

# appendix 12 – ESDIS

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*Cairns Entertainment Precinct*

# Employment and Skills Development Impact Statement

Final

*Cairns Regional  
Council*

*9 November 2011*



**pwc**

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# 1 Summary and key messages

PricewaterhouseCoopers has been engaged by Cairns Regional Council to complete an Employment and Skills Development Impact Statement (ESDIS) to inform a business case evaluation for the Cairns Entertainment Precinct. The project options considered for the evaluation are “Option 6 – Stage 1” (developing the Precinct) and the Base Case (not developing the Precinct). The Precinct design consists of a number of complementary arts and cultural facilities, together with a public space, which is to become the hub of Cairns.

The purpose of the ESDIS is to identify where employment opportunities are (and are not) being generated under the project options and to recognise skills development potential under the project options. The key messages of this ESDIS are as follows:

## ***Employment impacts***

The maximum number of persons employed during the construction phase of the Precinct is in 2012-13, peaking at 165 persons. The employment sustained by the Precinct’s construction diminishes after 2012-13 until it reaches completion in 2016-17. While unemployment rates are relatively high in Cairns and the Far North (evidencing possible underutilisation of resources), there is evidence to suggest that demand for labour resources in the construction industry may be exceeding supply. The construction of the Precinct will undoubtedly support employment during the construction phase. The creation of additional employment in the economy may be modest.

It is estimated that, during the operational phase, the Precinct will directly employ 30 people, as opposed to the 20 people directly employed under the Base Case. As well as these direct labour effects, it is likely that the project will support economy-wide employment, particularly in tourism-related industries like retail trade and restaurants/catering. The facilities under the Base Case do not currently operate as key tourist attractions, nor do they support a significant level of retail/restaurant/catering activity and employment. As such, the economy-wide employment supported under the Precinct option is expected to be greater than that under the Base Case.

## ***Skills development impacts***

While construction of the Precinct may contribute (in a limited way) to skills shortages currently being experienced in Queensland’s construction industry, the education and skills training benefits that will be fostered by the Precinct once operational will assist in the long term skilling of the labour force, both for industries directly linked to the Precinct and the wider community.

The benefits of participation at arts and cultural facilities accrue to a number of groups within the community, from the professional performers themselves to consumers whose participation is merely receptive. These benefits accrue through a variety of forms, including knowledge sharing; increased collaboration; cultural appreciation; and generic work place skill development (eg. communication and team work skills).

Receptive and creative participation in the arts can foster improved languages skills, more developed critical thinking ability and increased confidence to engage with the education system. This can lead to a more productive workforce that can meet the challenges of a growing region.

While the existing arts and cultural facilities throughout Cairns currently encourage participation in arts and cultural activities, the Precinct will likely foster and encourage *further* participation thereby harnessing *additional* community-wide benefits.

## 2 Background

### 2.1 Purpose of the ESDIS

PricewaterhouseCoopers has been engaged by Cairns Regional Council to complete an Employment and Skills Development Impact Statement (ESDIS) to inform a business case evaluation of project options for the Cairns Entertainment Precinct ('the Entertainment Precinct'). The ESDIS is a requirement for a business case evaluation under the Queensland Government's *Project Assurance Framework* (PAF).

The purpose of the ESDIS is twofold:

- to identify where employment opportunities are (and are not) being generated under all project options for the Precinct; and
- to recognise skills development potential under the project options.

A preliminary evaluation of the project options was undertaken in September in accordance with the PAF. Following the preliminary evaluation, seven possible options for the Precinct were shortlisted to two preferred options – Option 7 (constructing the Precinct) and the Base Case (maintaining use of entertainment facilities that currently exist).<sup>1</sup> These options, as further outlined below, are the focus of the ESDIS.

The *Employment and Skills Development Impact Statement Guidelines*, as developed by the Department of Employment, Economic Development and Innovation (DEEDI), have informed the preparation of this ESDIS. DEEDI has been consulted (and have provided feedback) in the preparation of this ESDIS to ensure that the requirements of the ESDIS Guidelines have been met.

### 2.2 Project description and outcomes sought

The Cairns City Centre plays a pivotal role in the economic and social fabric of the Far North Queensland region. The development of the City Centre was previously focused on the northern waterfront, including the tourist precinct and the commercial areas towards the central business district ('CBD'), and the development of Ports land to the eastern edge of the city.

More recently, Cairns Regional Council ('Council') has investigated and commenced design of the Cairns Entertainment Precinct, located on a 1.5 ha site fronting Wharf Street. This precinct is intended to create a third node in the urban framework of the CBD, and will connect land uses, public spaces and transport, along with the city centre.

The Entertainment Precinct will replace the existing Cairns Civic Theatre which is widely acknowledged to no longer meet the needs of the city. The Entertainment Precinct will provide facilities for the performing and visual arts industries, and the region's families and communities, which have not been previously available. Further, the Precinct will form a central meeting place

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<sup>1</sup> These options are outlined in section 2.4 and in further detail in Appendix A.

for community interaction, and will reserve a space for a major regional museum if required in the future.

### *Preliminary design*

It is proposed that the Entertainment Precinct will consist of a number of complementary facilities to form a public space which will become the hub of the city and region. The following opportunities have been identified for the site:

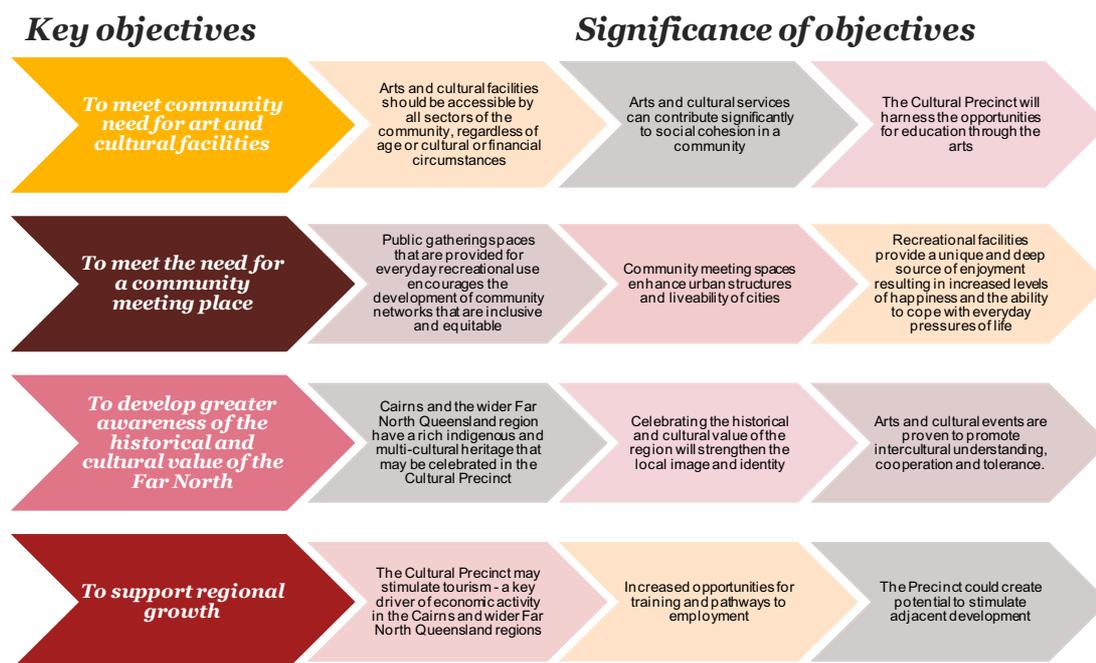
- a performing arts centre with facilities to support the performing arts (for use by schools, local and touring organisations) and the visual arts;
- a public plaza to provide outdoor space for community gathering including for events, markets and festivals;
- complementary retail and commercial space;
- car parking; and
- a covered and elevated walkway/bridge connection from the Precinct across Wharf Street to the Convention Centre.

Details of the masterplan/design options for the site, and the project options are provided in Section 2.4 and Appendix A.

It is envisaged that the Entertainment Precinct will support the changing nature of the Cairns CBD by providing a catalyst for business growth, encouraging longer business hours, greater public amenity and safety, and by providing economic flow-on to the city from business events and tourism. The Precinct is therefore regarded as a priority catalyst project for the development of the CBD and the resulting economic growth.

PwC has identified that, for the purpose of the business case, the four overriding outcomes sought for the project are those listed in Figure 2.1. These objectives form the benchmark for option appraisal throughout PwC's business case analysis framework.

Figure 2.1: Key objectives and outcomes sought from the project



## 2.3 Investigations to date

Council has undertaken a number of activities to progress the design and evaluation of project options for the Entertainment Precinct site.

In December 2010, Council appointed Savills Project Management ('Savills') to prepare a business case for the project in accordance with State Government's *Project Assurance Framework* ('PAF'), and to assist in the selection of project consultants.

In early April 2011, Council appointed an architectural team, CA-Cox Rayner through a competitive tendering process. CA-Cox Rayner commenced the masterplan and concept/schematic design phase in mid-April 2011. As part of this phase, the architect developed two master plan solutions for the site, and two concept design options for the performing arts facilities, which were evaluated and submitted to the community for comment and critique.

The masterplan and concept/schematic design phase has been supported by advisory consultants, engaged directly by Council and appointed in early-April 2011. Together with the Outline Theatre Brief, Outline Acoustic Brief and the Museum Brief, has informed the development of a masterplan solution for the site and the concept design options for associated facilities. Advisory consultants have developed lifecycle cost estimates and revenues for each of the design options.

Council has commenced evaluation of project options for the Entertainment Precinct. As external government funding is being sought<sup>2</sup>, the evaluation must be undertaken in accordance

<sup>2</sup> Early partial commitments to project funding have been received from the State and Commonwealth Governments. Council has committed funding for design and consultancy services in its 2010-11 budget, and has identified the availability of Council funding for

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with the PAF provided by the Queensland Government. This framework involves a preliminary evaluation of project options, and a detailed business case to identify a preferred option.

The preliminary evaluation of the project options was completed in September 2011 and built upon the Strategic Assessment of Service Requirements ('SASR') undertaken by Savills in May 2011. Completion of a detailed business case evaluation is scheduled for October 2011 and will identify the preferred option for the project. This Employment and Skills Development Impact Statement has been developed to inform the business case evaluation.

## 2.4 Project options shortlisted for the Business Case

Council has undertaken an extensive process to identify appropriate masterplan and design options for the Entertainment Precinct site. These are described in Appendix A, together with a description of the project options considered for the preliminary evaluation.

Following the preliminary evaluation, seven project options were shortlisted to two project options for analysis under the business case:

- *Option 6 - Stage 1 from the Preliminary Evaluation*: Development of a car park, refurbishment of Whites shed, turf/landscape to possible museum space, Public Domain, Performance Space 1 and bridge to Convention Centre.<sup>3</sup>
- *The Base Case*: The ongoing operation of the existing Cairns Civic Theatre on the current site within the current management and operational structure for a period of 30 years. The base case does not involve any development, upgrade or refurbishment to the existing theatre.<sup>4</sup>

More detail is provided at Appendix A.

## 2.5 Scope of work

PricewaterhouseCoopers ('PwC') has been commissioned to undertake the ESDIS required to support the preparation of the detailed business case.<sup>5</sup>

This document outlines the employment and skills development opportunities under all project options. This will be used to inform the business case evaluation. The business case is specifically required to inform a submission for funding. The discussion in the ESDIS will be incorporated into the business case document by Savills.

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\$57.306m of the cost of construction of the performing arts centre, plaza and carpark. Council is actively pursuing the balance of funding from State and Commonwealth Governments. It is currently anticipated that the State Government will commit \$57.306m and the Federal Government \$40 million in funding to the project.

<sup>3</sup> "Option 6-Stage 1" and "Option 7" are synonymous. PwC's Option 7 from the Business Case has been renamed to "Option 6 - Stage 1" for consistency with Savills' naming convention.

<sup>4</sup> Standard ongoing maintenance costs are considered in the business case evaluations.

<sup>5</sup> PwC has also been commissioned to undertake the economic and financial appraisals required to support both the preliminary evaluation of the project options (as completed in September 2011) and the preparation of the detailed business case.

## Background

The scope of the ESDIS is to meet the requirements of an ESDIS as outlined in the Guidelines by:<sup>6</sup>

- Identifying employment opportunities that may be generated under project options; and
- Identifying skills development potential under project options.

## 2.6 Distribution of and reliance on the ESDIS

This ESDIS has been prepared for our client, Cairns Regional Council, for the purpose described in the contract. It should not be used or relied on for any other purpose. You may not make copies of this report available to other persons except as described in the Contract, and subject to the conditions described therein.

We will not accept any responsibility or liability (whether in contract, tort, including negligence, or otherwise) to any person other than Cairns Regional Council for the consequences of any reliance on this report, except under the arrangements described in the Contract. No-one else should rely on this report for any purpose unless we so agree and they sign an undertaking to us in the form we require in that regard.

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<sup>6</sup> The Guidelines of the ESDIS were provided to PwC by the Department of Employment, Economic Development and Innovation. Guidance has been sought by the Department regarding the appropriate approach for this ESDIS.

## 3 Employment

### 3.1 Introduction

When evaluating the options for a Queensland Government infrastructure project, the *Project Assurance Framework* and the *Employment and Skills Development Impact Statement Guidelines* require that employment implications of the project options are considered and appropriately addressed.

In this ESDIS, the employment impact of the Cairns Entertainment Precinct, both in the Cairns region and the State as a whole, is assessed for the two key phases of the project – the construction phase and the operational phase.

It is important to note that, while construction projects, like that of the Entertainment Precinct, are often considered to be fundamental when attempting to stimulate economic activity and growth in employment, the supply-side constraints of the economy must be recognised when assessing the economic impacts of such projects. That is, there does not exist an unlimited supply of labour inputs<sup>7</sup> that may be drawn upon to increase economic activity and the State's aggregate employment indefinitely.<sup>8</sup>

The extent to which additional expenditure in the economy instigates growth in economic activity and employment largely depends on the extent to which the economy is operating at capacity. If the economy is utilising close to all of its resources then the addition of, for example, a construction project, is likely to have a significant crowding out effect since there are few spare resources available.<sup>9</sup> As such, the flow-on economic activity and employment would be negligible as the new activity would simply be redirecting resources that are currently in use on other projects. On the other hand, if there is an underutilisation of resources (such as in an economic downturn) the flow-on economic activity and employment may be quite high.

These key considerations have influenced the employment impact analysis in this ESDIS.

### 3.2 Construction phase of the Entertainment Precinct

Employment impacts during the construction phase of the Precinct may be classified as direct or indirect impacts. The number of persons *directly* employed on the construction site during the construction phase of the project is illustrated in Figure 3.1.<sup>10</sup> The number of employees required on site during the construction phase is dependent on the expenditure profile for the construction phase.

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<sup>7</sup> Together with capital, land and intermediate inputs

<sup>8</sup> Constraints on the availability of inputs require prices to act as a rationing device.

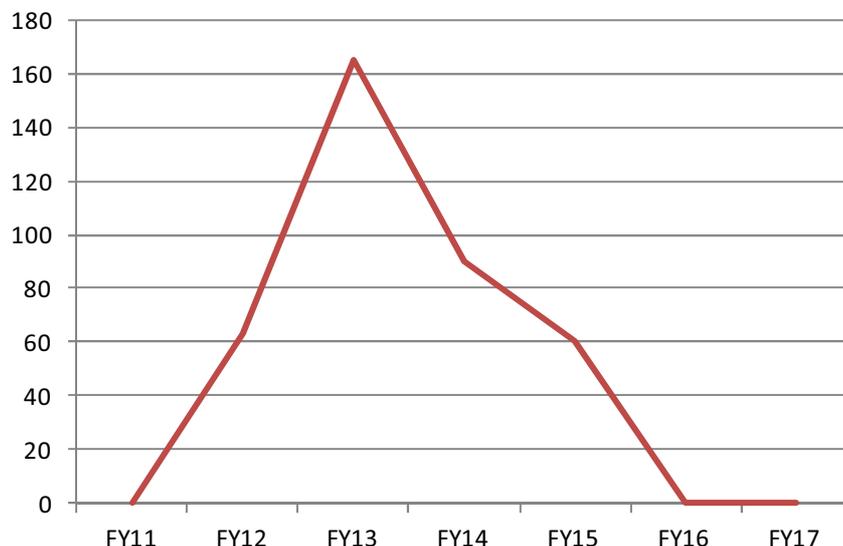
<sup>9</sup> Appropriately skilled labour is a particularly significant constraint.

<sup>10</sup> These estimates are based on advice from Savills who have drawn on employment estimates from similar projects that have occurred previously. As these estimates have not been derived specifically for the Cairns Entertainment Precinct, PwC warns that they should be used with caution.

## Employment

The maximum number of persons employed during the construction phase of the Precinct is in 2012-13, peaking at around 165 persons. The employment sustained by the Precinct's construction diminishes after 2012-13 until it reaches completion in 2016-17.

Figure 3.1: Number of workers on site during the construction phase of the Entertainment Precinct



These estimates should be considered as employment that is *sustained* as a result of the construction of the Precinct, as opposed to jobs that are created. For example, some of the persons employed to construct the Precinct may be employed on other construction projects in the region if the Entertainment Precinct was not developed.

As discussed above, it is difficult to accurately predict the indirect employment and economic activity impacts that may occur during the construction phase. The key reason for this is the conflicting views as to the capacity of the Cairns region's economy and the state of the construction industry. While some parties may argue that there is no room for additional economic activity and employment to result from the Precinct, it is not that "cut and dry", particularly in light of the recent negative outlook for the global economy.

On the one hand:

- The reconstruction effort after Cyclone Yasi (and other Queensland natural disasters), together with possible increasing demand for unskilled labour resources in the Mining sector (particularly since Cairns has been earmarked as a key fly-in fly-out base for mining workers), may be drawing upon the otherwise underutilised labour resources in the Cairns and Far North Queensland economies; and
- It may be the case that some of the more specialised resources that are necessary for this project will not be sitting idly by and will simply be drawn from other projects. This redirection of labour resources and economic activity will mean that the flow-on impact may not be as great as if all resources were readily available and going unused.

On the other hand:

- The unemployment rates for Cairns and the Far North Statistical division suggest that these economies are not operating at capacity and, as such, increased expenditure in the economy (via the Precinct construction) may instigate positive economic activity and employment growth;

## Employment

- Across the country, developers are remaining reluctant to commit to construction work because of fears about the global economy and banks setting stringent lending conditions. The Australian Industry Group Performance of Construction Index (PCI), a joint effort with the Housing Industry Association, shows that the level of construction activity across the housing, commercial and large-end engineering sectors, fell 4 points to 32.1 in August. This is well below the 50 point mark that illustrates a stable industry and is at its lowest level in two years. Activity has now fallen for the 15th month<sup>11</sup>
- Even if the status of the Australian and Queensland construction industries as a whole are far weaker than that of the Cairns/Far North region, this may mean that any increase in activity in the Far North will attract un/derutilised labour resources from other areas of the State, thereby supporting economy-wide employment;
- Beacon Consulting in the Cairns Contractor Sentiment Survey (October 2011), stated that “contractors are relying heavily on Government spending for future workload and growth....Government investment over the next twelve months will be vital to the to the strength of the Cairns construction economy”.

These points illustrate that there is currently mixed opinion on the state of the Far North Queensland construction industry<sup>12</sup> and, as such, it is not possible to categorically state that the development of the CEP will have absolutely no impact of employment and economic activity outcomes. Modest claims regarding these potential impacts, as provided in this analysis, are not unsubstantiated in light of mixed views regarding the market for construction services.

There is evidence to suggest that the construction industry in the region is competitive<sup>13</sup> and that demand for labour resources in the construction industry may be exceeding supply.<sup>14</sup> Hence, additional construction activity from, for example, the Entertainment Precinct *may* redirect labour resources and economic activity away from other projects.

While there is currently mixed opinion on the state of the Far North Queensland construction industry,<sup>15</sup> it may be argued that, following the temporary shock to the labour market arising from the Queensland reconstruction effort, some of these resources may then be directed to construction projects like the Entertainment Precinct. This would assist in maintaining employment levels in the Cairns and Far North Queensland region.<sup>16</sup>

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<sup>11</sup> Further evidence of a weakening construction market is the contrasting activity between companies providing materials to the residential (and, to a lesser extent, commercial) construction market and those servicing the resource industry; Many other statistical indicators related to the construction industry appear to be pointing downwards. For example, the ABS suggests residential and non-residential building work decreased substantially in the June Quarter.

<sup>12</sup> Eg. Beacon Consulting, *Cairns Contractor Sentiment Survey* (October 2011).

<sup>13</sup> Beacon Consulting, *Cairns Contractor Sentiment Survey*, October 2011.

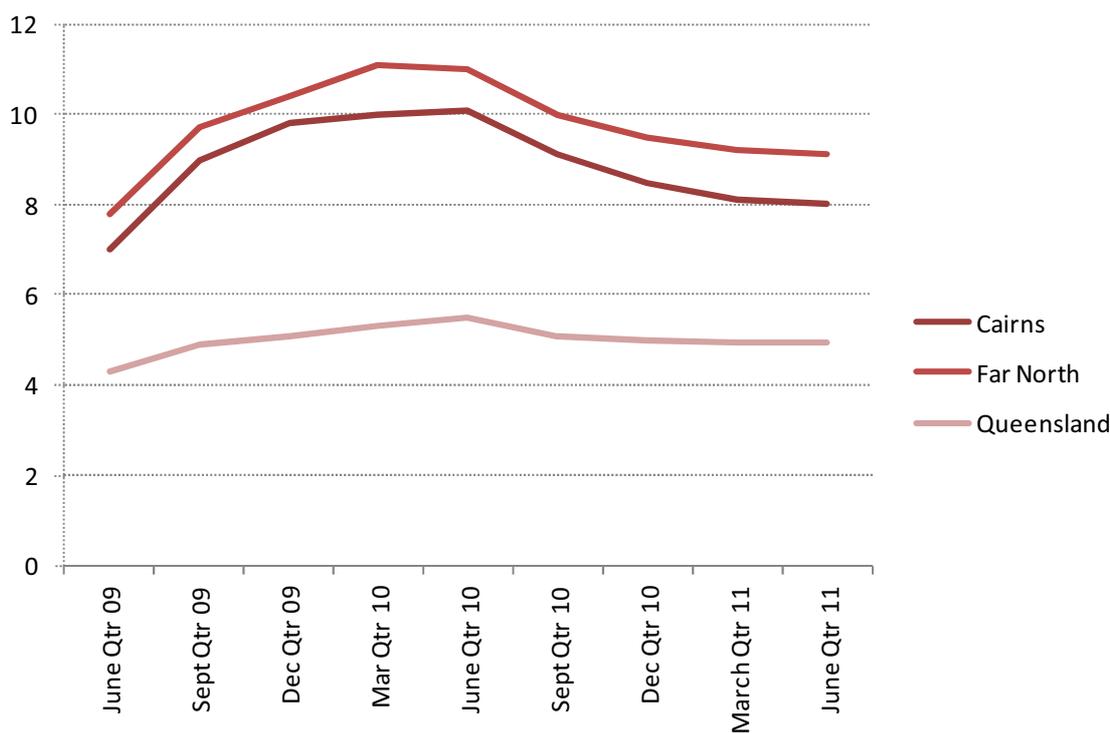
<sup>14</sup> This may be due to reconstruction activity or the mining industry's demand for construction industry labour; Beacon Consulting, *Cairns Contractor Sentiment Survey* (October 2011).

<sup>15</sup> Beacon Consulting, *Cairns Contractor Sentiment Survey* (October 2011). While this survey indicates a high level of competition in the industry and increasing labour costs (implying a strong demand for labour resources), it also indicates that some firms may lose staff over the next twelve months.

<sup>16</sup> Beacon Consulting in the *Cairns Contractor Sentiment Survey* (October 2011), stated that “contractors are relying heavily on Government spending for future workload and growth over the next twelve months. Government investment over the next twelve months will be vital to the to the strength of the Cairns construction economy”.

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Figure 3.2: Unemployment rate, June quarter 2009 to March Quarter 2011



Source: OESR Office of Economic and Statistical Research, Queensland Treasury, Queensland Regional Profiles  
NOTE: Based on 4-quarter smoothed series

The complexity of these economic mechanisms means that it is difficult to accurately quantify the flow-on impacts of projects like the Cairns Entertainment Precinct without utilising very complex modelling techniques.<sup>17</sup>

In the Queensland Government's Capital Statement for 2011-12 (Budget Paper Three), Queensland Treasury estimates a level of indirect employment that is supported by government final demand for construction services. That is, the level of employment supported "in the

<sup>17</sup> While input-output (I-O) multiplier analysis is often used to quantify the economy-wide impacts of projects and policies, it is not a robust methodology and often results in a significant overestimation of the benefits of projects and policies. As such, I-O multiplier analysis has not been used in this ESDIS. This approach is supported by Queensland Treasury who does not condone the use of I-O multipliers for any economic impact analysis presented to the Department. The substantial limitations of I-O multipliers are recognised by the ABS (ABS cat 5209.0.55.001):

<http://www.abs.gov.au/AusStats/ABS@.nsf/Latestproducts/5209.0.55.001Main%20Features4Final%20release%202006-07%20tables?opendocument&tabname=Summary&prodno=5209.0.55.001&issue=Final%20release%202006-07%20tables&num=&view=>

More complex methodologies, such as those inherent in CGE models, are required to overcome these shortcomings. However, CGE modelling is extremely complex and requires significant amounts of time which was not available for this task. We believe it is appropriate to simply quantify the direct impacts of the project and provide qualitative discussion around the economy-wide impacts, as has been achieved in this ESDIS. This approach is supported by Queensland Treasury and the ESDIS Guidelines.

## Employment

construction industry together with employment in the industries that supply goods and services to the construction industry and, in turn, the industries that supply these industries".<sup>18</sup>

Queensland Treasury estimates that for each \$1 million of the construction component of the capital works program, employment of 6.7 full-time equivalents will be supported in 2011-12. This employment ratio has been used to derive the estimate of 93,000 full-time jobs being supported by the 2011-12 capital program.

While PwC has concerns regarding the robustness of this methodology to estimate indirect employment resulting from government final demand for construction services,<sup>19</sup> we have utilised the methodology to provide comparative estimates for employment supported by the construction of the Entertainment Precinct. These are provided in the last column of Table 3.1. *We stress that these estimates should only be used to compare Entertainment Precinct employment estimates to employment estimates derived by Queensland Treasury for Capital Statements, not as definitive estimates of indirect employment supported by the construction of the Entertainment Precinct.*

Table 3.1 also illustrates how we might expect the employment ratio (6.7 FTEs for each \$1 million of government gross fixed capital formation) to change through time if projections for productivity and price movements are taken into account.<sup>20</sup> These projected employment ratios have been used to derive the full-time employment estimates for the Precinct by year for the construction phase.

*Table 3.1: Employment supported by final demand of construction services for the Cairns Entertainment Precinct (please note key limitations below)*

	Projected employment per \$1 mill expenditure (adjusted for price and productivity movements)	Expenditure on construction services in each year of the construction phase	Employment supported by government final demand of construction services for the CEP
	<i>FTE Jobs</i>	<i>\$ million</i>	<i>FTE Jobs</i>
2010-11	7.0	-	-
2011-12	6.7	25.8	<b>174.2</b>
2012-13	6.5	67.4	<b>436.3</b>

<sup>18</sup> For example, the employment estimate would include employment supported on State construction projects together with employment supported in the ready mixed concrete industry which, in turn, supports employment in the sand quarrying industry. Quote taken from Queensland Government State Budget 2011-12, *Budget Paper 3 - Capital Statement*, <http://www.budget.qld.gov.au/budget-papers/bp3.shtml>

<sup>19</sup> For example, this methodology implicitly assumes that the economy has no supply side constraints. That is, it is assumed that extra output can be produced (and growth in employment can result) without taking resources away from other activities. As such, this methodology can overstate employment impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at capacity.

<sup>20</sup> PwC has drawn upon the methodology produced by OESR and documented in their publication *Employment Supported by Final Demand for Construction Services* (June 2011). The PwC employment ratio estimates provided in column 2 of table 3.1 have been derived using projections for construction price changes and labour productivity changes based on their respective long run averages. This key limitation should be kept in mind when assessing the results.

## Employment

2013-14	6.2	36.7	<b>228.3</b>
2014-15	6.0	24.7	<b>147.6</b>
2015-16	5.7	-	-

While the employment estimates for the Entertainment Precinct, as presented in Table 3.1, provide a comparative estimate to State wide employment supported by Queensland Government's capital expenditure, key limitations must be kept in mind when assessing and presenting these results:

- Employment ratios for construction in Queensland are estimated from economy-wide data and thus should be considered to be *average* employment effects for construction projects. Individual construction projects like the Entertainment Precinct may vary from the average;
- The employment ratios provided by Queensland Treasury and those projected by PwC are based on data for the Queensland economy, not for the Cairns or Far North Queensland regions;
- The estimates *do not* include "consumption induced effects". For example, the income spent in retail industries by workers employed on the construction of the Entertainment Precinct is not included. Inclusion of such effects is considered inappropriate for this analysis;<sup>21</sup> and
- The PwC employment estimates for the Entertainment Precinct should only be used to compare to the full-time employment estimates derived by Queensland Treasury for the Budget Capital Statements. It is *not* appropriate to present these estimates as definitive estimates of indirect employment supported by the construction of the Entertainment Precinct.

### 3.3 Operational phase of the Entertainment Precinct

The number of persons *directly* employed during the operational phase of the Cairns Entertainment Precinct is illustrated in Table 3.2. As with the construction phase, these estimates should be considered employment that is *sustained* as a result of the Precinct, as opposed to jobs that are created. For example, some of the 30 persons employed in the Precinct may have been employed by the Civic Theatre and other cultural venues if the Cultural Precinct was not developed. Hence, this should not be regarded as additional employment in the regional economy.

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<sup>21</sup> Supported by OESR, *Employment Supported by Final Demand for Construction Services* (June 2011).

## Employment

Table 3.2: Number of employees at the Cairns Entertainment Precinct when operational

Occupation/Role	Head count (FTE)
<b>ADMINISTRATION AND PROGRAMMING</b>	
General Manager	1.0
Finance Manager	1.0
Administration Officer	1.0
Programming Manager	1.0
<b>MARKETING</b>	
Marketing & Dev. Manager	1.0
Marketing Co-ordinator	1.0
Promotions/ Publicist	1.0
Events Co-ordinator	1.0
Venue Operations Manager	1.0
<b>TECHNICAL</b>	
Technical Manager	1.0
Lighting Technician	1.0
Sound Technician	1.0
Technicians (Casual)	2.1
<b>TICKETING AND CUSTOMER SERVICE</b>	
Customer Service Manager	1.0
Ticketing Coordinator	1.0
Ticket sellers	2.8
<b>FRONT OF HOUSE</b>	
Front of House Co-ordinator	1.0
FOH staff	1.5
Food and beverage casuals	2.0
<b>MAINTENANCE STAFF</b>	
Cleaners	3.0
Grounds Maintenance	1.0
Building Maintenance	1.5
*Corporate Overhead staff allocation	1.0
<b>TOTAL</b>	<b>29.25</b>

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As well as these direct labour effects, it is likely that the flow-on effect of the project will support economy-wide employment. Table 3.3 presents a list of key industries in which employment is likely to be supported as a result of the Precinct. Table 3.3 also shows the labour intensity of these industries (that is, the proportion of labour of total primary factor inputs).<sup>22</sup> It is important to note that Table 3.3 does not provide a complete list of all industries that may be supported by the Precinct. For example, if the Precinct initiates a very positive tourism response, this may create a positive shock to the local economy and employment in industries economy-wide may be supported.<sup>23</sup>

Key considerations in relation to employment supported during the operational phase include:

- **Increased tourism activity:** Table 3.4 presents current tourism visitation in Far North Queensland and cultural tourism participation rates. Tourism activity that may be generated by the operation of the Entertainment Precinct will likely support employment in retail, accommodation and the restaurant and food related industries in the regional economy.
- **Expenditure in retail trade, restaurants and catering:** Expenditure in Retail Trade and Restaurants/Catering will likely provide support for economy-wide employment, not only in the Precinct but in the wider Cairns area. Modelling of direct expenditures at the Entertainment Precinct in the operational phase suggests that the annual average expenditure in the retail and restaurants/catering industries will be around \$1.8 million. As Retail Trade and Restaurants/Catering are relatively labour intensive industries (as shown in Table 3.3), expenditure in these industry will likely support employment. Indirect expenditures in the industry through, for example, increased tourism activity, will further support employment in the wider Cairns and Far North Queensland area.
- **Consumer demand for arts:** While most cultural institutions are run as commercial operations and are exclusively staffed by paid employees, a few draw upon the assistance of volunteers. As such, consumer demand for the arts does not necessarily mean support for paid employment. For example, 6,582 people Australia wide undertook voluntary work for performing arts operations during June 2007. This was slightly more than the number of paid employees 6,569.<sup>24</sup>

Table 3.3: Key industries in which employment will be supported during the operational phase of the Precinct, together with each industry's labour proportion of primary factor inputs into production

Industry	Labour proportion of primary factor inputs (%)
Arts <sup>25</sup>	95
Retail trade	68
Accommodation	67

<sup>22</sup> The more labour intensive an industry, the more likely expenditure in that industry will support employment.

<sup>23</sup> Inter-industry linkages must be kept in mind in this regard. For example, if tourism activity instigates activity in the restaurants industry, not only will employment and production be supported in that industry, but employment and production in industries that directly feed into the restaurants industry (like Food Production industries) will also be positively affected.

<sup>24</sup> ABS cat.4172.0, *Arts and Culture in Australia: A Statistical Overview* (19 Oct 2010).

<sup>25</sup> The arts industry captures all creative arts, included performing arts venues and visual arts exhibitions.

## Employment

Industry	Labour proportion of primary factor inputs (%)
Restaurants/Catering	67

Table 3.4: Tourism visitation in Far North Queensland and cultural tourism participation rates.

Industry	Tourism visitation in Far North Queensland (persons '000s)	Cultural tourism participation rates (%)
Local visitors	-	-
Domestic day visitors	1,845	4.1
Domestic overnight visitors	1,474	15.4
International visitors	778	61

It is important to note that, even in the operational phase, any expenditure that may support employment in the Cairns and Far North Queensland regions may simply be drawing labour away from other areas.

### 3.4 Base Case

The Civic Theatre, as it currently stands, employs approximately 23 people. Table 3.1 provides a breakdown of this employment estimate by occupation/role.

Table 3.1: Personnel employed at Civic Theatre

Facility	Head count
<b>Theatre Manager (FT)</b>	1.0
<b>Operations Manager (FT)</b>	1.0
<b>Business &amp; Venue Co-ordinator (FT)</b>	1.0
<b>Event Officer (FT)</b>	1.0
<b>Administration Officer (FT)</b>	1.0
<b>Marketing Co-ordinator (FT)</b>	1.0
<b>Sales &amp; Publicity Co-ordinator (FT)</b>	1.0
<b>Cultural Tourism &amp; Dev Officer (FT)</b>	1.0
<b>Ticketing Co-ordinator (FT)</b>	1.0
<b>Senior Ticket Seller (FT)</b>	1.0

## Employment

<b>Ticket Sellers (FT)</b>	2.0
<b>Ticket Sellers (Casual)</b>	0.8
<b>Production Co-ordinator (FT)</b>	1.0
<b>Senior Technician Sound (FT)</b>	1.0
<b>Senior Technician Lighting (FT)</b>	1.0
<b>Technician (Casual)</b>	1.2
<b>Maintenance/Utility Officer (Casual)</b>	0.5
<b>Front of House Supervisor (PT)</b>	0.6
<b>Ushers (Casual)</b>	1.0
<b>Bar staff (Casual)</b>	0.7
<b>Cleaners (Contract)</b>	1.8
<b>*Facilities Maintenance staff</b>	0.2
<b>*Corporate Overhead staff allocation</b>	1.0
<b>TOTAL</b>	<b>22.8</b>

*\*Note: Facilities Maintenance Staff are specialist staff; plumbers, electricians, carpenters....utilised from other departments of CRC. Corporate Overhead staff allocation is a charge to our budget for CRC Administration staff.*

The Civic Theatre will require maintenance throughout its life (to 2040).<sup>26</sup> It can be expected that for major projects<sup>27</sup> the Civic Theatre would engage contractors who would employ 4 construction workers for at least a 3 week period in a typical year. The maintenance requirements will increase through time and, hence, will likely require greater labour inputs.

The Civic Theatre does not currently operate as a key tourist attraction, nor does it support a significant level of retail/restaurant/catering activity and employment. As such, the economy-wide employment supported under the Entertainment Precinct option is expected to be far greater than that under the Base Case.

<sup>26</sup> The financial and economic modelling undertaken by PwC and utilised by Savills in the Business Case is subject to a projection period of 2011 to 2040. It is assumed that, under the Base Case, the Civic Theatre will still be operational in 2040 but require increasingly demanding maintenance over the projection period.

<sup>27</sup> for example – painting, upgrading air-conditioning units, seats, carpet etc.

## 4 Skills Development

### 4.1 Introduction

Appropriately skilling the labour force in Queensland is vital to ensure long run labour market participation and competitiveness, assisting the Queensland Government in achieving the *Smart State* priority to “grow a diverse economy and create jobs”.

While the construction of the Entertainment Precinct may contribute (in a limited way) to skills shortages currently being experienced by the Queensland construction industry, the education and skills training benefits that will be fostered by the Precinct once operational, will assist in the long term skilling of Queensland’s labour force, both for industries directly linked to the Precinct and for the wider community.

The benefits of participation at arts and cultural facilities accrue to a number of groups within the community, from the professional performers themselves (“creative participants”) to consumers whose participation is merely receptive (“receptive participants”). These benefits accrue through a variety of forms, including:

- knowledge sharing;
- increased collaboration;
- cultural appreciation; and
- generic work place skill development (eg. communication and team work skills)

While the Civic Theatre and other venues throughout Cairns currently encourage participation in arts and cultural activities (both creative and receptive participation), the Entertainment Precinct will likely foster and encourage *further* participation thereby harnessing additional community-wide benefits. These benefits are discussed further below.

### 4.2 Construction phase of the Entertainment Precinct

#### 4.2.1 *Skill shortages in the construction industry*

While the unemployment rates for Cairns and the Far North Statistical division (Figure 3.2) suggest that these economies are not operating at capacity,<sup>28</sup> it may be the case that those unemployed people are not appropriately skilled for employment on a construction project.

At present, the strong demand for labour in the construction services industry in Far North Queensland and across the State is outweighing the supply of labour in the industry. These skill shortages may continue to be apparent in the short to medium term in light of planned

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<sup>28</sup> High unemployment rates (in relation to the Queensland average) are an indication that productive resources, in this case, labour, are idle in the current economy. In other words, there is evidence to suggest that the economy is not operating at capacity and has the potential to deliver economic activity from increases in investment spending without completely crowding out other activity.

infrastructure building (and rebuilding) initiatives.<sup>29</sup> For example, the State Government 2011-12 Budget announced the following construction projects in Cairns alone:

- \$6.3 million to refurbish the Cairns Convention Centre;
- \$4.9 million for additional classrooms at Redlynch State College;
- \$8.9 million to complete the \$26.6 million upgrade of the Tropical North Queensland Institute of TAFE in Cairns;
- \$9 million of \$23.3 million to continue developing the foreshore in the Cairns Cityport;
- \$50 million towards the \$446.3 million towards the redevelopment of the Cairns Base Hospital, due to open in 2014.

Further, in response to the natural disaster events between November 2010 and March 2011, the Government established the Queensland Reconstruction Authority to manage and coordinate the reconstruction effort across the State. The 2011-12 capital program includes \$1.75 billion in reconstruction works associated with these events. The reconstruction efforts include:

- \$1.26 billion in reconstruction grants to local governments;
- \$450.2 million in capital works to restore the roads network across the State;
- \$30 million for cyclone shelters in Queensland communities;

All of these infrastructure projects are likely to contribute to the skills shortage in the construction industry in Cairns, Far North Queensland and the State as a whole. While construction of the Entertainment Precinct will not commence until 2012, it might also contribute to the skills shortage dilemma.

### *4.2.2 Addressing skills shortages in the construction industry*

While skills shortages in the construction industry are becoming increasingly apparent, there are numerous Queensland Government programs and policies currently in place to address this issue. In fact, by the time the construction of the Entertainment Precinct is at its peak, there may be greater demand for traineeships and an increase in labour supply in the industry as a result of such programs. These include:

- **The 10 per cent training policy.**<sup>30</sup> The 10 per cent training policy for Queensland Government Building and Construction Contracts plays a key role in ensuring the building and construction industry continues to employ apprentices and trainees and upskill its existing workforce. The policy applies to all Queensland Government Departments, statutory bodies and Government Owned Corporations that fund building and construction

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<sup>29</sup> Growth in mining across the State and Australia is also, arguably, attracting workers that would otherwise work in the construction industry.

<sup>30</sup> Queensland Government, Department of Education and Training, *10% Training Policy*, <http://training.qld.gov.au/industry/10percent-policy.html>

## Skills Development

projects valued at over \$250,000. The policy requires that the projects ensure a minimum of 10 per cent of total labour hours be undertaken by apprentices, trainees or cadets; and that a maximum of 25 per cent of the labour hours be used in the development of existing workers skills with training that has been approved and contributes to recognised building and construction qualifications;

- **The User Choice 2010-2015 Program:**<sup>31</sup> The User Choice program provides public funding for the delivery of accredited, entry-level training to apprentices and trainees. The program works in conjunction with the Commonwealth Australian Apprenticeships System, under which apprentices and trainees enter into legally binding training contracts with their employers and receive structured training to achieve a nationally recognised qualification. Occupations that are classified as Priority One attract 100 per cent subsidisation for training programs. As shown in Figure 4.1, around a third of all occupations that are classified as Priority One are construction related.

Construction of the Entertainment Precinct will need to be undertaken in compliance with such programs.

*Figure 4.1: Occupations that are classified as “Priority One” and attract 100 per cent subsidisation under the Queensland Government’s User Choice 2010-2015 Program*

Construction related occupations	Non-construction related occupations
<ul style="list-style-type: none"> <li>• Bricklayers and stonemasons</li> <li>• Carpenters and joiners</li> <li>• Construction and trades workers</li> <li>• Electro technology and telecommunications trades workers</li> <li>• Floor finishers</li> <li>• Glaziers</li> <li>• Mechanical engineering trades workers</li> <li>• Metal casting, forging and finishing trades workers</li> <li>• Painting trades workers</li> <li>• Plasterers</li> <li>• Plumbers</li> <li>• Roof tilers</li> <li>• Wall and floor tilers</li> </ul>	<ul style="list-style-type: none"> <li>• Aged and disabled carers</li> <li>• Agricultural technicians</li> <li>• Aircraft maintenance engineers</li> <li>• Apparel cutter</li> <li>• Automotive electricians</li> <li>• Bakers and pastry cooks</li> <li>• Bicycle mechanic</li> <li>• Binders, finishers and screen printers</li> <li>• Boat builders and shipwrights</li> <li>• Butchers and small goods makers</li> <li>• Canvas and leather good makers</li> <li>• Child care centre managers</li> <li>• Child carers</li> <li>• Cooks</li> <li>• Graphic pre-press trades workers</li> <li>• Hairdressers</li> <li>• Horticultural trades workers</li> <li>• Machine and stationary plant operators</li> <li>• Motor mechanics</li> <li>• Plastics technician</li> <li>• Printers</li> <li>• Science technicians</li> <li>• Sign writers</li> <li>• Upholsterers</li> <li>• Vehicle body builders and trimmers</li> <li>• Waste water or water plan operator</li> <li>• Wood trades people</li> </ul>

<sup>31</sup> Queensland Government, Department of Education and Training, *User Choice 2010-2015 Policy*, <http://training.qld.gov.au/training-organisations/user-choice/index.html>

## 4.3 Operational phase of the Entertainment Precinct

### 4.3.1 Professional artists and performers

For artists and performers that participate creatively in artistic and cultural centres, knowledge sharing and increased collaboration will have benefits for their skills and techniques. Performance art centres facilitate an environment where artists are exposed to colleagues with different skill sets and methods and encourage artists to exchange ideas and build upon their skill sets.<sup>32</sup>

The national and international exposure that the Precinct will likely generate may create further benefits for the artistic and cultural development of the region.<sup>33</sup> The Precinct will be able to cater for and attract international performers and exhibits, as well as those from around Australia, further enhancing the education and skills of local artists through working collaboratively with these guests.

By enhancing the opportunities for local, interstate and international artists and performers to collaborate and share ideas and techniques, these artists and performers will not only broaden their professional capacity, but may also gain unique insight into, and actively participate in the expression of, the Far North Queensland culture.<sup>34</sup>

### 4.3.2 Receptive participation

Numerous studies argue that exposure to arts venues, even solely through receptive participation, can help to promote learning.<sup>35</sup> A study by the ABS argues that, through the provision of information and the cultivation of an effective learning environment, receptive participation in arts related activities can result in improvement in the participant's ability to learn, communicate effectively, think critically and operate in a more innovative manner in the work place.<sup>36</sup>

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<sup>32</sup> Savills Project Management, *Strategic Assessment of Service Requirements* (May 2011), page 47.

<sup>33</sup> One of the aims of the project is the development of a cultural precinct that will be of international significance in the region or, as described in Savills' Strategic Assessment of Service Requirements, "to establish Cairns as a cultural hub for the Pacific Rim". With the current Civic Theatre being unable to cater for larger events, a venue with greater capacity and vastly improved infrastructure will arguably attract international participation. Stakeholders have specifically stated that the low capacity of the Civic Theatre in particular is a fundamental reason for performances and shows to not come to Cairns. See Savills Project Management, *Strategic Assessment of Service Requirements* (May 2011), page 17.

<sup>34</sup> Another key objective of the Precinct is to develop awareness within both the local community, and the wider Queensland community of the significance and value of Far North Queensland. Knowledge sharing plays an important part in the achievement of this objective.

<sup>35</sup> ABS, *Arts and Cultural Heritage in Australia – Key issues for an information development Plan – Discussion Paper* (2006), page 32.

<sup>36</sup> ABS, *Arts and Cultural Heritage in Australia – Key issues for an information development Plan – Discussion Paper* (2006), page 29.

Receptive participation in the arts may:

- have a direct impact on the creative abilities of participants and lead to enhanced imagination, vocabulary, confidence and social inclusion;<sup>37</sup>
- help to promote critical thinking and tolerance, allowing the individual to engage with different ideas, views and perspectives that they would normally not be exposed to;<sup>38</sup>
- assist participants in achieving improved learning outcomes; and
- promote cultural awareness by introducing participants to cultures other than their own, invoking a sense of curiosity and prompting them to delve deeper in their current understanding and appreciation of cultural diversity.<sup>39</sup>

In other words, the skills that participants obtain through receptive participation arguably improve their ability to learn and perform effectively both in and out of the workforce.

These are significant benefits that the Entertainment Precinct can harness by exposing the regional community to greater receptive participation in the arts. Having a local population that is increasingly able to think critically and is more confident and culturally aware, will enable the Cairns region to grow and better respond to the challenges associated with growth.

### 4.3.3 *Creative participation*

It is envisaged that the Entertainment Precinct will encourage both children and adults alike to creatively participate in the arts.<sup>40</sup>

Creative participation in the performing arts is said to have significant benefits for learning and generic skills development (for example, communication and team work skills). Teachers believe that exposure to the arts through facilities like the Entertainment Precinct can encourage school students and adults to creatively participate in the arts and have a positive effect on in a number of domains including:

- developing language skills;
- physical coordination;
- creativity and imagination;
- social skills development.<sup>41</sup>

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<sup>37</sup> Cultural Ministers Council- Statistics Working Group, *Social Impacts of participation in the Arts and Cultural Activities* (2004) page 25; Department for Culture Media and Sport, *Centres for Social Change: Museums, Galleries and Archives for All* (2000).

<sup>38</sup> For example, a study by the Department for Culture Media and Sport in the UK found that attendance at galleries led to a release of latent creative abilities and enhanced imagination, vocabulary and self-expression, leading to increased confidence and social inclusion - Department for Culture Media and Sport, *Centres for Social Change: Museums, Galleries and Archives for All* (2000).

<sup>39</sup> Queensland Government, *Valuing the Queensland Museum* (2008) page 31 - A survey of visitors to the Queensland Museum found that 45-65% of visitors felt that the exhibits invoked their curiosity, while 56-66% believed that they had discovered a new perspective.

<sup>40</sup> One of the objectives of the new Performing Arts Centre is to provide a place where cultures can participate in and enjoy the performing arts.

## Skills Development

From a teacher's perspective, participation in the performing arts contributes to the educational development of children. Teachers have found that when students find participation in the performing arts to be enjoyable, their general attitude to learning improves.<sup>42</sup> This same cohort of teachers also noted an improvement in the school performance of 5-7 year olds who participated in visual arts and music programs, with progress particularly noticeable in reading and writing standards.

These benefits are not only obtained by children. Studies suggest that participation in the performing arts has played a role in the trend of adults going back to the education and training system. For instance, a survey of adult participants in cultural activities in the UK found that 37% decided to take up a training course while 80% stated that they had learnt new skills after being involved.<sup>43</sup> This is not isolated to courses related to the performing arts, with adults also being encouraged to take up training in areas with no connection to the arts, such as accountancy, youth work and outdoor pursuits.

The transferable skills adults can acquire from creative participation include:

- performance skills which can be applied to a range of commercial uses such as those relating to the organising of events, administration and managing people;
- public speaking skills, particularly developed through encouraging self-confidence; and
- skills that foster collaboration and team work.

If the Entertainment Precinct encourages local community members to participate creatively in the arts, and given that the associated skills acquired from such participation are transferable, it is envisaged that this may help to support regional growth in Far North Queensland. Re-skilling local communities and encouraging people to re-engage with the education system will ultimately lead to a more productive and flexible workforce that can meet the challenges of a growing region.

## 4.4 Base Case

While the Civic Theatre and other venues throughout Cairns currently encourage participation in arts and cultural activities (both creative and receptive participation) to some extent, the Entertainment Precinct, with its larger complementary facilities, will foster and encourage much greater participation, thereby harnessing additional community-wide benefits, as discussed above.<sup>44</sup>

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<sup>41</sup> Matarasso F, *Use or Ornament? The Social Impact of participation in the arts* (2007) page 29.

<sup>42</sup> Matarasso F, *Use or Ornament? The Social Impact of participation in the arts* (2007) page 29.

<sup>43</sup> Matarasso F, *Use or Ornament? The Social Impact of participation in the arts* (2007) page 32.

<sup>44</sup> For example, the current facilities are unable to cater for large events and attract national and international participation. Stakeholders have specifically stated that the low capacity of the Civic Theatre in particular is a fundamental reason for performances and shows to not coming to Cairns.

## 5 Conclusion

As shown in Figure 5.1, Option 6 – Stage 1 is preferred on the basis of both employment impacts and skills development impacts.

Together with sustaining employment during the construction phase and fostering regional growth during the operational phase, the Entertainment Precinct will encourage participation in the arts and cultural activities, thereby harnessing the associated benefits. These benefits include improved languages skills, more developed critical thinking ability and increased confidence to engage with the education system. This could lead to a more productive workforce that can meet the challenges of a growing region.

Figure 5.1: Summary and comparison of key employment and skills development impacts for both project options

	Option 6 – Stage 1	Base Case	Preferred option based on impact
<b>Employment impacts</b>			
Construction phase	<p>The construction of the Precinct may directly sustain employment for up to 160 persons.</p> <p>The flow-on employment from the construction of the Precinct may not be substantial. This construction may direct resources away from other construction (or mining) activity. There is mixed opinion as to the current state of the construction industry labour market.</p>	N/A	Option 6 – Stage 1
Operational phase	<p>Operation of the Precinct may directly sustain employment for 30 people.</p> <p>Tourist activity, together with expenditure in, for example, retail and restaurant/catering industries, may support economy wide employment.</p>	<p>Ongoing operation of the Precinct may directly sustain employment for 20 people</p> <p>Economy-wide employment supported by the Precinct is expected to be far greater than that under the Base Case, due to its additional facilities and capacity to attract visitors.</p>	Option 6 – Stage 1
<b>Skills development impacts</b>			
Construction phase	<p>While the construction of the Precinct may contribute to skills shortages currently being experienced in Queensland’s construction industry, there are numerous government programs in place to address this issue.</p> <p>Once construction of the Precinct is at its peak, there may be an increase in labour supply in the local construction industry due to these programs.</p>	N/A	Option 6 – Stage 1
Operational phase	<p>For artists and performers that participate creatively in artistic and cultural centres, increased knowledge sharing and collaboration will have benefits for their skills and techniques.</p> <p>Receptive and creative participation by consumers at the Precinct may assist in enhancing learning ability and performance in the work place.</p>	<p>While the Civic Theatre and other venues throughout Cairns currently encourage both creative and receptive participation in arts and cultural activities to some extent, the Precinct, with its larger complementary facilities, will foster and encourage much greater participation, thereby harnessing additional community-wide skills development benefits.</p>	Option 6 – Stage 1

# Appendices

Appendix A: Precinct Design and Project Options

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## Appendix A: Precinct Design and Project Options

Council has undertaken an extensive process to identify appropriate masterplan and design options for the Entertainment Precinct site. These are described briefly below, followed by a description of the project options considered for the financial and economic appraisal under the preliminary evaluation phase.

The options that have been shortlisted for business case evaluation and, hence, this ESDIS, are the Base Case and Option 7.

For consistency with Savills, Option 7 has been renamed to “Option 6 – Stage One” for the Business Case evaluation.

### *Preliminary masterplan and concept designs*

Council prepared a preliminary client brief, including supporting planning briefs for theatre design, acoustics, exhibition space and museum. This brief was the basis for the development of two masterplan designs and subsequently a number of concept designs. These designs were subsequently provided for stakeholder and community comment, to identify preferred options.

Each of the design options are described below.

*Table 4.1: Masterplan and concept design options developed for the Cairns Entertainment Precinct*

Design	Description	Included for appraisal?
<b>Site Masterplan</b>		
Masterplan 1 - Single Level Plaza	This option creates the major public space (plaza) and circulation at near-ground level (RL 3.35), with the theatres and their foyers also at this level. The plan provides a mezzanine level for access to the upper seats of the main theatre with a small external plaza.	No
Masterplan 2 - Dual Level Plaza	This option raises the main plaza up some 5.3 metres higher than in Option 1 to RL 8.65. The aim of the strategy is to improve the flood and storm surge resilience of the theatres and their support facilities, and to provide the public with elevated views over the port service road and wharf to Trinity Inlet. The strategy results in a part lower (street) level plaza and foyer, part elevated plaza and foyer, and a further mezzanine level and foyer.	Yes
<b>Architectural ‘concept development’ design</b>		
Concept 1 - ‘Architectural Rainforest’	This concept is based upon the notion of creating a dramatic roof canopy that focuses architectural attention on the central public space rather than on the mass of the theatre complex. The canopy is considered integral to the architectural vision, however more importantly, the canopy is key to the success of the precinct in its response to the tropical climate of Cairns.	Yes

Design	Description	Included for appraisal?
Concept 2 - 'Layered Roof-scape'	The 'Layered Roof-scape' concept responds to a repeatedly raised issue in the community consultation workshops: the scale and dominance of the fly-tower to the Main Theatre. The architectural idea of this concept is to create a series of 'ribs' across the precinct which undulate through the length of the precinct to disguise the scale of the fly-tower.	No

### *Options subject to appraisal*

As a result of the iterative master-planning and concept development processes, Council identified seven project options which would be subject to preliminary financial and economic appraisal. Option 1 represents the base case or the existing Civic Theatre. Options 2 to 7 are based on the 'Masterplan 1 – Dual Level Plaza' and Concept 1 – "Architectural Rainforest". The options vary according to their development timeframe, specifically the staged construction of various facilities.

The options that, following the preliminary evaluation, were shortlisted for business case evaluation are the Base Case and Option 7.

*Table 4.2: Project options for the Cairns Entertainment Precinct*

Project options	Description
<b>Option 1</b> - Base Case (Civic Theatre)	The ongoing operation of the existing Cairns Theatre on the current site within the current management and operational structure for a period of 30 years. The base case does not involve any development, upgrade or refurbishment to the existing theatre.
<b>Option 2</b> - Concept 1 (All Works)	<ul style="list-style-type: none"> <li>All works described in Concept Option 1 "Architectural Rainforest"</li> <li>No Staging</li> </ul>
<b>Option 3</b> - Concept 1 (2 Stages)	<ul style="list-style-type: none"> <li>Stage 1 - Carpark, Performing Arts Centre, Public Domain, Restaurant, White's Shed (including retail)</li> <li>Stage 2 – Museum</li> </ul>
<b>Option 4</b> - Concept 1 (3 Stages)	<ul style="list-style-type: none"> <li>Stage 1 - Carpark, PAV (Ex. Performance Space 2 &amp; Rehearsal room), Public Domain, and White's Shed (including retail).</li> <li>Stage 2 - Performance space 2 (Base build and fit-out), Rehearsal (Base build and fitout), Restaurant</li> <li>Stage 3 – Museum</li> </ul>
<b>Option 5</b> - Concept 1 (Rationalised - 2 Stages)	<ul style="list-style-type: none"> <li>Stage 1 -Carpark (including turf/landscape to roof of carpark and PAV location), Whites shed, Museum, Public Domain (lower plaza only)</li> <li>Stage 2 - PAV + upper plaza + restaurant</li> </ul>

Appendix A: Precinct Design and Project Options

Project options	Description
<p><b>Option 6</b> - Concept 1 (Rationalised - 3 Stages)</p>	<ul style="list-style-type: none"> <li>• Stage 1 - Carpark, Whites shed, turf/landscape to future museum space, Public Domain, Performance Space 1</li> <li>• Stage 2 - Performance space 2 (Base build and fit-out), Rehearsal (Base build and fit-out), Restaurant</li> <li>• Stage 3 – Museum</li> </ul>
<p><b>Option 6a</b> - Concept 1 (Rationalised - 3 Stages with additional delay)</p>	<ul style="list-style-type: none"> <li>• Stage 1 - Carpark, Whites shed, turf/landscape to future museum space, Public Domain, Performance Space 1</li> <li>• Stage 2 – Museum</li> <li>• Stage 3 - Performance space 2 (Base build and fit-out), Rehearsal (Base build and fit-out), Restaurant</li> </ul>
<p><b>Option 7</b> - Concept 1 (Rationalised - 1 Stage)</p>	<ul style="list-style-type: none"> <li>• Stage 1 - Carpark, Whites shed, turf/landscape to future museum space, Public Domain, Performance Space 1</li> <li>• Stage 2 - Nil</li> <li>• Stage 3 – Nil</li> </ul>