allow the CTC to host new major performing arts events, in addition to adding a new venue to the national touring circuit through the Lyric Theatre. These opportunities would have reputational benefits to Government.

Further, the international profile of the venue will also improve the ACT's reputation on a global scale. The Project would provide opportunities for the ACT to showcase Australian performing arts culture both to the Federal Government, and the extensive diplomatic community within Canberra.

Increased operating efficiencies and improved working environment and work health and safety for employees and patrons

Upgrades to the CTC include accessibility and amenity improvements that will provide an improved physical work environment for CFC staff. Further, improved amenity and collaborative work environments will create further connectivity to other work areas within the CFC and the broader ACT Government. This will increase staff satisfaction, boosting productivity and efficiencies. Workers will also have an increased sense of pride in their work, due to the reputational boost of the CTC and the ability of the CTC to attract world-class events.

10.4.2 Benefits to CTC audiences

Improved educational outcomes through access to cultural events

Cultural and historical performances at the CTC can supplement educational curriculums supporting the realisation of improved education outcomes. Attending cultural events provides an alternative medium for learning outside of traditional cultural study methods, with research suggesting that cultural immersion plays an important role in the success of students.⁴⁸ Through its improved facilities and increased event-hosting capabilities, including upgrades to the CTC's smaller theatres, the Project provides an opportunity to elevate Canberra's cultural offerings to students. There are also opportunities for the educational opportunities unlocked via the Project to tie in with other CFC educational programs, including those run by CMAG, through providing improved spaces for hosting both small and large-scale educational events.

Travel time saved for local users avoiding interstate travel

Despite being Australia's capital and home to a highly culturally-engaged population, Canberra's performing arts scene lags behind other Australian cities, accounting for only 1.7% of national performing arts ticket revenues.⁴⁹ Distance from large events is a significant reason for this disconnect, with 34% of ACT residents reporting in 2022 that cultural events being too far away from where they live as a reason for not attending events.⁵⁰ For residents of Canberra that do attend events, they often currently travel to other major cities, primarily Sydney, if they want to attend international or national performing arts events that are not on offer at the CTC. This can involve travel time of three hours or above, each way. Nonetheless, through offering improved event-hosting capabilities and a new internationally competitive lyric theatre, the Project provides an opportunity for the ACT to host these larger events, providing a more efficient alternative for the ACT's theatregoing population.

In the resident survey undertaken for the current economic appraisal, it was found that 32% of participants believe that new performances available at the CTC would replace an otherwise-interstate trip to attend performing arts events. This reflects a willingness for ACT residents to avoid high travel costs, instead attending performances locally. While the expenditure component of this benefit is quantified through the retained expenditure benefit, the travel time component is unquantified due to the difficulty in accurate measurement of this benefit and potential overlaps with quantified consumer surplus. Further, while not a direct benefit to CTC users, there is a flow-

⁴⁸ Whitnui Paul (2014), 'Indigenous-based inclusive pedagogy: The art of Kapa Haka to improve educational outcomes for Māori students in mainstream secondary schools in Aotearoa', New Zealand. <https://www.tandfonline.com/doi/abs/10.5172/ijpl.6.1.3>

⁴⁹ Live Performance Australia (2023). 'Live Performance Industry in Australia: 2022 Ticket Attendance and Revenue Report Final Report', <https://reports.liveperformance.com.au/ticket-survey-2022/index.html#/>

⁵⁰ National Arts Participation Survey 2022 (2022). ACT results.

on environmental benefit to the ACT community through the reduced travel of ACT residents to attend events in other states.

10.4.3 Benefits to the ACT community

Consumer surplus – social use or non-use value

The consumer surplus social use or non-use value is defined as the intangible benefit to the ACT community resulting from the existence of the upgraded CTC facilities under the Project, even when individuals are not users of the Project. The non-use value of the Project includes benefits due to the existence of the Project, the option to use the upgraded facilities, and the bequest value of the CTC to future generations. Within the Project, a distinct non-use value can arise due to the future option to use the CTC from members of the ACT community that do not expect to attend performances, in addition to value they derive from future generations being able to attend the nationally-significant performances unlocked by the CTC.

Improved cultural amenity

The Project will deliver improved performances spaces in the CTC, thus attracting an increased number of major theatrical productions to Canberra. This will allow a greater proportion of the ACT population to attend high quality arts and theatre events. Survey findings found that while 78% of respondents had attended the CTC in the past 5 years, a further 19% said that they would likely attend as a result of the Project. Further, interest in the new offerings made available by a lyric theatre was significant, with 86% of Canberrans who might attend the CTC stating that they'd likely attend new international musical theatre productions, 72% stating that they would likely attend international non-musical theatre productions, and 63% stating that they would likely attend international ballet or opera at a new lyric theatre. The enhanced cultural amenity unlocked by the CTC is thus significant and wide-reaching across the community, although the benefit is unquantifiable due to difficulty in distinguishing its economic value from the existing consumer surplus benefit.

Improved liveability and wellbeing

Recognising the important role of the arts in improving Canberra's attractiveness as a place to live and work, as Canberra's population continues to grow there is a need to continually invest in its arts and cultural infrastructure if it is to maintain its status as a highly liveable city and the arts capital of Australia. Through making Canberra nationally competitive in its ability to host major performing arts events, an improved CTC will provide increased cultural experiences for residents and tourists alike and is likely to encourage additional investment into the local area due to the increased popularity of the theatre. This would likely result in improved infrastructure and a greater diversity of shopping options in the local area.

Improved community benefits

Arts and cultural infrastructure can provide positive community benefits and amenities in other sectors of the economy such as transport, health, education, tourism and service industries. A strong arts sector, as promoted through the Project, can support the health of a community by providing access to recreational activities and unlocking access benefits through transportation planning through its location in central Canberra. An improved CTC will also be able to provide enhanced education and learning opportunities through improving the quality and quantity of free events that schools and the broader community have the opportunity to attend.

Enhanced pride and community connection

Strong arts and cultural offerings have been shown to contribute to greater pride and community connection. Concordantly, the changes to the CTC under the proposed options will expand the cultural offerings and improve the overall experience for attendees, strengthening community benefits. For the ACT's population, which currently has high cultural engagement compared to the national average, but lower access to large-scale performing arts events than those in other major cities, the Project presents an opportunity to better cater to the community. Through boosting Canberra's cultural offerings, the project will increase pride and community connection for the local community.

Aboriginal and Torres Strait Islander arts and cultural benefits

Arts and cultural infrastructure plays a key role in the social and economic empowerment of Aboriginal and Torres Strait Islander peoples. Artistic activities are a core feature of our Aboriginal and Torres Strait Islander communities, and participation in arts and cultural activities support cultural identity, economic empowerment, community connectedness and wellbeing. The CTC, endeavours to ensure Aboriginal and Torres Strait Islander culture is strongly represented within Canberra's cultural events offerings. This benefit will be furthered with the proposed development, with the increased events-hosting capacity of the CTC providing further opportunities for Aboriginal and Torres Strait Islander arts to be promoted to residents and visitors alike.

10.5 Assumptions and methodology

This section provides the underlying assumptions and methodology for the economic appraisal. Further details can be found in [Appendix H](#).

10.5.1 General assumptions

The general assumptions underlying the economic appraisal are provided in Table 10.9.

Table 10.9 Economic appraisal assumptions

Assumption	Description
Base Year	FY24 (Financial Year 2023-24, all figures are in real terms as at FY24).
Analysis Period	The analysis period is FY25-FY59. This includes the construction period (FY25-FY29) plus 30 years of full operations.
Discount Rate	A discount rate of 7% will be used to estimate the Net Present Value (NPV) of the Base Case and each Project option. Sensitivity analysis has been conducted using discount rates of 4% and 10% in Section .
Community of Interest	The ACT economy, including the ACT Government, households, and ACT-based businesses. ⁵¹
Escalation	The economic appraisal does not incorporate escalation impacts. It uses real values as of FY24.

Economic costs are informed by modelling of capital costs and whole-of-life costs for the Project, as detailed within the Financial Appraisal Section. Economic benefits are primarily informed by two bespoke surveys conducted for this Project:

- The resident survey: a survey targeted towards local residents of the ACT, with a final sample size of 505 respondents.
- The visitor survey: a survey designed for interstate visitors of the CTC, with a final sample size of 239 respondents.

Detailed methodology and assumptions behind the economic benefits is provided in Appendix J.

10.5.2 Calculation methodologies

Economic costs

The costs associated with the Project have been broken down in Table 10.10 below.

Table 10.10 Cost quantification method

Economic Cost	Quantification method overview
Capital Costs	Please see Appendix H for the detailed assumptions and methodology underlying the quantification of capital costs.

⁵¹ This community of interest is consistent with CBA guidelines, as discussed in Appendix J.

Whole-of Life-Costs	Please see Appendix H for the detailed assumptions and methodology underlying the quantification of whole-of-life costs.
Environmental impact from sustainable construction and operational practices	Calculated by converting the incremental forecasted electricity usage, generated purely by renewable energy sources, into carbon dioxide equivalent terms (tCO ₂ e), before multiplying it by the dollar value per tCO ₂ e.. ^{52, 53}

Economic benefits

The quantifiable benefits associated with the Project have outlined in the table below, highlighting how each benefit is conceptualised, quantified, and who the key beneficiaries are.

Table 10.11 Benefits quantification method

Benefit	Quantification method overview
Increased revenue from new and expanded theatre operations	Please see Appendix J for the detailed assumptions and methodology underlying the quantification of increased revenues from new and expanded theatre operations.
Increase in philanthropy from increased recognition	Please see Appendix J the detailed assumptions and methodology underlying the quantification of increased philanthropy.
Visiting events expenditure	Please see Appendix J for the detailed assumptions and methodology underlying the quantification of Visiting events expenditure.
Visitation expenditure	Please see Appendix J for the detailed assumptions and methodology underlying the quantification of Visitation expenditure.
Retained expenditure	Please see Appendix J for the detailed assumptions and methodology underlying the quantification of Retained expenditure.
Consumer surplus - use value	Please see Appendix J for the detailed assumptions and methodology underlying the quantification of Consumer surplus – use value.
Consumer surplus – non-use value	This benefit was found to be insignificant due to the majority portion of the ACT population identified in the user cohort. As such, it is considered a non-monetised benefit. See section 10.5.3 for further detail.
Residual value of improved assets	Residual value of assets at the end of the appraisal period post-depreciation.

⁵² NSW Treasury (2023), 'Carbon value in cost-benefit analysis', https://www.treasury.nsw.gov.au/sites/default/files/2023-03/20230302-technical-note-to-tpg23-08_carbon-value-to-use-for-cost-benefit-analysis.pdf

⁵³ Impactful Ninja (2023), 'What is the carbon footprint of renewable energy? A life-cycle assessment', <https://impactful.ninja/the-carbon-footprint-of-renewable-energy/>

11. Project Governance



11 Project Governance

The project governance as described in this section are as per approved project governance documents including the Project Governance Framework, Project Board Charter and the Terms of Reference for the Project Control Group and Risk Management Committee.

Key messages

- The Project's governance framework was approved and implemented in August 2022 for the initial phase of the Project funded in the 2022-23 ACT Budget. The governance framework is proposed to continue into the construction phases of the Project, upon approval of the capital works (construction) funding.
- The Project's governance framework aligns with the MPC Governance Framework to ensure delivery of the project in accordance with Government approvals process, consistent with other designated projects including Light Rail Stage 2, Canberra Hospital Expansion and CIT Campus Woden.
- The CTR Project was designated a Major Project in the Administrative Arrangements dated October 2019, with MPC assigned as the directorate responsible for the development and delivery of the CTR project to the Minister for the Arts (now the Minister for the Arts, Culture and Creative Economy).
- The CTR Project Governance Framework facilitates close collaboration with relevant ACT Government agencies through their representation on the Project Board, other project governance groups and through stakeholder engagement with the Project delivery team.

11.1 Governance structure and key groups

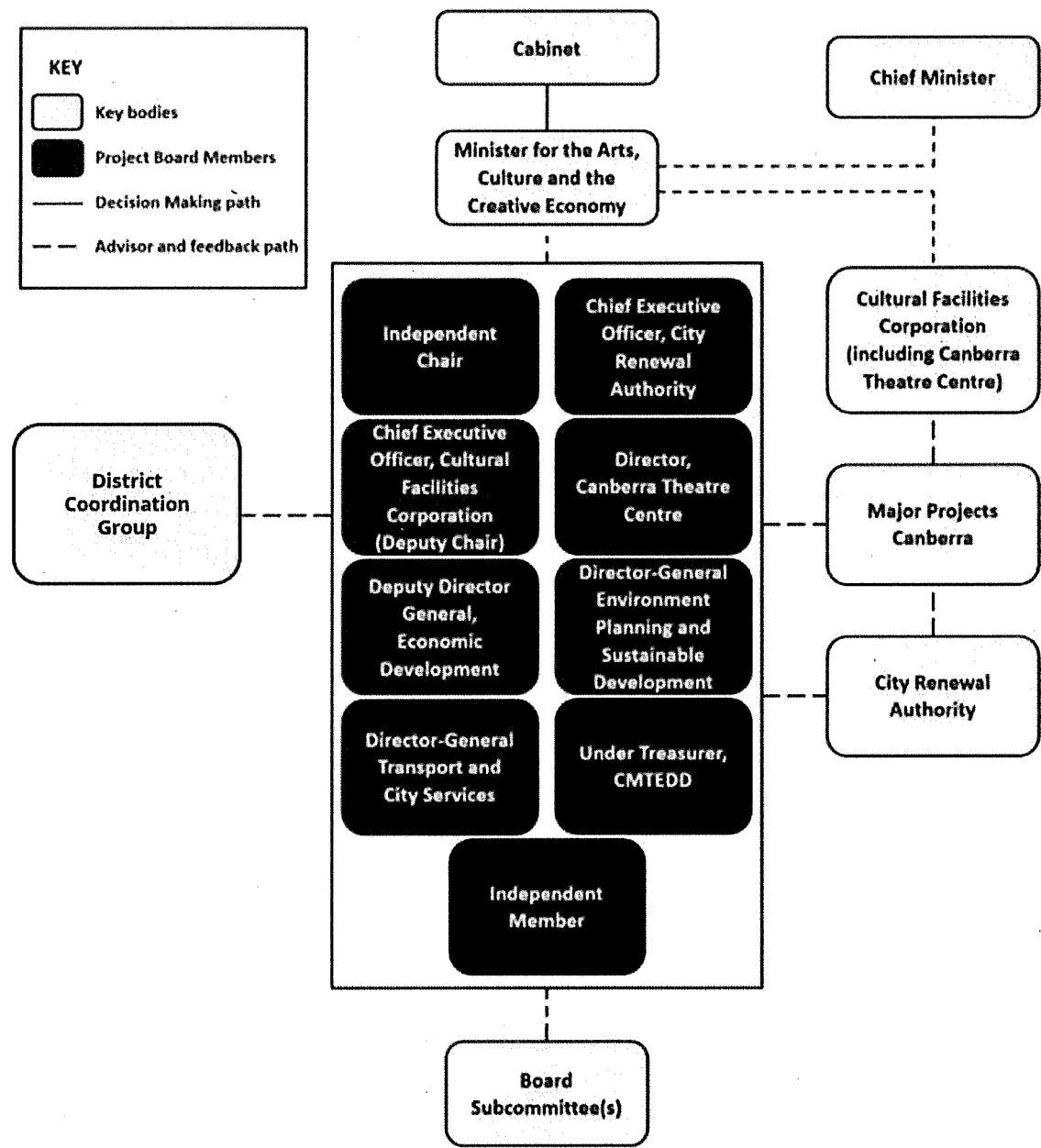
The Governance Framework for the CTR Project was implemented following the funding for design and community consultation in the 2022-23 ACT Budget. The Project Governance Framework and related documents are proposed to carry over to the construction phase of the Project and will be updated upon approval of the construction funding or as required, where there are changes to the Project arrangements.

11.1.1 Governance Structure

The established Project governance structure provides a detailed framework that will guide the successful oversight of the Project, create transparency, and offer confidence in decision-making due to clarity of roles and responsibilities. The governance structure aligns with the MPC Governance Framework for designated projects, consistent with the Light Rail Stage 2, Canberra Hospital Expansion and CIT Campus Woden projects.

The Governance structure as specified in the CTR Project Board Charter (revised April 2023) is provided overleaf in Figure 11.1.

Figure 11.1 Governance structure for the Project



Source: MPC (2023) Project Board Charter, April 2023

11.1.2 Key roles and responsibilities

The key bodies included within the Governance structure are:

- **Cabinet** – Decision making body for the investment / funding of the Project.
- **Minister** – Ministerial portfolio responsibility for the delivery of the Project.
- **Project Board** – Advisory Board providing strategic advice and guidance to the Minister responsible for the project and to the project team.
- **Major Projects Canberra** – Agency responsible to the Minister for the delivery of the Project, in collaboration with other stakeholders, including other relevant directorates.
- **Cultural Facilities Corporation** – Recipient of the redevelopment, providing advice on the functional and operational requirements of the Project.
- **City Renewal Authority** – Agency responsible for the broader District where the CTC is located, including the preparation of the preliminary concept design for the public realm of the adjacent Canberra Civic and Cultural District.
- **Canberra Civic and Cultural District Coordination Group** – providing advice to address the precinct-wide interdependencies the CTR and adjacent projects.

A further summary of the purpose and roles and responsibilities for these key bodies is provided in Table 11.1 below:

Table 11.1 Key bodies roles and responsibilities

Group	Role	Project Responsibilities
Cabinet	Cabinet is the decision-making body of the ACT Government and is responsible for the final decisions to commit significant public funds and for the efficacy of that public investment. Cabinet holds the final decision for the projects 'investment decision' and the delegation for delivery to MPC.	The following matters will be escalated to Cabinet due to their importance to the Project's success: Approval to undertake the project including the Project scope and supporting funding for the delivery of the project; Requests for amendments to project scope (if required); and Appointment of the Independent chair and independent member of the Project Board. Key decisions for the delivery of the project that require endorsement or guidance from Cabinet. Including Cross-government coordination issues (in circumstances of unresolved issues at the Project Board level); and 'Extreme' rated risks from the Project's risk schedule for advising and monitoring. The Minister for the Arts, Culture and the Creative Economy sits in Cabinet and represents the project at the Cabinet level.
Project Board	The Project Board provides strategic decision-making advice and guidance for the	The Board Charter informs the principles and administration of the CTR Project Board.

	Project and is responsible to the Minister for the Arts, Culture and Creative Economy. Led by an Independent Chair, the Project Board sits monthly and provides advice and direction to the MPC Chief Projects Officer. The Project Board also endorses recommendations that require further approvals from the Minister and/or Cabinet.	Project Board members are nominated from key ACT Government agencies relevant to the project and are required to adopt a 'best for Project' approach, whilst sitting on the Project Board. Disputes may be escalated by the Project Board Chair to the Minister. Project Board members are the leaders of key agencies with the necessary authority to make decisions on behalf of their respective organisations. Major responsibilities of the Project Board include: - Provision of advice in respect major Project issues and strategies, and objectives. - Monitoring the Project's performance. - Provision of advice in respect of 'extreme' rated risks from the risk register and awareness of 'high' rated risks. - Ensuring the Project activity complies with relevant legislation and ACT Government policies.
Major Projects Canberra	MPC is the directorate responsible for the delivery of the Project in close collaboration with other stakeholders including other relevant directorates.	MPC has been delegated responsibility for the delivery of the CTR Project, including the development of the Design, seeking of Planning Approvals and construction of the project, in accordance with the approved scope. MPC's major responsibilities include: - Delivery of the Project in accordance with Government approvals. - Management of Project funding appropriated to MPC for the Project. - Identifying, discussing, and escalating strategically important issues and risks to the Project Board, through the Chief Projects Officer and Project Director. - Secretariat of Project Board meetings including the preparation and coordination of Project Board papers and material. - Reporting on expenditure and project milestones as required by Government.
Cultural Facilities Corporation	The Cultural Facilities Corporation is the Asset owner and operator of the Canberra Theatre Centre. The CFC supports the project through the provision of advice on functional and operational requirements for the Project.	The CFC will operate the redeveloped Canberra Theatre Centre during construction and once each stage of the Project is delivered. The Cultural Facilities Corporation also provides advice throughout the life of the Project with respect to the functional and operational requirements for the redevelopment for performers, staff and patrons.
City Renewal Authority	The City Renewal Authority is charged with shaping the	The CRA holds responsibility for:

	growth of the central parts of Canberra to make it a great place to live, explore and enjoy.	The vision, direction and implementation of the Canberra Civic and Cultural District , of which the Canberra Theatre Redevelopment is a cornerstone project; and The delivery of the masterplan and design guidelines for the Civic and Cultural District (including Civic Square).
District Coordination Group	The Coordination Group supports the addressing of the precinct-wide interdependencies on the Project.	The Coordination Group will support the addressing of the precinct-wide interdependencies on the Project. The Coordination Group will be Chaired by CEO, Cultural Facilities Corporation, with Deputy Chair being CEO, City Renewal Authority, and Secretariat from Cultural Facilities Corporation. Membership is from ACT Government representatives of key district projects including Major Projects Canberra.

Source: Adapted from MPC (2023) Canberra Theatre Redevelopment Project: Governance Framework

11.2 Detailed roles and responsibilities – Project Board

The Project Board operates in accordance with a Project Board Charter which was established in June 2022 and last updated in April 2023.

Role of the Project Board

The core responsibility of the Project Board is to provide strategic advice and guidance for the Project.

Specific functions of the Board include:

- providing advice to MPC and the ACT Government in respect of the Business Case development, procurement and delivery of the Project.
- strategic oversight of the Project to ensure progress and performance against its critical path, and that the Project is meeting organisation, operational and strategic objectives.
- approving Project deliverables and endorsing changes including the scope, time, procurement strategy and budget management (within set delegated limitations).
- establishing boundaries and mechanisms for the variation of Project scope, inclusive of time and cost.
- overseeing stakeholder communication and engagement activities.
- providing advice on the resolution of project issues and decisions.
- monitoring risks and opportunities.
- acting as a point of reporting and escalation of key risks and issues.
- providing regular briefing updates and advice to the Minister and Government, as required.

The membership of the Project Board is summarised in Table 11.2 below:

Table 11.2 Project Board membership

Board Position	Individual
Independent Chair	Appointed member
Deputy Chair	Chief Executive Officer, CFC
Member	Chief Executive Officer, CRA (or delegate)
Member	Director, CTC
Member	Deputy Director-General, Economic Development within Chief Minister Treasury Economic Development Directorate (or delegate)
Member	Development Director, Environment Planning and Sustainable Development (or delegate)
Member	Director-General, TCCS (or delegate)
Member	Under Treasurer, CMTEDD (or delegate)
Independent Member	Appointed member

Source: MPC (2023) Canberra Theatre Redevelopment Project Board Charter

The diverse expertise and experience of the Project Board assist in advising on complex challenges for the Project and provides strategic guidance. The independent chair and member will provide the objectivity required to impartially evaluate the Project's progress, identifying areas for improvement and unbiased feedback.

11.3 Detailed roles and responsibilities – Supporting Committees

In addition to these groups other key governance committees include:

- **CTR Project Control Group** – the primary working group for all matters relating to the design and construction phase of the Project.
- **Risk Management Committee** – ensures that Project risks are identified and managed.
- **Board Subcommittee(s)** – to focus on specific issues that require specific stakeholder coordination.

A further summary of the purpose, roles and responsibilities for the key groups shown within the governance structure is provided in Table 11.3 below and further detailed in this Section 11.3.

Table 11.3 Key Project committees and associated members and roles

Committee	Members	Role and responsibilities
CTR Project Control Group (PCG)	MPC, CTC, CFC, Treasury, and invitees as required: including CRA, TCCS, CMTEDD and the Design and Technical Advisor.	The PCG functions as the primary working group for all matters relating to the delivery of the Project, including design, construction, and staging. It will review project decisions where these are required to advance for endorsement by the Project Board. The members and roles of the PCG are discussed further in Section 11.3.1 Project Control Group

Risk Management Committee (RMC)	MPC, CFC, CRA, EPSDD, TCCS and CMTEDD (Economic Development and Treasury)	The RMC ensures that the Project risks are identified and managed by Project personnel and relevant stakeholders. The RMC will assess and provide advice to the Project Board on all strategic risks related to the Project. The members and roles of the RMC are discussed further in Section 11.3.2 Risk Management Committee
Board Subcommittee(s)	Developed by the Project Director (as the need arises)	Board Subcommittee(s) will be formed if required, to focus on specific issues that require cross stakeholder coordination with membership to be selected to best represent their organisations. The groups provide forums for stakeholders that may be internal to the ACT Government or external people and organisations to provide input into the Project.

The CTR Project key governance documents include Terms of Reference for the PCG and RMC. Following is a summary of the information contained in those key governance documents to outline the purpose, role responsibilities and membership of these groups.

11.3.1 Project Control Group

The PCG's Terms of Reference was endorsed by the Project Board in June 2023.

Purpose of the Project Control Group

The PCG will function as the PCG for all matters relating to the Design and Delivery of the Project. It will advise on project decisions where these fall within the overarching strategy and parameters that have been approved by the Project Board as outlined below.

Role of the Project Control Group

The PCG provides guidance, direction, and oversight to the Project within the parameters that have been approved by the Board. The PCG reports to the Project Board, through the Project Director, and provides assurance to the Project Board that issues brought before the Board have been reviewed at a working group level. A copy of the minutes of the PCG meetings are provided to the Board each month. Matters on which the PCG may provide advice to the Project Director for consideration by the Board include:

- relevant operational areas involved with, impacted by, or could impact upon the development of the Project.
- scope management, brief changes, prioritisation, risk management, design, budget allocation and staging of the works.
- project cost reporting (expenditure versus budget and forecast final costs).
- progress against the project program to ensure that the Project milestones and timeframes are being met and outcomes achieved.

The Project team will be responsible for providing regular updates to the PCG.

Members of the Project Control Group

Table 11.4 below lists the members and regular attendees of the PCG. Attendees will be invited to the PCG as and when required at the discretion of the Chair.

Table 11.4 PCG Membership

PCG Role	Position
Chair	Project Director, CTR Project, MPC
Deputy Chair	Senior Design Director, CTR Project, MPC
Member	Senior Commercial Director, Commercial, CTR Project, MPC
Member	Director, CTC
Member	Technical Director, CTC
Member	Director, Facility Operations and Capital Works, CFC
Member	ACT Treasury (within CMTEDD)
Secretariat	MPC
Attendee	Director, Communications and Engagement, CTR Project, MPC
Invitee as required	Digital Data and Technology Solutions Representative
Invitee as required	CRA Representative
Invitee as required	CMTEDD Representative
Invitee as required	Architectus, Principal, Sector Leader Public
Invitee as required	Henning Larsen, Partner, Design Leadership
Invitee as required	Architectus, Design Leadership, Architecture
Invitee as required	Arup, Design Leadership, Arts Cultural Advisory
Invitee as required	Arup, Project Director, Engineering
Invitee as required	RLB, Designer's Quantity Surveyor
Invitee as required	TCCS Representative

Source: MPC (2023) Project Control Group Terms of Reference

11.3.2 Risk Management Committee

The Risk Management Committee's (RMC) Terms of Reference was endorsed by the Project Board in February 2023. The Project Board members nominated members to attend the RMC commencing from the first meeting in March 2023.

Purpose of the Risk Management Committee

The purpose of the RMC is to ensure that a common understanding of Project's risks is maintained by the project personnel and relevant stakeholders, in accordance with the Project Governance Framework. The RMC will assess and provide advice to the Project Board, through the Project Director on all strategic risks related to the Project. The RMC will also advise the Project team of appropriate mitigation strategies to address the key risks.

Role of the Risk Management Committee

The RMC provides guidance and oversight to the Project team regarding risk. Specifically, the RMC provides advice to the Project team in monitoring Project risk and escalating matters for approval through the Governance Framework where required.

Specific functions of the RMC include:

- provide risk management advice to the Project team, where appropriate, the broader project. governance bodies, including the PCG and Project Board.
- where appropriate, review and endorse individual risks identified by the Project Director.
- approve changes to risk severity and the risk rating of individual risks.
- approve retirement of individual risks.
- review and endorse risk mitigation plans and the Project team will be responsible for providing regular updates to the RMC.

Central to this process will be MPC coordinating the issues and key inputs raised by the key stakeholders to the Project.

Members of the Risk Management Committee

Table 11.5 below lists the members and regular attendees of the RMC.

Table 11.5 RMC Membership

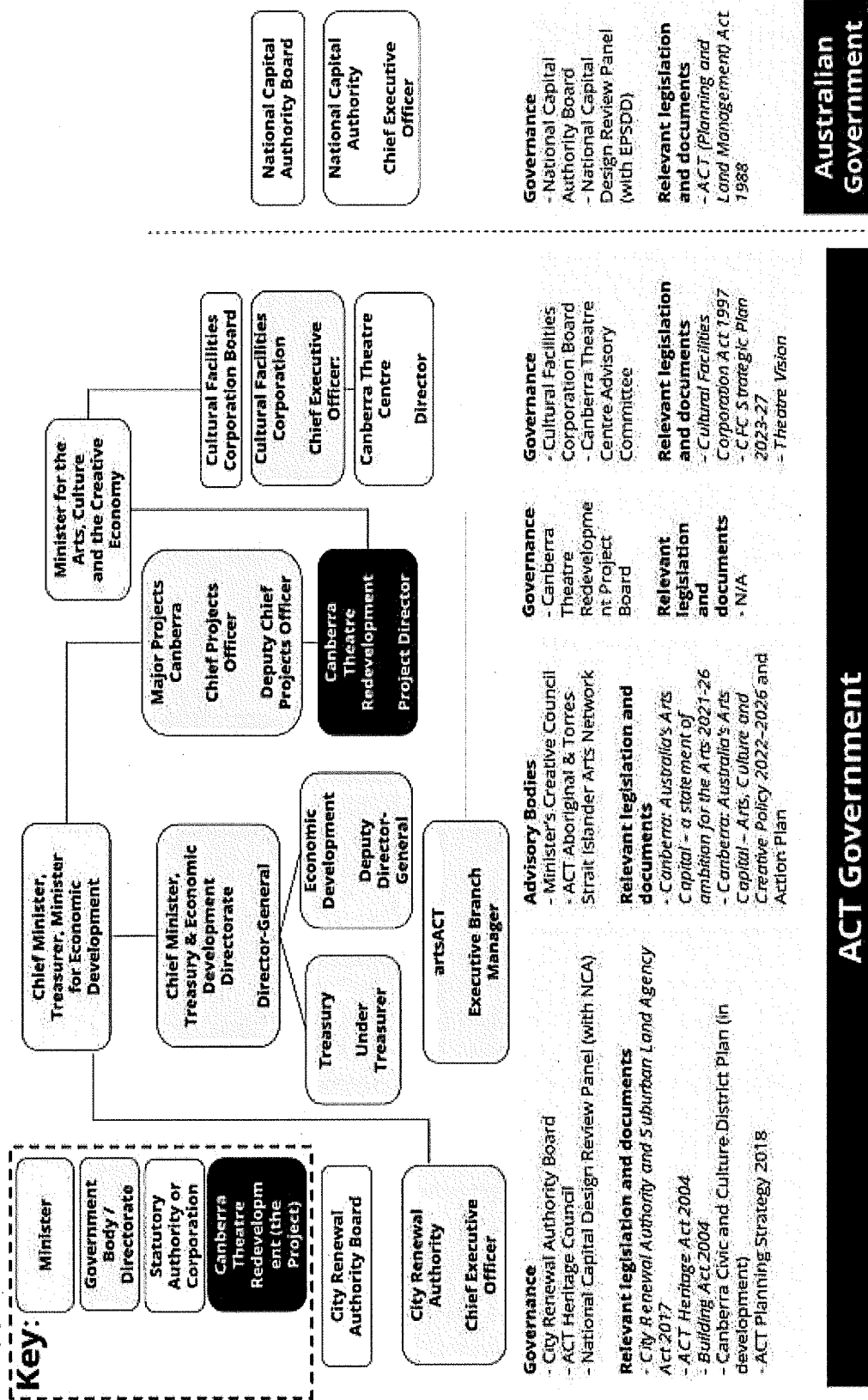
RMC Role	Position
Chair	Project Director, CTR Project, Major Projects Canberra
Member	Director, Canberra Theatre, Cultural Facilities Corporation
Member	Executive Branch Manager, City Renewal Authority
Member	Senior Director, Climate Change Policy, Environment, Planning and Sustainable Development Directorate
Member	Executive Branch Manager, City Presentation, Transport Canberra and City Services
Member	Senior Director, Infrastructure and Commercial Advice, Treasury (CMTEDD)
Member	Executive Branch Manager, artsACT, Economic Development (CMTEDD)
Member	Senior Director Design, CTR Project, Major Projects Canberra
Member	Senior Director Commercial, CTR Project, Major Projects Canberra
Secretariat	Major Projects Canberra

Source: MPC (2023) Risk Management Committee Terms of Reference

11.4 Key government stakeholders

The CTR Project and associated governance sits within a broader landscape of government stakeholders. This is shown within Figure 11.2 overleaf.

Figure 11.2 Key government stakeholders



Source: MPC (2023)

11.5 Project Resourcing

In addition to governance groups, and consistent with the delivery of designated Major Projects by MPC, dedicated project resourcing is required within MPC and CFC.

The completion of the Project (Stage 1 and Stage 2) will require funding for:

- A dedicated CTR Project delivery team at MPC (staffing profile at Figure 13.1 in the next section).
- A CFC Project team to engage with and represent the requirements, including the provision of the required technical inputs into the design development, project disruption and operational commissioning (*this team is requested through the CFC Operational Business Case*).

11.5.1 Major Projects Canberra

MPC is the directorate responsible for the delivery of the Project in close collaboration with other stakeholders including other relevant directorates (including the CFC, CRA, artsACT, TCCS and others). Development and delivery activities led by MPC includes:

- MPC contract manages the engagement for the Design and Technical Advisory Team and directs the provision of their services.
- MPC works with the CFC to determine the functional and operational requirements of the design brief.
- MPC will subsequently lead the procurement of the construction partner and delivery of the construction of the Canberra Theatre Redevelopment Project.

The proposed Project team within MPC is consistent with the resourcing engaged to deliver the other major projects in the Territory, including the Canberra Hospital Expansion and CIT Campus Woden projects.

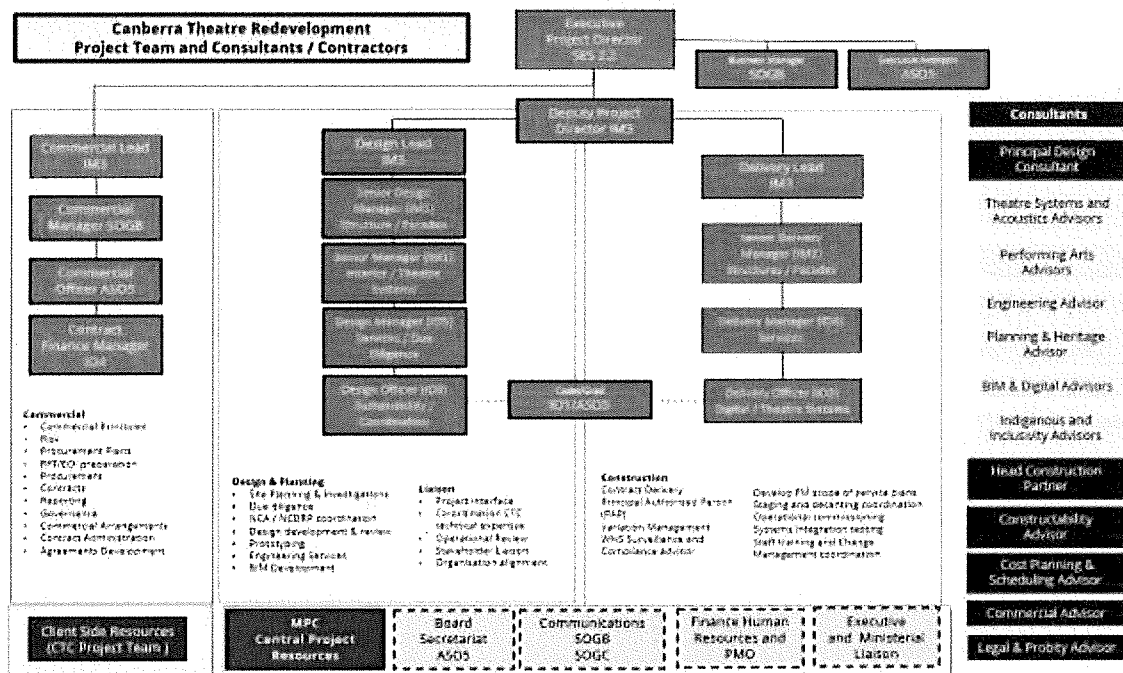
The MPC Project team under the leadership of the MPC Project Director, will be responsible for the overall coordination of the design and delivery of the Project, supporting the governance arrangements, overseeing the delivery of services by consultants and undertaking a range of extensive stakeholder consultation, including with the National Capital Design Review Panel (NCDRP) and the National Capital Authority (NCA). The team will deliver the Project according to the Project Vision and Objectives (defined within the Project Plan).

The MPC Project team's major responsibilities include:

- Implementing the delivery of the Project in accordance with Government approvals.
- Identifying, discussing, and escalating strategically important issues and risks to the Project Board, through the Chief Projects Officer and Project Director.
- Preparing Project Board papers and material, coordinated by the Project Board Secretariat.
- Endorsing the Monthly Report for issued to the Project Board for approval.

MPC's Project team structure and resource requirement is shown in Figure 11.3 below.

Figure 11.3: Project delivery team organisational structure



Source: MPC (2023)

11.5.2 Cultural Facilities Corporation

A dedicated Project team within the CFC is required to support MPC with the development of the functional and operational requirements for the design brief and the review of the design development by the Design and Technical Advisor. This team will also prepare the CFC for operational readiness and business disruption during construction. The analysis and funding required for this team is requested through the CFC Operational Business Case.

The CFC is commencing a major transformational change as a result of the CTR project. Through the coordination of BAU activities and Project Disruption, staff must continue to manage the considerable operational requirements of the existing facilities whilst preparing for a major change to the new operational environment.

Additional staff are required to plan for and implement the transformation; to build the capacity of the CFC as it moves through its renovation stages. This will enable essential customer facing events and activations, and ensure audiences are engaged in bespoke additional activities as the CFC prepares for and moves into construction stages.

11.6 Future Governance Measures

The *Cultural Facilities Corporation Act 1997* is currently under review to update the CFC's legislative requirements and governance capacity. The current project and business case assume the continuation of existing arrangements, however any governance changes for the CFC following the review will be incorporated in the Project governance framework to be updated as required.

12. Stakeholder Engagement



12 Stakeholder Engagement

There has been extensive stakeholder engagement undertaken to date to inform the design for the Project, as well as the development of the detailed stakeholder management plan to manage engagement for the Project moving forward.

Key messages

- Extensive stakeholder engagement with the community, the performing arts industry, and other Government agencies has been undertaken date to inform the early planning and design stage of the Project.
- Recent engagement activities builds on the early engagement undertaken as part of the concept design developed in 2018-19.
- MPC has developed the CTR Project Communications and Engagement Strategy 2023-24 (C&E Strategy) to guide the Project's current and future stakeholder engagement, which outlines key stakeholder groups, principles and approach, tools and channels, and monitoring, reporting, and evaluation requirements.
- The engagement is targeted to ensure key project values of Inclusion, Diversity and Accessibility are achieved. The Project team will continue to proactively identify and engage with stakeholders to ensure the Project's success and minimise the risk of delays due to stakeholder objections and issues which are discovered too late.
- Stakeholder engagement to date has confirmed that there is a high level of interest in the Project, and that the ACT community is supportive of the Project and excited about visiting the future CTC.

12.1 Stakeholder identification

Stakeholders are defined as individuals or groups that the Project affects directly, those with influence over aspects of the Project, and those potentially experiencing the Project's wider implications. Stakeholders may also be internal or external to Government.

A list of identified Project stakeholders, and their roles and levels of influence, is provided in Table 12.1. The individuals and groups identified as Project stakeholders sit across the broader community, the arts sector, special interest groups and Government. Appropriate level of engagement, a public participation goal and MPC/CFC commitments are defined as they pertain to the different Project stakeholders.

Table 12.1 Stakeholder types

Identified stakeholder groups	Inform	Consult	Involve	Collaborate	Empower
Media outlets Architectural industry Donors and philanthropists Federal Government agencies	Canberra community CTC patrons Knowledge institutions Heritage groups	Aboriginal and Torres Strait Islanders Multicultural community Disability Sector LGBTQIA+ community Local performing arts/entertainment sector Near neighbours/businesses Reference groups Interstate/international performing arts community (including current and potential venue hirers/major venues)	ACT Government Directorates NCA	ACT Government	ACT Government
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
MPC & CTC promise	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the plans developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
Role of Stakeholder	Listen	Contribute	Participate	Partner	Decide

12.2 MPC Communications and Engagement Strategy 2023-24

The CTR Projects Communications and Engagement Strategy (2023-2024) is a guiding document that outlines the approach to communications and engagement for the design and construction phase of the Project, to support achieving works approvals and social licence.

This section provides a summary of the C&E Strategy, and the full version is provided at [Appendix K](#), with the 'What we have heard' reports from stakeholder engagement at [Appendix K\(i\)](#).

MPC is responsible and accountable for the majority of communications and engagement for the Project, working closely with the design partner and partner directorates on stakeholder engagement, content, activities, initiatives and action plans.

The Project Team's strategy to leverage opportunities and manage negative issues is reflected through the objectives of the C&E Strategy. They demonstrate how the Project aims to meet stakeholder, community and audience needs.

The C&E Strategy has four key objectives:

- Provide meaningful, inclusive and accessible opportunities for stakeholders and the community to provide input.
- Identify and build relationship with stakeholders.
- Keep community and stakeholders updated on the Project's progress.
- Increase awareness and understanding of the Project's purpose and benefits for Canberra and the arts sector.

To achieve its four objectives, the activities within the C&E Strategy are guided by these principles:

- **Coordination:** activities are strategically coordinated to gather input at the right time and avoid duplication.
- **Collaboration:** bringing the community and stakeholders on the journey from design to delivery.
- **Connection to Country:** First Nations engagement (led by the Design partners' first nations consultant, Yerrabingin).
- **A story for every place – a place for every story:** where possible applying the story-telling theme of 'a story for every place – a place for every story' (from the National Cultural Policy) to designing engagement activities across audiences, including with First Nations people and their connection to the Country.
- **Inclusion, Diversity and Accessibility:** ensuring the voices of people who are culturally and linguistically diverse, living with a disability and those who identify as LGBTQIA+ are heard and considered.
- **Based on insight:** activities are framed and supported by research and insights.

Any issues and/or complaints identified during stakeholder consultation will be managed through a feedback loop and reported directly to the design or other relevant team. The strategic selection

of the key stakeholder groups identified above, and ongoing consultation with them will mitigate major design and development risks by ensuring their concerns are captured early.

Initial Project risks have been observed in early stakeholder mapping and documented in the risk register, so that they are monitored and mitigated by relevant stakeholder engagement. The risk register is a live document and will continue to be updated should new risks be identified during stakeholder engagement, so that they can be appropriately managed.

At the time of writing this Business Case, there are no active stakeholder issues that the Project team needs to address that are preventing the Project team from seeking the required project investment or proceeding according to the currently planned timing. The Project team will continue to monitor for any issues that may arise during Project delivery.

12.3 Outcome of stakeholder engagement to date

This section provides an overview of the extensive stakeholder engagement that has been conducted to date for the Project.

12.3.1 Stakeholder engagement (2022 – present)

Table 12.2 (on the next page) summarises the stakeholder engagement which has been carried out since 2022 design budget approval to develop the Project design, building on engagement undertaken during the previous concept design and draft project analysis project phases.

The CFC has continued to lead ongoing consultation with the national and international performing arts sector through its ongoing commercial relationships and professional networks. This has occurred through informal conversations, planned briefings, in-person meetings and at industry forums.

MPC's Design Team has carried out detailed design consultation with theatre users in collaboration with CFC. The team is also engaging with the major theatres in other Australian states to understand relevant theatre, technical and operational specifications as a benchmark to ensure a seamless transition for major touring productions.

The Project team captures and manages the data and inputs from stakeholder engagement using Consultation Manager, an online records management system. Consultation Manager allows for systematic recording, tracking and reporting on stakeholder information, feedback and interactions

Table 12.2 Stakeholder engagement (2022-present)

Stakeholder	Summary	Outcomes
ACT Government Directorates	To ensure there is a whole of government coordinated approach and an overarching plan to the district, as opposed to isolated developments through engaging CRA, CMTEDD (artsACT, Economic Development and other relevant areas within CMTEDD), TCCS, EPSDD, ACT Heritage and MPC (Light Rail).	CRA: Ongoing collaboration with City Renewal Authority for future CTC integration with CCCD. CMTEDD: Ongoing collaboration with Treasury, artsACT and Economic Development to ensure integration between projects. TCCS: Provided guidance on parking and transport integration, integration with City Services' land and collaborated on plans to relocate Civic Library. EPSDD: alignment with City Plan and other policies. ACT Heritage: Worked with ACT Heritage to finalise Civic Square Conservation Management Plan (CMP). MPC: Project integration with Light Rail project.
Performing Arts Reference Group (PARG)	The PARG was established to provide MPC with an insight from Canberra's local performing arts sector and to keep them informed. The PARG is made of 19 representatives from Canberra's performing arts sector and audiences with diverse community representation.	PARG meetings have so far provided insights into themes of Diversity and Inclusion, Studio Theatre, Food and Beverage for consideration by the design team.
Aboriginal and Torres Strait Islander communities	Yerrabingin (First Nations consultancy) is part of the design team and leads engagement with First Nations communities and stakeholders to ensure their knowledge and input is incorporated, and Country and Culture is respected.	Understanding the requirements of Aboriginal and Torres Strait Islander peoples in theatre planning to enable flexible spaces, diverse programming and ways of experiencing performance. Celebration of First Nations Culture, ensuring the connection to Country is respected in design decisions.

Theatre user groups and staff	Detailed design consultation meetings and workshops. Staff and user groups provide input on what works/does not work in current setting.	Meetings and user group workshops have provided insight on their current experiences and feedback on designs to help guide design decisions.
LGBTQIA+ Community	Ensure theatre spaces are safe and inclusive of LGBTQIA+ people by providing input into design including gender sensitive guidelines to planning, inclusive signing, and safe rehearsal spaces, dressing rooms, and amenities.	Consultation with Office for LGBTIQ Affairs has informed approach to consultation, with opportunities being planned for 2024. There is diverse representation amongst PARG members. The 'Diversity and Inclusion' themed meeting provided the design team with insights into considerations of identity, representation, safety and inclusion.
Disability communities	People with disabilities and/or their carers have the opportunity to provide input on creating inclusive and accessible theatre spaces – whether artist, audience or employee. Diverse voices are heard through the PARG membership.	Insights and understanding of the diversity of physical and mental health needs in the community. This includes considering overall access to and around the CTC for people with mobility requirements, seating arrangements (e.g. more accessible seating), quiet spaces, use of technology (e.g. headsets for those with sensory challenges), hearing loops and audio description. The 'Diversity and Inclusion' themed PARG meeting additionally provided the design team with insights into considerations of access, identity, representation, safety and inclusion. The workshop 'designing an inclusive and accessible Canberra Theatre Centre' held on 13 December 2023 heard from number of people with lived experience of disability and the peak bodies that support them. Further workshops and engagement opportunities will continue in 2024 and throughout the life of the Project.
Multicultural communities	Providing culturally and linguistically diverse communities an opportunity to create a culturally safe, inclusive and fit-for-purpose venue.	A workshop with members of the Minister's Advisory Council for Multiculturalism was held on 22 November 2023. Consultation

		opportunities will continue into 2024 and throughout the life of the Project. The 'Designing a culturally safe and inclusive Canberra Theatre Centre' consultation report is available at Appendix K.
	Local Canberra community including nearby businesses online and in-person opportunities to contribute ideas on improving theatre experience, including current and future theatre attendees, accessibility, inclusion, cultural diversity, and safety.	Community consultation conducted from 3 October to 4 December 2023 via YourSay website, staffed pop ups at CTC, Canberra Centre and Dickson Shops as well as through survey kiosks at CTC and Woden Library. • Key findings from the consultation were: • Importance of good seating in the performance. • Need for better pre-show amenities including food and beverage. • Importance of location and design – integration and vibrancy. Safety considerations: safe and well-lit walkable pathways to the theatre. • Accessibility: importance of catering for a diversity of physical and mental health needs was also seen as important. • Importance of nearby accessible transport and parking. • The community consultation report is available at Appendix K.
Canberra community		
Performing arts sector (national and international)	Engage with the national performing arts sector to understand requirements. Additional opportunity to position Canberra as Australia's arts capital.	Meetings undertaken between MPC, CFC and theatre operators from major Australian venues to understand the technical and operational requirements and lessons learned from previous projects.

	Inform sector of the improved capability and capacity to host national/international arts/music events.	
	Meaningful engagement of the local performing arts sector on this Project will ensure that the Project meets the current and future needs of audiences and Canberra's performing arts sector. Local performing arts sector are kept informed to make them part of the process. Opportunity to reinvigorate Canberra's local arts sector and attract greater investment.	In addition to the PARG meetings noted above, briefings and meetings have occurred with local venues and stakeholders in the sector, including the Minister's Creative Council. A workshop was held with local venues including Ainslie and Gorman Arts Centres, Belconnen Arts Centre, Canberra Theatre Centre, Kambri, Llewellyn Hall, The Street, Tuggeranong Arts Centre and Queanbeyan Arts Centre.
Local performing arts sector	Knowledge institutions including CIT, ANU, UC, ACU, local primary and high schools and regional schools are informed and engaged to understand their requirements.	A workshop with local schools held in September 2023 informed the design team of considerations for student groups. Further workshops are planned for 2024. Briefing sessions have occurred with University of Canberra and ANU (Kambri and Llewellyn Hall – through the venues workshop).
Knowledge institutions		

12.3.2 Stakeholder engagement for the design and proof of concept development (2019-2020)

Extensive feedback from the Arts sector was sought from August to October 2019. This stakeholder input helped inform the early proof of concept.

In 2020, the CFC and MPC consulted with the performing arts sector, including Australia's major performing arts companies, commercial producers, creatives, live music promoters, comedy promoters and sector bodies, to further understand requirements for a modern theatre centre.

MPC also consulted a wide range of relevant Directorates within the ACT Government covering areas such as sustainability development, traffic matters, tourism, site security and the possibility for relocation of the Civic Library.

A summary of the stakeholders who were consulted during this phase is provided in Table 12.3 below:

Table 12.3 Stakeholder engagement for concept design and draft project analysis

Stakeholder	Overview
ACT Government Directorate/Area	
ACT Treasury (part of CMTEDD)	Core Government area part of the steering committee.
The CFC including the CTC	Core Government area part of the steering committee.
artsACT (part of CMTEDD)	Core Government area part of the steering committee.
MPC	Core Government area part of the steering committee.
CRA	Core Government area part of the steering committee.
TCCS (including Roads ACT and Libraries ACT)	Initial engagement on transportation/traffic matters, and to inform a relocation strategy for the Civic Library.
EPSDD	Consultation in relation to car parking and sustainable infrastructure development matters.
Economic Development Stream (part of CMTEDD)	Engagement with events and tourism areas of the Economic Development Stream.
Justice and Community Safety Directorate	Consultation on matters relating to potential site security matters and issues.
Access Canberra	Engagement to inform a relocation strategy for the Access Canberra drivers licence hub in Civic Library.
ACT Heritage Council	Information in relation to the provisional heritage listing of the Civic Square and CTC buildings.
NCA	In late 2019, the ACT Government initiated initial conversations with the NCA regarding the Project. This early engagement was to assist in ensuring that the next stages of the Project take into consideration National Capital Plan planning conditions for design and development in the City Hill Precinct. Ongoing engagement will occur with the NCA as

	the Project progresses, including with the National Capital Design Review Panel (NCDRP) during subsequent design stages.
Sector consultations	
National Theatre Producers and Promoters	9 national organisations consulted
Contemporary Music Promoters (National and Local)	5 organisations consulted
Local ACT Arts Organisation and Venue Users	15 local organisations consulted
Public consultation forum (August 2018)	Representatives from over 70 organisations were invited to the forum, with those in attendance providing representation from government and non-government owned performing arts venues, and from the local dance, theatre, and music sectors. A wide range of insights were gained from those in attendance at the forum, including feedback supporting new and redeveloped CTC spaces and a new 300 seat black box theatre at the CTC.

13. Advisor Engagement



13 Advisor Engagement

This section of the Business Case outlines the specialist and expert advisor roles necessary to support delivery of the Canberra Theatre Redevelopment project.

Key messages

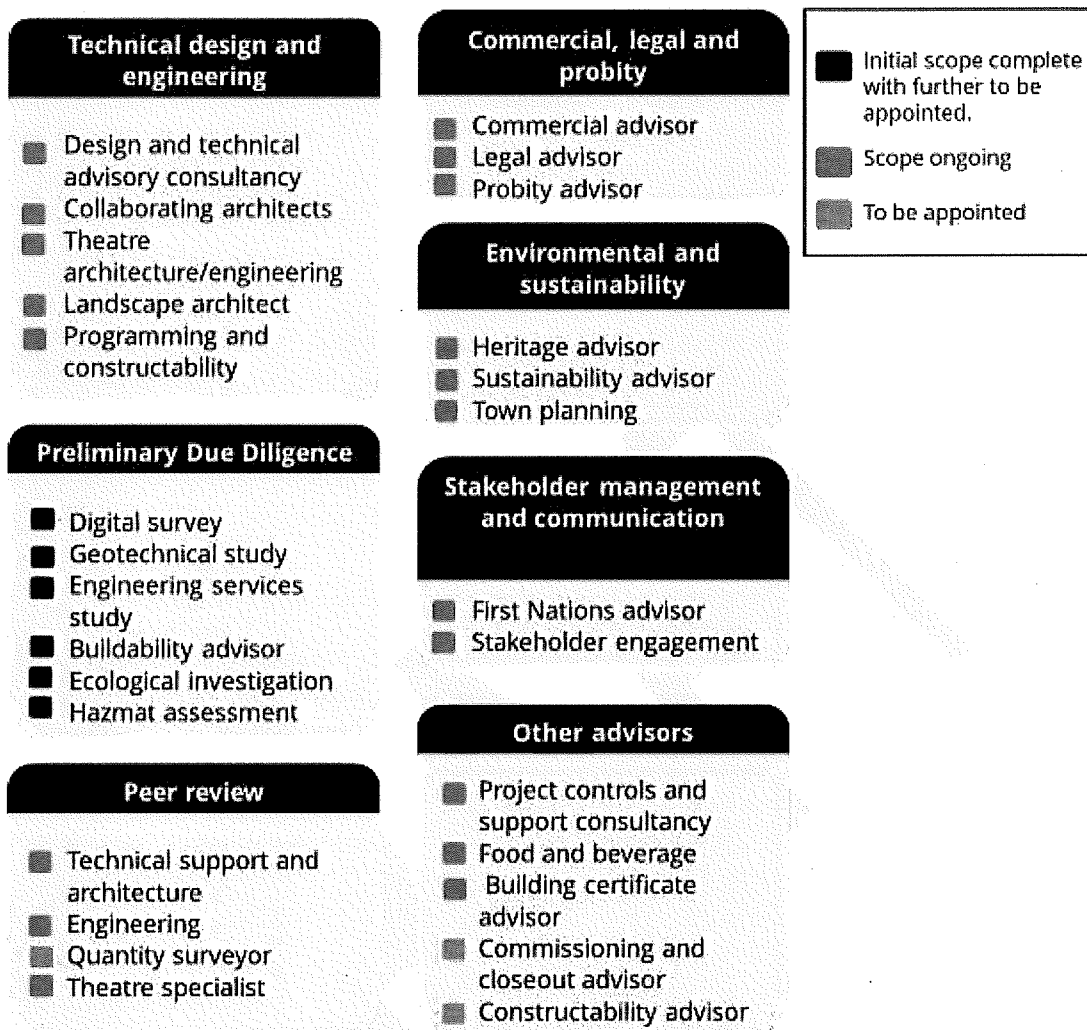
- The Canberra Theatre Redevelopment project was funded in the 2022-23 ACT Budget to commence development of the Project design and prepare for planning approvals.
- Taking into the consideration the scale, complexity and brownfield nature of the project, including the specialist nature of good theatre design, the Project team has engaged a number of external advisors to provide specific expertise and support for the successful delivery of the Project.
- The advisors appointed provide expertise and advice across various specialist fields including design, technical and engineering, environment and sustainability, peer review, stakeholder management and communications, legal, probity, commercial and due diligence.
- Following Business Case approval, the focus of the advisors will be to support the Project through design finalisation, procurement of the main contractor, delivery and eventual commissioning and close out of the redeveloped Canberra Theatre Centre.

Following 2022-23 ACT Budget approval for commencement of the design and planning approvals for the Canberra Theatre Redevelopment project, various expert advisors were appointed to progress the design development, prepare for planning approvals, undertake community engagement and develop the construction Business Case.

Some of the engagements have since completed their scope, primarily early due diligence and site investigations to inform the tender process for the Design and Technical Advisors, while other engagements will continue through the development of design and will be ongoing through the construction phase.

Additionally, further expert advisors are awaiting procurement and appointment to support the project going forward (primarily the Principals Quantity Surveyor and Constructability Advisor). Figure (overleaf) below provides a summary of all external advisors to the project.

Figure 13.1 Project External Advisors



The following subsections provide further details regarding the purpose and required scope for each of the identified external advisors.

13.1 Technical design and engineering

Given the complexity of high-quality theatre design coupled with the challenges of a major redevelopment project, a multi-disciplinary and specialist Technical Design and Engineering Advisors team have been engaged for the Project. The engagement of the lead Design and Technical Advisor was announced on 11 May 2023, following a two-stage international tender, with the appointment of Architectus, Henning Larsen and Arup as the lead consultants.

Technical advice relating to architecture and urban design, theatre design and engineering, developing the design to 'planning approval ready' and cost estimation for project delivery has been completed to date. A summary of Design and Technical Advisors current team is provided in Table 13.1 below:

Table 13.1 Technical design and engineering advisor summary

Advisor; Role	Scope	Start date; Status	Directorates Involved
Architectus; Design and Technical Advisory Consultancy	The Design and Technical Advisor Lead is providing a range of advisory services including architecture and urban design, theatre design, acoustic, town planning, heritage, engineering and sustainability, as well as cultural advice and stakeholder engagement. The design is being developed by the Advisor to a level that will be 'planning approval ready' for submission to the NCA Works Approval. Following ACT Government approval of the construction Business Case, the design will be submitted for works approval and further developed up to "Issued for Construction" drawings. (Architectus is the head contractor of the Design and Technical Advisor)	May 2023; Scope Ongoing	MPC, CFC
Henning Larsen; Collaborating Architect	Supporting Architectus through bringing their internationally renowned experience in designing high quality theatre projects and architectural expertise. (Henning Larsen is subcontractor to Design and Technical Advisor)	May 2023; Scope Ongoing	MPC, CFC
Arup; Theatre Architecture/ Engineering/ Building Services and Traffic	Supporting Architectus through bringing a combination of their international experience as theatre designers and engineers and experience over recent years assisting with the visioning for the CCCD and CTC. (Arup is subcontractor to Design and Technical Advisor)	May 2023; Scope Ongoing	MPC, CFC
CK Architecture; Collaborating Architect	Complementing the Architectus and Henning Larsen team with their local knowledge, being a Canberra-based architectural practice (CK Architecture is subcontractor to Design and Technical Advisor).	May 2023; Scope Ongoing	MPC, CFC
Aspect Studios; Landscape Architect	Advising on the planning, design, and management of the built and natural environments within the Project. The Advisor brings experience on major projects in Canberra and experience working with the Architectural team. (Aspect Studios is subcontractor to Design and Technical Advisor)	May 2023; Scope Ongoing	MPC, CFC

RP Infrastructure; Programming and constructability	Providing project management and programming and conduct the constructability assessment. (RPI is subcontractor to Design and Technical Advisor)	May 2023; Scope Ongoing	MPC, CFC
Group DLA; Access/Disability Discrimination Act (DDA)	Consulting on building regulations, certification, and managed solutions. (Group DLA is subcontractor to Design and Technical Advisor)	May 2023; Scope Ongoing	MPC, CFC
Salus Risk Consulting; Risk/Safety in Design	Consulting on the creation of functional, inclusive, and safe workplaces and built environments that comply with Work Health and Safety (WHS) standards. (Salus is subcontractor to Design and Technical Advisor)	May 2023; Scope Ongoing	MPC, CFC
RLB; Design Quantity Surveyor	Developing ongoing capital and WOL cost estimates for the Project. (RLB is subcontractor to Design and Technical Advisor)	May 2023; Scope Ongoing	MPC, CFC

13.2 Preliminary due diligence

Preliminary due diligence on the site and existing buildings has been undertaken to confirm its suitability and risks associated with the new build and redevelopment of existing facilities, which is of particular importance when developing across a brownfield site. The due diligence process included planning engineering and design, site investigation, environmental assessments, analysis and research, and defining potential risks and Project scope. Further information on the Due Diligence Advisors is found in Table 13.2.

Table 13.2 Due diligence advisor summary

Advisor. Role	Scope	Start date; Status	Directorates Involved
Lonergan; Digital Survey	Produced a comprehensive digital base model, both external and internal, of the entire theatre complex, including the surrounding site, to be suitable for use in the planning, design development and construction of rehabilitation and upgrade activities at the complex. This program of works involves the survey and 3D scanning of existing buildings, their surroundings and the development of a base 3D building information model (BIM). The requirement is to create an accurate digital record of the	December 2021; Scope Complete	CRA, MPC

	existing buildings and surrounds to create a baseline of current as-built information, and to facilitate future projects within the complex.		
ACT Geotechnical Engineers; Geotechnical Study	Developed a geotechnical investigation of Section 19, City including bore hole sampling. Deliverables include a Geotechnical factual investigation report, technical results of bore hole samples, a site map indicating the location of each bore hole and bore sample reference number and necessary ongoing ground water monitoring.	May 2022; Scope Complete	CRA, MPC
Indesco; Engineering Services Study	Reviewed existing engineering services and traffic analysis for the theatre precinct, including the preparation of a district Engineering Services Master Plan and undertaking a traffic and carparking assessment for Section 19 City.	October 2022; Scope Complete	CRA, MPC, TCCS
Multiplex; Preliminary Buildability Advisor	Developed preliminary construction planning advice for the Project, including staging strategies, program and site establishment options to inform design development.	May 2023; Scope Complete	MPC
Umwelt; Ecological Investigation	Developed the ecological due diligence studies such as inspections and/or investigations of relevant flora and fauna within the proposed site boundary and taking all necessary steps to meet the objectives of the Environment Protection and Biodiversity Conservation Act 1999. Other studies undertaken included developing, in consultation with MPC, an ecological due diligence studies report which compiles inspection records and/or investigations of relevant flora and fauna within the proposed site boundary.	December 2021; Scope Complete	CRA, MPC
WSP Australia Pty Limited; Hazmat Assessment	Developed a limited intrusive hazardous materials assessment, and produce a Hazardous Materials Report, for the purpose of design development and costing of the proposed extensive refurbishment of the existing CTC and The Playhouse.	May 2023; Scope Complete	CFC, MPC

13.3 Peer review team

Advisors have been engaged to conduct peer reviewing concurrently with the technical design and engineering stream. The role of the Peer Review Advisors is to provide a rigorous and objective evaluation of the design to identify any errors or omissions and the assess the overall clarity and quality of the design. More information on the Peer Review Advisors can be found in Table 13.3.

Table 13.3 Peer review advisor summary

Advisor; Role	Scope	Start date; Status	Directorates Involved
NBRS Architecture; Technical Support and Architecture Peer Review	Provides client-side advice on the design for the Project, initially throughout the design phase during 2023 and 2024. Scope also includes the subdivision and title consolidation works for the blocks required to support the Project. Assuming that funding is provided for the construction phase, the Technical Support and Peer Review engagement could, at MPC's discretion, be extended to provide further advice during the construction, commissioning, and defects liability period up to Project completion. The consultant will be required to provide an independent peer review across all engineering disciplines and from an architectural and planning perspective, of the design and other technical documentation developed by the Design and Technical Advisor.	February 2023; Scope ongoing	MPC, CFC
Northrop; Engineering Peer Review	Provides an objective evaluation and quality assessment of the technical designs across all engineering disciplines. (Northrop is subcontractor to Technical Support and Architecture Peer Review Advisor)	May 2023; Scope ongoing	MPC, CFC
MI Global Partners; Theatre Advisor	Provides client-side advice on the design for the Project, from a Theatre functionality and operational perspective, initially throughout the design phase during 2023 and 2024. Assuming that funding is provided for the construction phase, the Advisor engagement will potentially be extended to provide further advice during the construction, commissioning, and defects liability period up to the estimated completion date of 2028.	May 2023; Scope ongoing	MPC, CFC
Principals Quantity Surveyor	To provide client-side review on the construction budgets developed by the design team and ad hoc costing advice for the Project.	Anticipated March 2024; Not yet appointed	MPC

13.4 Financial, commercial and procurement

As the Project is a Tier 1 project with significant scale and complexity, a Commercial Advisor was engaged to develop the Construction Business Case and to provide ongoing commercial advisory services through the duration of the subsequent Project delivery. Deloitte was engaged as Commercial Advisor in August 2023. See Table 13.4. below for further details about the Commercial Advisor's scope.

Table 13.4 Financial, commercial and procurement advisor summary

Advisor; Role	Scope	Start date; Status	Directorates Involved
Deloitte; Commercial Advisor	Undertaking Business Case and developing commercial advise for the Project, including providing guidance and expertise in the procurement process and preparation of the procurement documentation for the Delivery Contractor, providing ongoing commercial advice, value management input, and contract administration advice.	August 2023; Scope Ongoing	MPC

13.5 Legal

Due to the scale and complexity of the Project, the need for an external Legal Advisor was identified during development of the Tier 2 Design Business Case. The Legal Advisor has a key role in advising on project agreements, to ensure the risk allocation and contract terms are commensurate with the risk appetite of Government.

The Project has appointed Clayton Utz as Legal Advisor for the duration of the Project. See Table 13.5 below for further details about the Legal Advisors scope.

Table 13.5 Legal advisor summary

Advisor; Role	Scope	Start date; Status	Directorates Involved
Clayton Utz; Legal Advisor	Providing legal support to the Project including contract drafting, assistance during negotiations, interface issues with multiple delivery packages, potential novation of the design and technical advisors to a construction contractor and general advice during these engagements. To date, the Legal Advisor's role on the Project has included contract drafting of the Design and Technical Advisor. Moving forward, the Legal Advisor is required to support Government across the duration of the Project.	March 2023; Scope Ongoing	MPC

13.6 Probity

To ensure the Project procurement remains fair, transparent, defensible and robust, a Probity Advisor has been engaged to oversee the procurement process and maintain probity. Further information on the Probity is shown in Table 13.6.

Table 13.6 Probity advisor summary

Advisor; Role	Scope	Start date; Status	Directorates Involved
Sparke Helmore; Probity Advisor	Providing probity guidance for the Project, commencing with the procurement of the Design and Technical Advisor including the preparation of a probity plan, reviewing procurement documentation, delivering probity briefings and attending interactive and assessment meetings. This Advisor is also the Probity Advisor for the Contractor. The Advisor is required to support Government across the duration of the Project.	August 2022; Scope ongoing	MPC

13.7 Environment and sustainability

A number of Environmental and Sustainability Advisors have been engaged by the Project team to mitigate the impact of the Project on the local environment and to ensure its long-term sustainability. The CTC is a significant heritage asset as Australia's first performing arts centre, and a Conservation Management Plan has been developed to ensure its preservation. Furthermore, an Ecological Investigation and Hazmat Assessment have been undertaken to review current local ecology and existing hazardous materials in use that must be considered during refurbishment as noted in Table 13.2 above. See Table 13.7 below for further information on the scope of the Environmental and Sustainability Advisors.

Table 13.7 Environmental and sustainability advisor summary

Advisor; Role	Scope	Start date; Status	Directorates Involved
Phillip Leeson Architects; Heritage Advisor	Developed a Conservation Management Plan (CMP) for the Civic Square Precinct in accordance with the Heritage Act, the values identified in the Register entry for the Precinct, ACT Heritage Council's CMP Guiding Principles, the principles set out in the Australia International Council on Monuments and Sites Burra Charter. These principles set out the conservation policies and implementation strategies for the Precinct's future management. This advisor was procured through TCCS, as the asset owner of Civic Square.	February 2021; Scope ongoing	CMTEDD, CRA, CFC, EPSDD, MPC, TCCS, Office of the Legislative Assembly

GML; Heritage Advisor	Provides heritage consulting services and expertise across heritage, history, built environment, landscaping, archaeology, interpretation and design, and climate heritage. GML have worked on large project consortia and bodies including ACT Heritage, the NCA, and MPC. (GML is subcontractor to Design and Technical Advisor)	May 2023; Scope ongoing	MPC
Arup; Sustainability Advisor	Provides sustainability and green star rating advisory. (Arup is subcontractor to Design and Technical Advisor)	May 2023; Scope ongoing	MPC
Planit; Town Planning	Provides town planning services including environmental assessments and sustainability. (Planit is subcontractor to the Design and Technical Advisor)	May 2023; Scope ongoing	MPC

13.8 Stakeholder management and communication

As detailed in Section 12, MPC is leading the stakeholder management and communication for the Project and has engaged two Advisors to support with the stakeholder engagement and community consultation as part of a two-phase approach to the planning and design phase. These Advisors are summarised in Table 13.8.

Table 13.8 Stakeholder management and communication summary

Advisor; Role	Scope	Start date; Status	Directorates Involved
Communication Link; Stakeholder Engagement	The advisor provides consulting services for community consultation and stakeholder engagement. (Communication Link is subcontractor to Design and Technical Advisor).	May 2023; Scope ongoing	MPC
Yerrabingin; Stakeholder Engagement	The Advisor is part of the design team and leads engagement with First Nations communities and stakeholders to ensure their knowledge and input is incorporated into the Project. (Yerrabingin is subcontractor to Design and Technical Advisor)	May 2023; Scope ongoing	MPC

13.9 Other specialists

The Project team has engaged other specialist advisors to support the Project to date. These advisors have provided project management capability, facilitated the activities of the PARG, defined the CTC Vision and Strategy and future operating model. A summary of the scope of other advisors is included in Table 13.9 Other advisory summary as detailed below.

Table 13.9 Other advisory summary

Advisor; Role	Scope	Start date; Status	Directorates Involved
PwC (Scyne Advisory); Project Controls and Support Consultancy	Developed the Management Plans for the Project, provide the Project team with ongoing Project Controls management, report to the MPC Executive and Project Board, and Project Resourcing support.	October 2022; Scope ongoing	MPC
Future Food; Food and Beverage Consultant	Providing financial modelling for the upgraded existing and new food and beverage offerings which will be implemented as part of the Project. (Future Foods is subcontractor to Design and Technical Advisor)	October 2023; Scope ongoing	MPC
Planit; Town Planning	Providing town planning services for planning approvals (NCA Works Approval). (Planit is subcontractor to Design and Technical Advisor)	May 2023; Scope ongoing	MPC
Blackett Maguire + Goldsmith; Building Certification Advisor	Providing building regulations, consulting, and certification services. (BMG is a subcontractor to the Design and Technical Advisor)	November 2023; Scope ongoing	MPC
To be appointed; Commissioning and Closeout Advisor	To complete onsite and administrative tasks as part of the project management closeout process and hand over to the operational team. The Advisor will be engaged close to the completion of each Stage.	[to be confirmed]	MPC
To be appointed; Constructability Advisor	To provide Constructability advice to the design team including construction methodology, program and staging.	Early-mid 2024	MPC

14. Timeline



14 Timeline

This section outlines the proposed Project Program for the Canberra Theatre Redevelopment, provides details on the key decision points and milestones, and draws out timeline assumptions, dependencies, and constraints.

Key messages

- The CTR Project is presented for a two-stage delivery, with stage one being the new lyric theatre, loading dock and interface to the existing facilities, and stage two the refurbishment of the existing venues, Canberra Theatre, The Playhouse, Courtyard Studio and the Link Building.
- The anticipated date for the opening of Stage 1: Construction substantial completion is the end 2027, followed by operational commissioning, with project completion and opening in mid-2028.
 - This is based on Project approval and funding being provided for Stage 1 in the 2024-25 ACT Budget and the completion of the construction procurement process by mid-2025.
- The anticipated opening date for Stage 2: Construction substantial completion end 2029, with project completion and opening in mid-2030.
 - This is subject to future Government approvals and funding to complete design and the construction procurement process by mid-2027.
- Key external dates such as the 60th Anniversary of the theatre in June 2025, as well as implications of working within a live theatre environment have been taking into consideration when developing the Project program.
- The program has considered interfaces with notable adjacent projects within the city centre and overlapping construction timeframes. The Project team will continue to liaise with key stakeholders and external delivery teams for these projects to anticipate and mitigate any potential timing or interface program impacts.
- The revitalisation of Civic Square holds an important alignment the delivery of the new Link in Stage 2, to meet the outcomes of the Canberra Theatre Redevelopment.
- The Project program will continue to be assessed and refined throughout the ongoing design development, documentation and construction phases.

14.1 Project timeline

The Project Program for the preferred Project Option is

Key activities of the Project Program include:

- **Design and Planning Approvals** – Activities for design and planning approval stream are underway, with planning approval anticipated by early 2025 and design finalisation for stage one of construction scheduled for mid-2025.
- **Procurement** – Procurement activities are expected to commence in July 2024 with an initial Market sounding and shortlisting followed by the shortlisted Tender process and approach to market in early 2025. The construction contract is expected to be awarded in mid-2025.
- **Construction** – The overall construction timeline for the Project is expected to be completed in approximately 3 years for stage 1 with planned completion in mid-2028 plus a further 2 years for stage 2, subject to further approvals. The construction timeline for Stage 1 is subject to the procurement of the preferred Contractor and the program agreed with the successful bidder.

14.1.1 Project Milestones

A key element of the Project is to ensure that theatre operations continue throughout the construction phase, therefore the Project will be completed in two stages.

The construction phase will be split into two stages:

- **Stage 1:** Is set to commence in mid-2025 and involves the construction of the new Lyric Theatre, the Loading Dock and key building interfaces with the existing back of house of The Playhouse. This stage is expected to be complete by June 2028.
- **Stage 2:** subject to further Government approvals and funding, is proposed to begin in mid-2028 following operational 'go-live' of the new Lyric Theatre. This stage involves undertaking a redevelopment of the existing Canberra Theatre, The Playhouse, the Courtyard Studio and the Link Building. This stage is expected to be complete by mid-2030.

Table 14.1 outlines the high-level scope included per stage and the proposed opening date per stage.

Table 14.1 – Indicative Opening Date for Each Stage for the Preferred Option.

Stage	Indicative Opening Date
Stage 1 – Construct new Lyric Theatre, Landbridge and associated interface works with the back of house for The Playhouse venue.	Early to mid-2028
Stage 2 – Following operational 'go-live' of the new Lyric Theatre, undertake refurbishment works of the existing Canberra Theatre, The Playhouse, Courtyard Studio and Link	Mid-2030

During Stage 1 it is intended that the Canberra Theatre and Courtyard Studio will remain operational through the full period, with some closure of The Playhouse required to complete the interface with new Lyric build.

Indicative key milestones and other important dates for the Project have been detailed in Table 14.2 below with the Gantt Chart program located in [Appendix L](#).

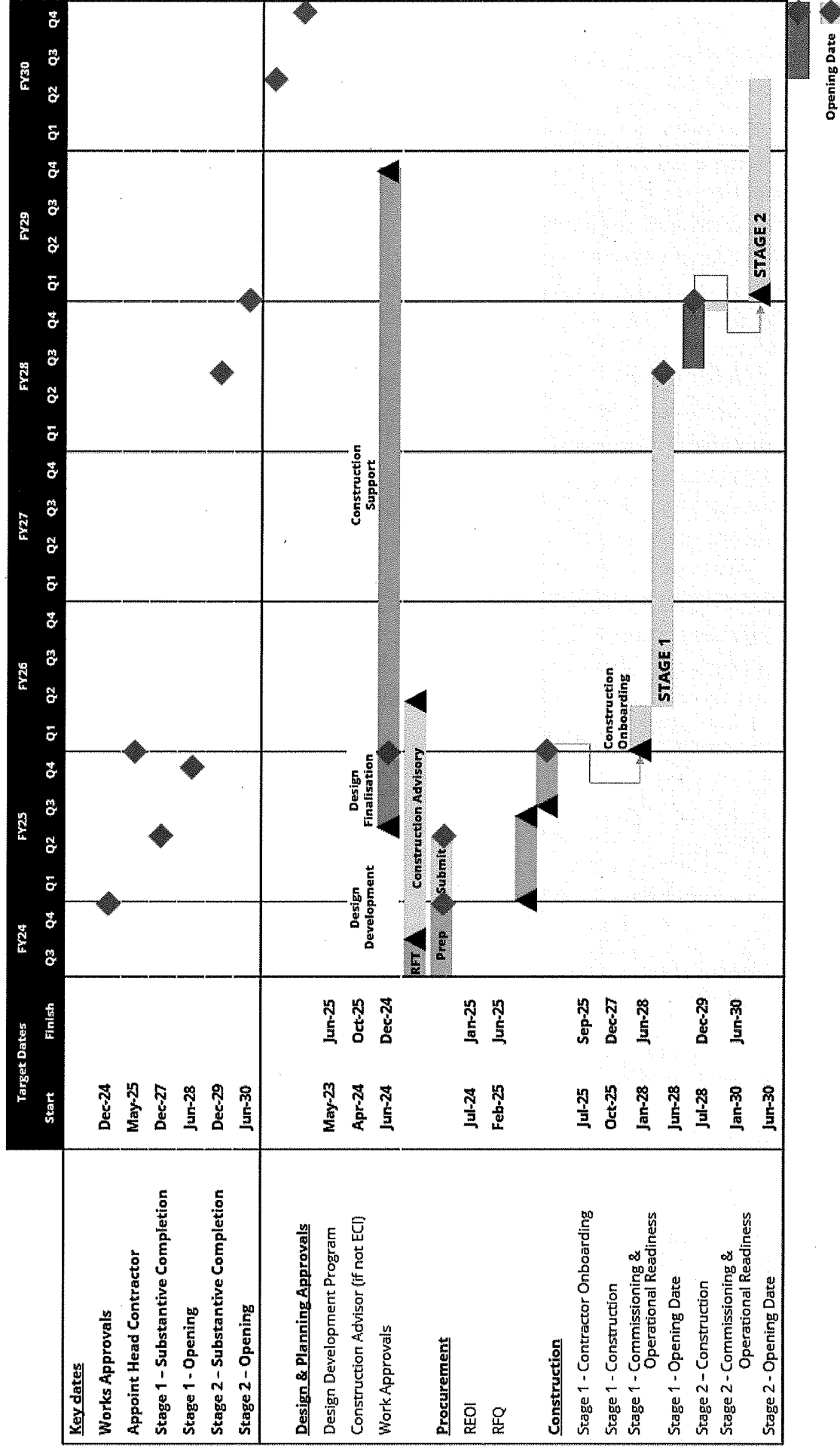
Table 14.2 – Indicative Milestones and Key Dates

Milestone	Indicative Start	Indicative End
Design Development	May-23	Oct-24
National Capital Authority Works Approvals	Jun-24	Dec-24
Market sounding and Shortlisting (Head Contractor)	Jul-24	Jan-25
Stage 1 Design Finalisation (IFC Documentation)	Nov-24	Jun-25
Construction Advisor	Apr-24	Dec-24
Tender (Head Contractor)	Feb-25	May-25
Contractor Onboarding	Jun-25	Sep-25
Stage 1 Construction	Oct-25	Dec-27
Stage 1 Territory Program Contingency	Jan-28	Mar-28
Stage 1 Validation Period	Apr-28	Jun-28
Stage 1 Opening	Quarter 2 2028	
Stage 2 Construction*	Jul-28	Dec-29
Stage 2 Territory Program Contingency*	Jan-30	Mar-30
Stage 2 Validation Period*	Apr-30	Jun-30
Stage 2 Opening*	Quarter 2 2030	

* The indicative dates for Stage 2 are subject to funding approval and assume that the Stage 2 construction works commence on completion of Stage 1 works.

A Gantt chart with the program is summarised in Figure 14.1 - Indicative Procurement and Construction Program.

Figure 14.1 - Indicative Procurement and Construction Program



14.2 Project decision points

Key decision points for this stage of the Project are:

- The Project is seeking funding approval for Stage 1 within the 2024-25 ACT Budget.
- Subsequent funding for Stage 2 of the Project will be sought to complete design documentation and construction in future budgets, to coincide with the continuity of works following the completion of Stage 1.

14.3 Recommended float

The current Project Program plans for construction completion of Stage 1 works by the end of 2027 with opening date prior to the end of FY28. The current Project Program has inbuilt contract contingencies, within the construction timelines, to allow for unforeseen issues which may arise across the spectrum of the Project, including those risks outlined in Chapter 7 detailing the top 10 project risks identified by stakeholders.

Further Territory retained program contingencies for construction are planned within the initial program, including:

- Stage 1 – 3 months (Jan-28 to Mar-28)
- Stage 2 – 3 months (Jan-30 to Mar-30).

The MPC Project team will work alongside the Construction Advisor and Head Contractor to continue to develop a robust construction program that meets the timeframes detailed.

14.4 Project timeline risks, dependencies, constraints and/or deadlines

Known project dependencies required to achieve the planned timing include:

- Project approval and funding for Stage 1 within the 2024-25 ACT Budget.
- Works Approvals from the NCA require approval before commencement of construction indicatively from October 2025, the current program has works approvals by late 2024 - early 2025, which builds in a 6-month contingency.

Relevant constraints and other interfaces that need to continue to be monitored throughout delivery of the project to assess any further impacts on timing and/or works include:

- CTC has a number of activities scheduled in June 2025 to celebrate its 60th anniversary. This will occur prior to the scheduled contractor onboarding and work commencement of Stage 1 works from July 2025.
- As aforementioned in Chapter 4.3.1, the Civic Library may be relocated prior to construction work on the Project commencing. The MPC Project team will continue to liaise with key Project stakeholders to ensure both Projects align their design processes. It is noted that disruption to services (primarily noise) may occur if the Civic Library is not relocated prior to stage 1 works.

- Interfaces and impacts of other key infrastructure Projects in the city centre could impact on the delivery and sequencing of the Project. The MPC Project team continue to liaise with key stakeholders and delivery teams for other major Projects in the city centre including Light Rail Stage 2A, Raising London Circuit, Block 40 development, land release sites within the CCCD and, traffic changes on Vernon Circle and Northbourne Avenue. Coordination of construction scheduling across the city is underway to align planning, design and construction impacts of these works. The operational plans for the construction period will be produced to coordinate and reflect any construction constraints imposed by the adjacent construction activity. These plans will also support the overarching business continuity plan for the CFC.

14.5 Project timeline assumptions

Key assumptions and drivers for the Project Program and its development include:

- Stage 2 is programmed to follow Stage 1 without a break in continuity. The program assumes concurrent delivery of the stage 2 venues to minimise operational disruption.
- The staging program is designed to retain the continuous operations from the Canberra Theatre Centre. In order to achieve this at least one major theatre (Canberra Theatre or New Lyric) must remain operational during the staged construction works to ensure continuity of performances for the ACT community.
- The Program notes that the impact of external services relocations, diversions and cutovers are scheduled, but are subject to the construction program and external adjacent/interfacing developments (particularly important with respect to back of house interfaces and the new loading dock for the Lyric Theatre). The project team will continue to engage with the stakeholders and delivery teams for other major Projects in the city centre to accommodate programs as they evolve.
- Adverse ground conditions have been considered for this Program, noting that they will be further investigated during 2024 to inform the construction program.

The indicative Program is updated continuously during the design development phase prior to tender for the head contractor and will be further developed by the head contractor once appointed.

Appendices

Appendix A - Design Report – Architectural Milestone Report – Phase 1B

Appendix B - Investment Logic Map

Appendix C - Wellbeing Impact Assessment

Appendix D - Functional Design Brief – Engineering Return Brief – Phase 1B

Appendix Di - Functional Design Brief – Theatre Systems Return Brief – Phase 1B

Appendix E - Risk Register

Appendix F - Detailed Cost Estimates

Appendix G - Detailed Annual Cashflow Profile

Appendix H - Cashflow and Cost Modelling (Tier 1)

Appendix I - Cost estimate supporting information (Tier 2 and Tier 3)

(Not included as Tier levels are not applicable to this Business Case)

Appendix J - Economic Appraisal Methodology

Appendix K - Stakeholder Engagement Plan and Communication Strategy Appendix

Ki - 'What We Heard' Community Consultation Reports

Appendix L - Project Timeline

Appendix M - Relevant Government Policies, Strategies & Plans

Appendix N - Benefits Realisation Plan

Appendix O - Market Engagement Report

