

PROJECT LAUNCH APPROVAL AND CONTRACT 3086 FOR CONSTRUCTION OF CAIRNS COMMUNITY AND MULTICULTURAL CENTRE 600384

CIA | 73/2/23-01 | #7897427

RECOMMENDATION:

That Council:

1. Awards Contract 3086 – Cairns Community and Multicultural Centre to J. Hutchinson Pty Ltd for the lump sum amount of \$8,108,849 excluding GST.
2. Approves the Project Launch Approval for Project 600384 – Cairns Community and Multicultural Centre with a Project Launch Budget of \$10,585,000 excluding GST with an Approved End Date of 18 February 2028.
3. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, negotiate, finalise and execute any and all matters associated with or in relation to this project, subject to Council's normal procurement policies and practices.

INTERESTED PARTIES:

Bridgeman Agencies Pty Ltd
Osborne Construction Solutions Pty Ltd
MyBuild Commercial Pty Ltd
Neater Constructions (Q) Pty Ltd
Richard Field Constructions Pty Ltd
La Spina Construction Pty Ltd
Bedford Built Pty Ltd
W.I.P QLD Pty Ltd
J. Hutchinson Pty Ltd
HCCM Pty Ltd

Note: The identification of interested parties is provided on a best endeavours basis by Council officers and may not be exhaustive.

EXECUTIVE SUMMARY:

The Cairns Community and Multicultural Centre to be located on Tiffany Street, White Rock, will form part of Council's network of community activity spaces. The Centre will provide local opportunities for the White Rock and broader Cairns community to gather, access programs and services and fulfill a broader regional role, by providing fit for purpose and culturally appropriate spaces to support the growing multicultural community in Cairns. Its range of indoor and outdoor spaces will foster cultural sharing, gathering and practices.

In January 2025, The Australian Government confirmed approval to enter into a Project Funding Agreement with Council for \$4M as part of the Growing Regions Program – Round 2 and the Capital Review Board (CRB) endorsed the project concept and comprehensive design brief for both the Multicultural Centre and the new Sports Field design for White Rock State School.

The procurement of a suitably experienced and resourced Principal Contractor was undertaken and a public invitation to submit tenders for Contract 3086 Cairns Community and Multicultural Centre was uploaded to TenderLink on 19 May 2026 and tenders closed 25 June 2026. Council received thirteen (13) submissions, of which ten (10) were well-constructed conforming submissions and three (3) were subcontractor quotes that were deemed non-conforming and subsequently excluded from the tender evaluation process. This report seeks approval of the Project Launch Budget of \$10,585,000 ex GST and the award of the Contract 3026 to J. Hutchinson Pty Ltd with an Approved End Date of 18 February 2028.

BACKGROUND:

Since 2016, Council has been investigating the community and recreational needs within the White Rock area and in 2022, Council undertook the Cairns Multicultural Facilities Needs Assessment which highlighted that a fit-for-purpose facility is required to support the needs of people from different cultures, races and ethnicities, including minority groups. The report confirmed that the Cairns local government area is home to a growing and increasingly diverse community and the region houses residents who originate from 102 different countries, a growing proportion of which are arriving from non-English speaking backgrounds.

The main objective of the project is to provide a facility that has dedicated areas to support the delivery of improved youth engagement, health and wellbeing services (outreach and agency involvement), and social opportunities. The scope includes key physical infrastructure requirements of diverse meeting and gathering areas, hireable event spaces supported by a commercial kitchen and facilities for cultural cooking practices and a welcoming environment for people of all needs and backgrounds.

The 9-month detailed design phase entailed two quantity surveyor estimates, a series of value management exercises and finalisation of a versatile design which ensures delivery of a wide range of spaces for support services which include:

- Cultural activities/festivals run by community groups
- Social events (e.g. gatherings, celebrations)
- Cooking and sharing food
- Group meetings / event planning (e.g. youth, eldership education)
- Programs and activities for children, youth and families (e.g., playgroups and homework clubs)
- Classes and Lessons (e.g. study, craft, dance, language)

COMMENT:

In accordance with Council's Procurement Policy, competitive tender submissions were sought via a Request for Tender (RFT) for Contract 3086 to the open market via TenderLink on 19 May 2026. At closing of public tenders on 25 June 2026, thirteen (13) submissions were received, three (3) of which were subcontractor quotes that were deemed non-conforming and subsequently excluded from the tender evaluation process.

The pricing across the tenders was close with eight (8) submissions within a 10% range of each other which suggests a strong competitive market and tender documentation was well detailed which enabled a good understanding of the scope of works. Where needed, post tender clarifications were sought from tenderers and the resultant adjusted lump sum prices and overall rankings were finalised.

All conforming tenders were assessed by the Evaluation Panel based on the evaluation criteria and weightings nominated in the Invitation to Tender document as follows:

Criteria	Weighting (%)
Relevant experience and past performance	15%
Key personnel and technical skills	10%
Resources and management systems	10%
Understanding and Methodology	15%
Business Profile	10%
Value for Money	40%

Following evaluation, J. Hutchinson Pty Ltd achieved the highest overall score and is considered to offer the greatest value for money opportunities to Council. Although they are the second lowest priced tenderer, their response provided the best alignment with the requirements of the evaluation criteria and in particular this contractor has a high degree of experience with similar type and sized projects, demonstrates a high level of understanding of the project and has a commitment to using local reputable subcontractors.

It is also considered the project size and complexity warrants appropriate staff attendance and J. Hutchinson Pty Ltd have committed a dedicated project manager, site manager and contracts administrator to the project and considered to have made adequate allowance to service the project appropriately. These factors and a comprehensive logical program along with a competitive price were considered by the evaluation panel to offer the best value for money to Council.

J. Hutchinson Pty Ltd is a national company and established in Cairns for over 20 years employing local staff and successfully completed a previous Council project in 2022 'Animal Management Facility'.

All conforming tenderers were considered capable of delivering the project satisfactorily with the decision made to recommend the award of the contract to the highest scoring tenderer.

While the project costing exceeds the allocated budget, it is considered that the tendered prices reflect a difficult market where construction costs have escalated in previous years however these costs reflect fair value for money. A check was undertaken on the value for money aspect of the bids with the recommended tenderer quoting \$6,400/m² of floor area. This compares favourably against the quantity surveyor estimate in January 2026 of \$7,100/m².

Based on the evaluation outcomes, J. Hutchinson Pty Ltd is recommended for the award of Contract 3086 – Cairns Community and Multicultural Centre.

OPTIONS:

Option 1 (Recommended)

That Council:

1. Awards Contract 3086 – Cairns Community and Multicultural Centre to J. Hutchinson Pty Ltd for the lump sum amount of \$8,108,849 excluding GST.
2. Approves the Cairns Community and Multicultural Centre project with an overall Project Launch Budget of \$10,585,000 excluding GST and an Approved End Date of 18 February 2028.
3. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, negotiate, finalise and execute any and all matters associated with or in relation to this project, subject to Council's normal procurement policies and practices.

Option 2

That no contract is awarded at this time.

This option is not recommended as it would jeopardise the \$4M executed Project Funding Agreement. In addition, the recommended tenderer's price is considered excellent value for money and retendering is unlikely to result in reduced tender prices and would only delay the delivery of this important project.

CONSIDERATIONS:

Risk Management:

Considerable effort went into minimising the risk of potential budget exceedances prior to tendering by ensuring that the project deliverables only included necessary items and achieved the best long-term operational outcomes. During the design phase, two quantity surveyor estimates were sought that indicated the need for value management. This resulted in the adoption of a simplified roof structure and reducing the undercover walkway and administration areas prior to tendering. It is considered any further value management would negatively impact the overall quality of the project and be detrimental to the results and end user experience.

In addition to value management, adjustments to project scope were also considered necessary and resulted in the removal of nineteen (19) northern car park bays, a solar system and the construction of a playground and hangi pit.

It should be noted that the sporting field component of the masterplan including provision for an amenities block has been designed as part of this project but will be constructed by the Education Department under a separate grant.

A contingency of \$800,000 has been included in the Project Launch Budget (PLB) to manage potential risks during the construction phase. The contingency is not included in the contract award value.

The key project risks and mitigation strategies have been summarised in the table below.

Description of Risk	Impact of Risk	Proposed Solution
Inclement Weather	Medium	A 4-week wet weather contingency is included in the proposed Approved End Date (AED).
Public Carparking	Low	Design for a further 19 bays were value managed out of the scope to meet budget and the DA approved the current car parking provisions. Council has completed the detailed design for the additional 19 bays ready for delivery in the future.
Sports Field Contract - Construction Access	Medium	Department of Education is managing the construction phase of the neighbouring White Rock State School sports field and require access through the Multicultural Centre site (projects are running concurrently). A Trustee Permit has been executed and staging provisions included in the project scope.
Sports Field Contract - Bulk Earthworks	Medium	The site has natural springs which could hinder the contractor's ability to undertake the bulk earthworks and complete the works within the project completion date and possibly delay completion of the Multicultural Centre driveway. Site treatment options have been issued to Department of Education.
Playground and Kup Murri Pit	Medium	Budget constraints limited the ability to incorporate a playground and hangi pit in the current tender package and were subsequently removed from scope. Council has developed concept designs to assist with the future delivery of these two items.
Quality of materials, construction and workmanship	Low	The works will be well supervised to ensure the quality of delivery with a reputable contractor engaged.

Council Finance and the Local Economy:

In August 2025, Grant Funding of \$4M was executed under the Federal Government's Growing Regions Program – Round 2 and in July 2026, Council received confirmation that a variation has been approved, extending the Project End Date from 30 April 2027 to 29 February 2028.

Council currently has \$9.975M allocated to the project in the 2026/27 Capital Works Program adopted by Council.

A Project Launch Budget (PLB) of \$10,585,000 will enable the agreed scope of works to be undertaken for this project and includes a contingency of \$800,000. A breakdown of the project financials is shown in the table below:

Project 600384	Prior Years	2025/26	2026/27	2027/28	TOTAL
Adopted Budget*	141,801	658,199	6,200,000	2,975,000	9,975,000
PLB (Project Launch Budget)	141,801	869,212	6,781,065	2,792,922	10,585,000
VARIANCE (Budget vs PLB)	0	(211,013)	(581,065)	182,078	(610,000)

**2026/27 Adopted Budget figures*

There is an overall budget shortfall of \$610,000 for the project. The additional funds required to address this shortfall will be sourced from 600085 – Edmonton Library, which currently holds a \$6.32M total project budget allocation in the 10-year Capital Works Program.

Further budget movements will be made within the Capital Works Program to manage the anticipated project expenditure for the Cairns Community and Multicultural Centre in 2026/27 and 2027/28.

The reallocation of \$610,000 of funds from the Edmonton Library project to the Cairns Community and Multicultural Centre is justified on the basis that Council is undertaking a strategic review of library services to assess and reflect contemporary community needs which will inform future models of service delivery. This review will inform the long-term requirements for new or redeveloped facilities, including the assessment of a new build in Edmonton. As such, the long-term requirement for a new library in Edmonton and its format will be guided by the outcomes of this work, ensuring any future investment is consistent with Council's evidence-based approach to growth management.

In contrast, the Cairns Community and Multicultural Centre presents a much more immediate opportunity to provide facilities and infrastructure that will greatly benefit the community.

If the outcomes of the strategic review determine that additional budget is required in future years to provide a suitable facility, funds may be identified and incorporated into future years' budget builds.

The preferred tenderer has demonstrated a commitment to the use of local products, subcontractors and services.

Community and Cultural Heritage:

The multicultural community has been in discussions with Council regarding a fit-for-purpose facility for decades and this project will undoubtedly elate many people and organisations when complete. Further, the need for a community centre in the suburb of White Rock is expected to provide crucial services and facilities for the lower socio-economic community in the southern corridor.

The project will provide a safe, functional, and welcoming space, making a practical difference in encouraging visitors and residents to spend time at and enjoy the diverse public spaces and facilities provided as part of our urban infrastructure.

The Cairns Community and Multicultural Centre will have a positive impact on the community and economy during construction and operations, creating and supporting jobs and local businesses and increased community activities.

Council consulted with Traditional Owner's from Gimuy Walubara Yidinji during the development of the Management Plan and Design Brief and will continue to respectfully engage with Traditional Owners during the construction phase as required.

Natural Environment:

The new works will have a minimal impact on the surrounding environment.

Corporate and Operational Plans:

This project aligns with Council Corporate Plan, in particular:

- Focus Three: 'Design for Liveability' - *Deliver valued suburban community infrastructure*
- Focus Four: 'Community and Culture' - *Provide spaces and programs for the wellbeing of the community*

Statutory:

This tender process has been conducted in accordance with legislative requirements under the *Local Government Act 2009* and the *Local Government Regulation 2012*.

All relevant statutory requirements will be satisfied, and site works will not occur until all permits and approvals have been obtained, these include:

- Decision Notice – Development Permit for Material Change of Use (received)
- Building Works Approval – Building Act (received)
- Plumbing Approval - (received)
- Operational Works Permit – Sports Field Bulk Earthworks (received)

Policy:

The open tender process utilised for the procurement complies with Council's procurement policy.

CONSULTATION:

Council and its consultants have undertaken significant consultation as part of the Multicultural Facilities Needs Assessment and the development of the Management Plan and Design Brief. In 2022, representatives from 25 different cultural groups attended a workshop in addition to an online survey.

An internal Technical Review has been undertaken, and the following additional stakeholders have been engaged with and consulted during the detailed design phase:

- Coordinator Parks & Open Spaces (Community Spaces)
- Coordinator / Team Leader Infrastructure & Operations (I&TS)
- Executive Manager / Supervisors Asset Services
- Community Safety Engagement Team (Community Life)
- Coordinator Plumbing & Trade Waste (BP&C)
- Team Leader Business Engagement & Strategy (Creative Life)
- Executive Manager / Safety Advisors (Wellbeing Health & Safety)

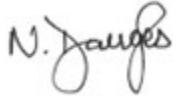
A Consultation and Engagement Plan has been developed and includes the following key messages to be communicated to stakeholders:

- Council has secured federal funding under the Growing Regions Program to build a community and multicultural centre in White Rock.
- Cairns is home to a growing and increasingly diverse community. The need for a multicultural facility has been the topic of ongoing discussions between Council and community representatives for decades regarding the need for a dedicated multicultural community facility.
- This project is the culmination of a range of different studies and consultations that had been undertaken over many years. The result is a Queensland first, Cairns Regional Council is leading the way as the first local government authority in the State to plan, design and deliver a multipurpose community centre where the building and operational model have been specifically developed to foster cross cultural sharing, learning and celebration.
- The project will provide an improved community and multicultural facility for the people of Cairns that is a safe, sustainable and connected place that supports quality of life.
- The centre will support diverse sport, cultural and community groups and provide spaces and programs that contribute to community well-being.
- There are State Government sports grounds works occurring on an adjacent greenfield site on land leased to Council which are separate to the multicultural centre project. The sports grounds will mostly be used by the White Rock State School with availability for use by Council and sporting groups after hours. There will not be any lights installed on the field in the foreseeable future so after-hours use will be limited.

During construction, regular progress reporting will also be provided through Council workshops to inform on project status and key milestones that have been met.

ATTACHMENTS:

Attachment 1 – Perspective views

A handwritten signature in black ink, appearing to read 'N. Douglas'.

Naomi Douglas
Executive Manager Project Management Office

A handwritten signature in black ink, appearing to read 'Mark Wuth'.

Mark Wuth
Director Cairns Infrastructure & Assets

A handwritten signature in black ink, appearing to read 'Destry Puia'.

Destry Puia
Director Lifestyle & Community

ATTACHMENTS:

Attachment 1 – Perspective views (Front Elevation)



Rear Viewing Platform



Entry Foyer



Multi-Purpose Hall

