



ARTS, CULTURE AND ENTERPRISE CENTRE Needs and Options Analysis

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DRAFT

Prepared by:



Prepared for:



EXECUTIVE SUMMARY

RFF has been engaged to identify and interrogate the demand/ need for the development of cultural and community facilities in the Town of Port Hedland. The project is being progressed in conjunction with the \$152 million Spoilbank Waterfront project, potential development of a Port Hedland Arts and Cultural Enterprise Centre and the proposed development of an arts, cultural and enterprise centre by Roy Hill.

The agreed scope of this report is as follows:

- Review relevant policies, budgets, plans and strategies including:
 - Strategic Community Plan
 - Community Survey(s) – Most Recent Only
 - Long Term Financial Plan
 - Community Facilities Operating Budgets and Operational Plans
 - Community Infrastructure Plan (Draft)
 - Port Hedland Entertainment Feasibility
 - Pilbara's Port City Growth Plan
 - Pilbara Regional Investment Blueprint
- Stakeholder engagement with facility operators including:
 - Matt Dann Senior Staff;
 - ToPH Community Team;
 - FORM (Management, Visitor Centre, Spinifex Hill and Courthouse Gallery Staff);
 - YMCA (Wanangkura Stadium)
- high level review of facilities in terms of utilisation, aged etc including Wanangkura Stadium, Matt Dann Centre, Courthouse Gallery, Port Hedland Visitors Centre, Port Hedland Library and other sites determine through the consultation process with facility operators; and
- benchmarking of assets compared other centres of a similar size.

The intent of this report will be to properly define the need and options for the provision of improved cultural and community infrastructure in the Town, which will lead to a more detail options analysis of the preferred approach.

Based on numerous industry benchmarks, the current estimated resident population of 16,483 is insufficient to support many of the existing art and cultural infrastructure in the Town. However, these benchmarks are meant for capital city areas and should not be used in regional areas. Previous work conducted for the Town of Port Hedland (i.e. Draft Community Infrastructure Plan, Entertainment Feasibility, and Community Survey) have all demonstrated existing demand for the art and cultural infrastructure in the town as well as improvements that are required.

In consideration of the research, analysis and consultation undertaken for this project, there is clearly a need to plan for and make improvements to the quality of infrastructure in the community to support a vibrant and well-resourced arts and culture community in Port Hedland. The findings more specifically determined:

- at a Policy level, there is clear support at State, regional and local level to provide infrastructure in the Pilbara which can support arts and cultural development to support economic diversification of the economy through tourism; increase economic participation amongst aboriginal people and improve liveability of communities;
- as population of Port Hedland grows, the capacity for facilities including community meeting space, function space and arts/ cultural space will restrict or limit service provision proportionately to population size;
- arts, Cultural and Community space in regional communities must respect and engage with the Traditional Owners and the Iconic landscape features of the community;
- Colocation of arts and culture uses with information focused uses such as Libraries and Visitors Centres can be complimentary.

- demand for arts and culture activity in Port Hedland is strong given the high level of participation rates reported; the importance placed on arts activity by the community; its diverse multicultural background; proportionately higher aboriginal population; long-term financial investment by Local, State and Federal Government; and Industry;
- the population size is unlikely to grow to a size and scale to support a dedicated convention centre;
- the Matt Dann theatre provides a high level of serviceability as a performing arts venue and colocation with the Highschool maximises utilisation; however the age of the interiors warrants improvements and additional facilities such as rehearsal studios are required to balance community and school access to performing arts studios
- fitness space, independent of other recreational assets are high use, high income assets for the Town of Port Hedland which are at capacity; and without further investment market share could be substantially lost to the private sector (note: already commenced with privately operated commercial gym expected to open in the 16/17 Financial Year);
- the Town of Port Hedland has a limited function space which is of sufficient size and includes necessary design attributes to support community functions and events since Gratwick Hall was converted into offices;
- existing arts, culture and community space including the Matt Dann, Courthouse Gallery, Port Hedland Library and Visitors Centre are aged and are not specifically designed for the use operating from the building, limiting participation and service delivery;
- costs to operate arts and cultural infrastructure by the Town is proportionately higher compared with similar sized communities and is likely to increase as older buildings continue to deteriorate;
- revenue from community/ recreation facilities in the Town is proportionately less than that of other likeminded communities suggesting that improved management or building modification/ remedies/ expansion could provide a means to improve the sustainability of arts, cultural and recreation space in the Town of Port Hedland;
- there is a strong level of capacity within the community and existing organisations in the arts, culture and community sector capable of supporting enhanced service delivery and skills development amongst the Port Hedland Community.

Based on these findings RFF determines:

1. Any new arts and cultural, function facility should be designed and located in accordance with the Traditional Owners, and located along Port Hedland's Waterfront, its most notifiable landscape asset.
2. Additional or replacement infrastructure is required to address the limitations of existing infrastructure to meet current and projected community need for arts, culture and fitness space.
3. A more diversified income base or management arrangement for Wanangkura Stadium and the Matt Dann Centre which are largely meeting their functional purpose should be considered as part of a broader review by the Town.
4. Holistic consultation with the Arts Community should be undertaken as part accurately defining the requirements of arts and cultural space (i.e. studios, galleries etc.) in providing for the future requirements of a Port Hedland population of 30,000.
5. Negotiations with major capital and operating funding partners should progress in parallel with arts, cultural and community infrastructure planning; and where possible longer term partnerships should be secure to allow investment which can lead to greater economic independence in the region for the arts and culture community in the medium term.

In moving forward, a number of options need to be considered to determine the best outcome for the Town of Port Hedland to meet future demand.

Option 1 – Do Nothing

This option would see no capital investment in the delivery of new infrastructure or any improvements to existing.

Option 2 – Modifications/ Extension of Existing Arts, Culture and Community Facilities

This option entails undertaking improvements as necessary to increase the capacity at existing facilities including:

- renovation and additions to the Matt Dann Centre as recommended in the Port Hedland Entertainment Feasibility (2012);
- upgrades and extensions to the courthouse gallery to convert the facility into a Class A gallery which incorporates additional studio space for use by the arts community;
- extensions to the Gratwick Hall gym to meet forecast demand for fitness facilities for the Port Hedland locality;
- extensions to the Civic Centre (which would require broader building rectification) to provide for a new Community Function space or refurbishment and additions to Wanangkura Stadium to increase use as a community function space.

Option 3 – Colocation of Visual Arts, Information Services, Function and Fitness Space

This option would incorporate a new development along the Port Hedland waterfront to meet future demand and would include:

- development of multi-functional building incorporating an A Class Art Gallery, Function/ Restaurant area, Visitor Centre/ Port Hedland Library Integrated Service and New Fitness Centre to meet Port Hedland demand;
- renovation and additions to the Matt Dann Centre as recommended in the Port Hedland Entertainment Feasibility (2012); and
- refurbishment of the Wanangkura Stadium to increase use for functions/ community events; and
- repurposing/ demolition or sale of vacated buildings.

Option 4 – As per the Concept Brief to the Pilbara Development Commission

The project was broadly defined as development as follows:

- Regional Convention Facility
- Visual arts studios (space for artists in residence)
- Performing arts rehearsal and support spaces (storage areas for props and resources)
- A display space
- A stage/performance space
- Civic areas
- Food and beverage merchant opportunities
- Office accommodation.

It is assumed that this option would result in the repurposing/ demolition or sale of vacated buildings.

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1 INTRODUCTION

The purpose of this report is to interrogate the demand/ need for the development of cultural and community facilities in the Town of Port Hedland. The project is being progressed:

- in advance of the final Community Infrastructure Plan for the Local Government Area to inform the \$152 million Spoilbank Waterfront project;
- early discussions with the Pilbara Development Commission regarding the allocation of Pilbara Cities Funding to the development of a Port Hedland Arts and Cultural Enterprise Centre; and
- proposed development of an arts, cultural and enterprise centre in the Town of Port Hedland by Roy Hill.

The Town of Port Hedland presented a list of preferred projects to be funded through the outstanding Pilbara Cities Fund in late 2015. One of the identified projects included the Port Hedland Arts and Cultural Enterprise Centre. The project was broadly defined as:

- Regional Convention Facility
- Visual arts studios (space for artists in residence)
- Performing arts rehearsal and support spaces (storage areas for props and resources)
- A display space
- A stage/performance space
- Civic areas
- Food and beverage merchant opportunities
- Office accommodation

The basis for the Port Hedland Arts and Cultural Enterprise Centre was linked to the long tradition of arts and cultural activities within the Town of Port Hedland. We understand the project was considered favourably and some funds have been nominally set aside to support the project subject to a detailed business case.

The agreed scope of this report is as follows:

- Review relevant policies, budgets, plans and strategies including:
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- high level review of facilities in terms of utilisation, aged etc; and
- benchmarking of assets compared other centres of a similar size.

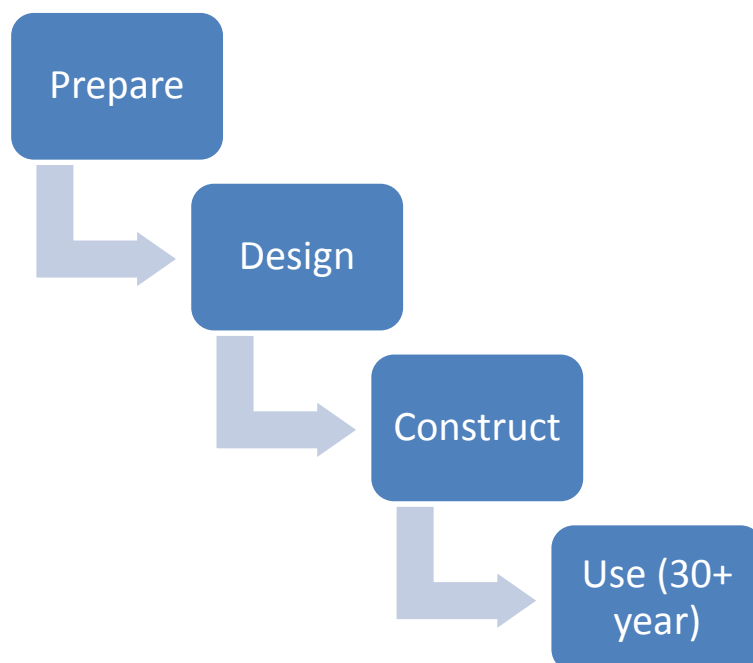
The intent of this report will be to properly define the need and options for the provision of improved cultural and community infrastructure in the Town, which will lead to a more detail options analysis of the preferred approach.

2 METHODOLOGY

RFF has set out to adhere to the *'Building Creative Environments': An online guide for planning arts and cultural buildings in Western Australia* (2013) produced by the WA Department of Culture and the Arts. The guidelines define arts and cultural buildings as including a variety of spaces and uses including:

- administrative centres for arts organisations
- art and craft galleries
- artist studios – working and residential
- commercial – shops and bars
- community arts centres
- concert halls
- craft workshops
- film and digital studios
- indigenous cultural centres and keeping places
- libraries
- museums
- multi-arts/interdisciplinary workshops
- outdoor/open space performance area
- performing arts centres
- recording facilities
- rehearsal studios
- screen facilities
- storage facilities
- theatres.

Given the above and the initial description of the proposed development presented in the Concept brief to the Pilbara Development Commission, these guidelines are considered appropriate to inform the project. The overall project planning process is summarised into four phases:



As outlined in the Guidelines, RFF is commencing the 'Prepare' phase of the process which includes the following key steps.

Gap Analysis and Needs Assessment

A gap analysis or needs assessment may include:

- identifying current and future trends including population, audiences, tourism, programming, and technologies
- analysing social indicators and audience/visitor demographics
- reviewing existing facilities and services to identify the type/scale of assets that are needed and not currently available
- assessing similar facilities and services provided in comparable communities/organisations
- community consultation to identify unique skills, demand, usage and future potential
- sourcing skilled managers and technicians.

The gap analysis/ needs assessment will help to identify:

- operational problems in existing spaces, including match of skilled managers and technicians in the space
- unfulfilled aspirations caused by lack of space, lack of the right type of space, ie. too low, too high, too dark, too light
- poor technical facilities
- the threat of demolition through redevelopment
- economic viability threatened by low capacity
- opportunities to regenerate an existing facility within a larger development
- the feel, look and/or condition of the existing space disconnecting and discouraging visitors or audiences
- difficult, uncomfortable and undignified spaces for people with disabilities to participate and attend
- life cycle energy and maintenance costs increasing annually at an unviable rate
- existing heritage, maintenance, or access issues.

Defining the Project

For arts and cultural facilities there may be several development options available with the preferred approach being refined through the needs/gap assessment. Options may include:

- stand-alone venue – establishing or refurbishing a dedicated facility serving a single or multiple purposes;
- co-located and multi-purpose facilities – jointly locating service providers within a facility, usually without integrating services, but involving shared premises and possibly some administrative or other services;
- creative or community hub – a collection of venues or facilities clustered together on the same or adjoining sites. There may or may not be interaction between these facilities. Together, they create a focal point for community or sector activity.

There are many benefits to be gained through the joint provision or shared use of arts and cultural facilities including:

- less duplication and maximum use of community facilities and services
- creation of a community hub – a focal point for community activity
- shared capital costs
- reduced operating costs
- increased community ownership of facilities
- access to broader range of services and expertise.

3 NEEDS ANALYSIS

The needs analysis was carried out in alignment with the Guidelines and included the following elements:

- Strategic Policy Alignment
- Population Characteristics and Trends
- Facility Functionality
- Benchmarking
- Local Capacity, Skills and Resources

Combined, these elements were used to identify the current and future arts and cultural infrastructure needs for the Town of Port Hedland.

3.1 Strategic Directions

The following table provides an overview of various relevant strategic documents and the bearing on this project.

| Strategic Document | Relevance |
|------------------------------|---|
| State Planning Strategy 2050 | <p>A pillar of the State Planning Strategy is 'Spaces and Places'</p> <p style="text-align: center;"><i>"Creating spaces and places that foster culture, liveability, enterprise and identity"</i></p> <p>Important facts highlighted in the Strategy include 8 out of 10 people in Western Australia (81%) attended or participated in arts and cultural activities at least once in the past year. This demonstrates that accessibility to arts and culture is important to the liveability of communities.</p> <p>There is a need for coordinated investment into 'soft' infrastructure to help build a sense of place. Community meeting places in the form of community gardens, public open spaces, physical recreation facilities, civic squares and designated outdoor recreational areas foster a sense of belonging and identity.</p> <p>The provision of public art, heritage, cultural events, support networks, lighting and street furniture, improves a community's level of comfort and interaction.</p> <p>The strategy highlights a number of important aspirations important to creative vibrant liveable communities:</p> <ul style="list-style-type: none"> • Activity centres offer affordable spaces for small business enterprises (including creative and arts-based industries); • There is community organisation that generates a sense of pride and volunteerism • A high degree of character and amenity reflects the cultural values and landscape quality of a community • Spaces and places are defined by their unique local landscape qualities and cultural characteristics • Ongoing recognition of Aboriginal culture • The exchange of information, wisdom, knowledge and values continue to be encouraged within a community • There is a range of opportunities for local entrepreneurship, recreational activities and cultural expression • There is variation in the built form and a range of suitable spaces and places available for cultural activity • The State continues to celebrate its cultural diversity through activities, festivals and events. <p>Developing vibrant, flexible spaces will foster a united and community driven arts and cultural group. Creating a space that is accessible to the entire community and supported by a driven organisation means that professional arts groups such as FORM need to work collaboratively with grass roots organisations such as HARTZ. Space is provided to support creative exploration and entrepreneurial activity within the local community. The location</p> |

| Strategic Document | Relevance |
|---|---|
| | <p>of arts space alongside the Port Hedland waterfront and designed in a way which is responsive to the Traditional Owners will provide a way for ongoing recognition in a unique and identifiable landscape. Facilitating space for the community and visitors to interact with the community's heritage in an identifiable and accessible location would also be ideal.</p> |
| <p>Cultural Infrastructure Directions</p> | <p>The Cultural Infrastructure Directions (CID) has been developed to inform the State Government on the effective delivery of arts and culture in Western Australia. The principles of the cultural directions are as follows:</p> <ul style="list-style-type: none"> • A community needs to plan according to its specific circumstances, skills and capacity. This needs to be undertaken before cultural infrastructure solutions are identified and resourced. • Cultural infrastructure is not solely hard infrastructure; people, technology, cultural collections and buildings form DCA's definition of cultural infrastructure. Together, these components of cultural infrastructure enable delivery of arts and cultural experiences. • Partnerships are integral to successful cultural infrastructure. As well as financial investment, shared skills, expertise, ideas and resources are needed for collaborative projects and services. <p>In the planning and delivery of cultural infrastructure the CID emphasises:</p> <ul style="list-style-type: none"> • the important of properly considering the longevity of the investment, particularly in relation to the ongoing costs associated with delivery of services and maintenance of cultural infrastructure; and • the importance of local government, non-for-profit organisations, private business and other state government agencies play an important part in the provision of cultural infrastructure in WA. <p>To deliver cultural infrastructure in Port Hedland, stronger partnerships will need to be developed across local arts and cultural groups along with public and private funding sources. In smaller communities, sustainability of service delivery will drive colocation of services to maximise utilisation of infrastructure across a variety of users. Leveraging digital infrastructure and connectivity between the Pilbara and Perth will also increase accessibility of the community to arts and cultural training development opportunities.</p> |
| <p>Regional Arts and Cultural Action Plan 2014 - 2018</p> | <p>The Department of Culture and the Arts' Regional Arts and Cultural Action Plan (the Action Plan) has been developed as a framework to guide government and community investment in arts and culture, with the aim of increasing creativity and engagement with the arts in regional communities.</p> <p>Objectives of the plan include an increase in access for regional artists and cultural workers to resources, professional development and networking; supporting communities through partnerships to broaden arts and culture and increase sustainability; prioritise cultural projects for the region; and encourage regional arts and cultural organisations to build hubs of creative activity.</p> <p>Delivery of regional arts services is focused through regional partnerships including the Aboriginal Art Centre Hub WA, FORM and Country Arts WA.</p> <p>Actions specifically relevant to the plan include:</p> <ul style="list-style-type: none"> • providing funding for key strategic regional programs and service delivery organisations and also support key regionally based (on-the-ground) arts and cultural organisations; • support the development needs of Aboriginal arts centres and artists, including professional and skills development, strategic planning and business planning. <p>Review of the existing snapshot in the Pilbara indicates there is no direct support to a centre or service provision in the Pilbara. Identified support into the region appears to be through the Aboriginal Arts Centres WA and FORM, with funding ending to HARTZ recently.</p> |

| Strategic Document | Relevance |
|---|--|
| <p>Pilbara Regional Investment Blueprint (2015)</p> | <p>The Blueprint identifies the challenges of employment retention and development of human capital. It emphasises the importance of continued investment in community infrastructure including arts and cultural services (both infrastructure, events and activities) to attract people to the region, address remoteness and the current lack of cultural facilities in the region such as theatres and art galleries. It highlights a particular focus on celebrating the Pilbara's unique Aboriginal culture.</p> <p>The Blueprint envisages that by 2020, there will be a higher level of participation in cultural facilities and events and by 2050 that the Pilbara community will celebrate the unique aboriginal culture of the region. Enhancing exposure and improving service delivery with respect to arts and culture could be achieved by increasing resources or providing more efficient, flexible space capable of higher rates of utilisation.</p> <p>The Blueprint also highlights, further investment is required to expand and diversify currently limited arts, culture, and recreation and leisure options. Recent major investments to broaden and expand the provision of cultural infrastructure across the region has been achieved, with funding commitments to the East Pilbara Arts Centre, Ngurin Centre and Karratha Community and Culture project.</p> <p>Port Hedland has a high salience level in its arts and cultural space as a result of organisations such as HARTZ, FORM and Wangka Maya Language and Spinifex Hill artists. Major investment in infrastructure to support the long term sustainability and improved delivery of services to the community has been limited.</p> |
| <p>Pilbara Planning and Infrastructure Framework (2012)</p> | <p>The Pilbara and Planning Infrastructure Framework highlights a shortfall in cultural facilities in the Pilbara Region and the importance of delivering a higher order of facilities to support population growth in the region, despite population thresholds not being met.</p> <p>The report emphasises the unique Aboriginal cultural and natural heritage assets of the region and the importance of leveraging this to drive tourism and other economic activity. The Framework suggests the need to pursue development of an Aboriginal arts and culture centre in the Pilbara to conserve aboriginal heritage and culture. It also supports a broader study of arts and cultural opportunities in the region.</p> <p>The East Pilbara Arts Centre recently opened in Newman focused on providing for the Martu People and the Ngurin Centre in Roebourne is likely to offer a unique aboriginal cultural centre in the Pilbara. Arts and cultural development in Port Hedland should focus on leveraging both aboriginal culture and the Town's broader multi-cultural diversity.</p> |
| <p>Pilbara's Port City Growth Plan (2012)</p> | <p>The Growth Plan (adopted by the Town of Port Hedland and Western Australian Planning Commission) advocates increased development of cultural assets, public spaces and events to further promote Hedland's unique multi-cultural heritage. It highlights an opportunity to drive a distinction between Karratha and Hedland as regional cities by fostering Hedland as the premier cultural hub of the Region. This would be achieved through development of new tourism uses, high end Art Gallery, research facilities, business incubation, waterfront development and entertainment.</p> <p>Implementation of these objectives focuses on development of a comprehensive programme of community and cultural facilities upgrades which would incorporate an iconic building overlooking the waterfront. The Implementation plan accompanying the Growth Plan includes a number of important actions for implementation:</p> <ul style="list-style-type: none"> • Development of an Aboriginal Cultural Centre and Arts Centre; • Relocation/ Consolidation of the Port Hedland Library; • Implementation of the 2012 Entertainment Facilities Study; and • Investigation/ development of a Cultural Centre that integrates galleries, commercial space and industrial/ historical tourism. <p>Many of the proposed developments are aligned or overlap. The extent of previous 'need' or demand for new arts, cultural and community meeting space highlights the latent demand for such infrastructure in the Town of Port Hedland.</p> |
| <p>Strategic Community Plan</p> | <p>The Town of Port Hedland Strategic Community Plan was adopted in 2014. Stakeholder engagement undertaken as part of the development of the Strategic Community Plan identified a strong passion amongst the community to celebrate and foster Port Hedland's multi-cultural background, history and aboriginal culture. This developed into a key direction in the Town's plan as <i>A vibrant community rich in diverse cultures</i> with key actions being:</p> <ul style="list-style-type: none"> • Deliver and support programs, events, facilities and services which attract and retain residents to increase |

| Strategic Document | Relevance |
|--------------------|---|
| | <p>our permanent population;</p> <ul style="list-style-type: none"> Celebrate our multiculturalism, indigenous culture, arts and history. <p>The importance of cultural activation and programming is further highlighting in the Town's community perception surveys where events and cultural activity were amongst the most important services provided by the community.</p> |

3.2 Population Characteristics and Trends

This section focuses on a review of existing and future population, demographic and tourism trends that will impact and shape the future need for arts and cultural infrastructure.

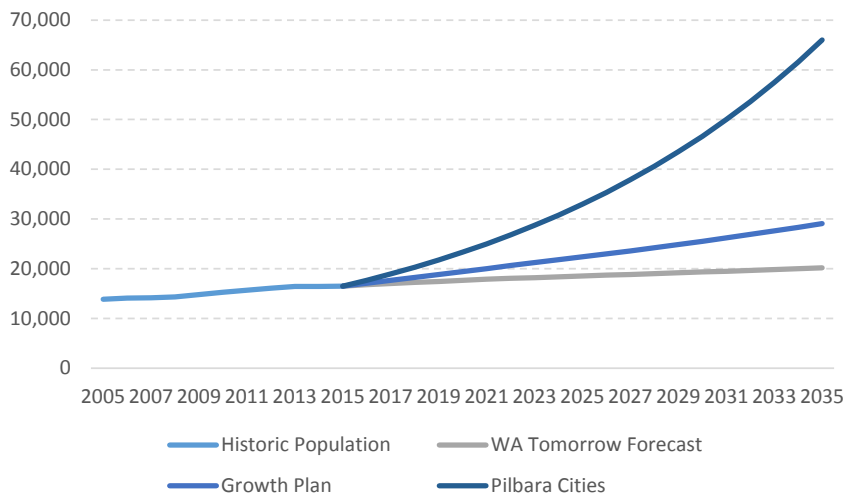
3.2.1 Population

The estimated resident population of the Town of Port Hedland was 16,483 as of June 2015. Which is only a 0.4% increase on the previous year. From 2009 to 2013, the population of the town grew rapidly (average of 2.8% per year), however, the end of the mining investment boom has meant much slower growth recently.

There are a variety of population projections that have been developed for the Town of Port Hedland. The Pilbara Cities target is 50,000 people. This target remains a long term aspiration for Port Hedland. For the Port City Growth Plan, the projected population was tempered to align to the more recent past and demonstrate a future population that was achievable, reaching 24,760 by 2026. WA Tomorrow has the most modest growth profile of the three projections, averaging 1.6% growth per year until 2026.

Using these projections, the most likely outcome is that the Town of Port Hedland's population will reach between around 20,000 and 29,000 people by 2035.

Figure 3.1 Historic and Future Population, Town of Port Hedland

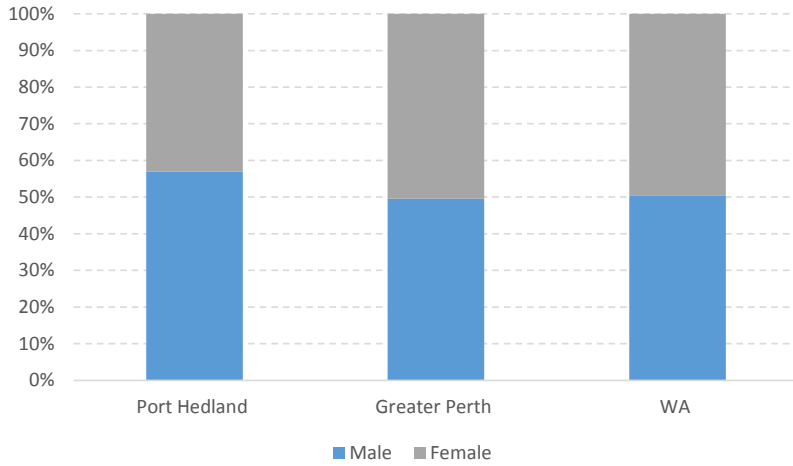


Source: ABS (2016); WA Tomorrow (2015); Pilbara's Port City Growth Plan (2012).

In 2012, the Town of Port Hedland completed a feasibility study on future planning and feasibility of cultural and entertainment facilities. This study undertook a comparative analysis of population and growth to determine demand for cultural and entertainment facilities in Port Hedland. The study considered the existing service provision, local population and capacity of the community and determined the requirements in the medium term to meet cultural entertainment requirements for the community to a population of around 40,000. The report determined the Town of Port Hedland can be expected to experience average to above average levels of demand relative to state levels; and the lack of cultural and entertainment products in Port Hedland is resulting in a high level of leakage from Port Hedland or substitution with other activities. Therefore, whilst industry

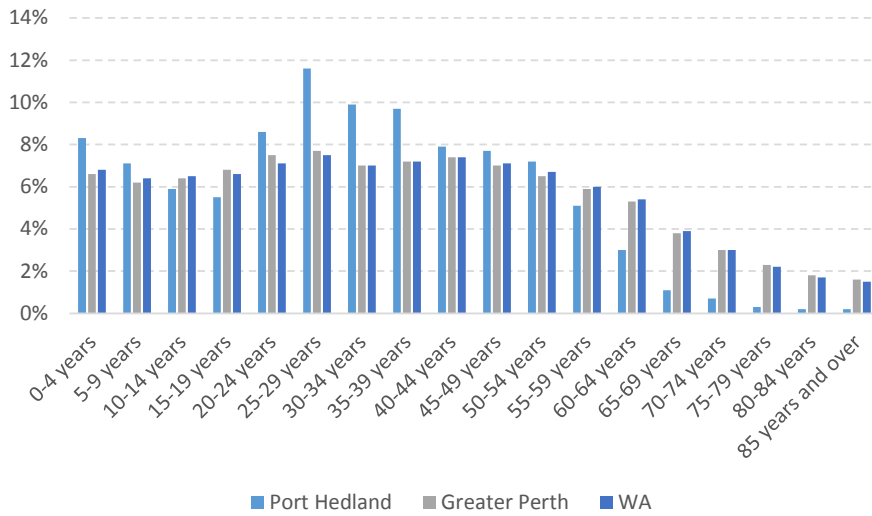
benchmarks, typically based on metropolitan population, provide a good baseline, it is important to consider the higher level of demand for Port Hedland as a result of its demographic mix; including a much higher family and aboriginal population.

Figure 3.2 Male and Female Population



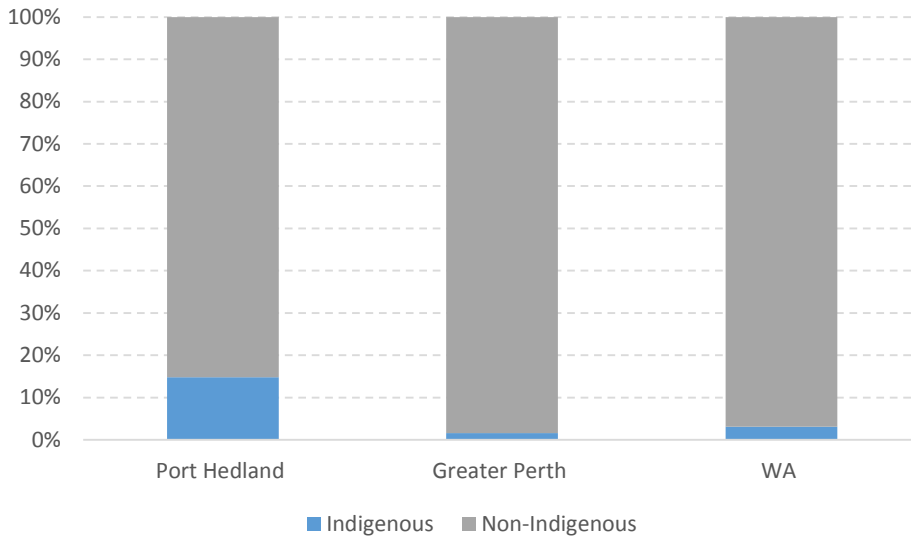
Source: ABS (2012)

Figure 3.3 Population by Age



Note: % represents the proportion of the population.
Source: ABS (2012).

Figure 3.4 Indigenous and Non-Indigenous Population



Source: ABS (2012).

3.2.2 Tourism

Analysis has been undertaken into the Port Hedland tourism market as cultural products can be a significant contributor to growth in the local tourism economy. Over the last ten years, Port Hedland has averaged 116,600 visitors, with the majority (70%) being domestic overnight visitors, with business travellers making up the largest segment. During this term, an average of 16.4% of visitors (19,129 visitors) have engaged in some sort of cultural or arts related activity and 8.8% of visitors (10,277 visitors) have engaged in an Aboriginal cultural activity. Most of these activities are provided free of charge.

An important recent element of Port Hedland's tourism industry has been the stopover of cruise ships into Port Hedland. In 2014/2015 Port Hedland has 4 ships visit port representing 9,893 passenger days at Port with over \$1,500,000 contributed to the local market. The suggestion has been made that a significant number of passengers' refuse to disembark the vessel citing the lack of tourism based activities within the Town. To combat this, the Town of Port Hedland has made a significant investment into the cruise ship markets where local producers and/or small businesses are encouraged to set up stalls at Port to cater for the cruise ship visitors.

It is further noted that immediate access to Aboriginal cultural experiences in the Port Hedland locality is limited due to the location of Spinifex Hill artists in South Hedland. An alternative centre located in closer proximity to the port and more accessible to pedestrians (i.e. in Port Hedland) could support increased tourism expenditure and product development.

As the Pilbara Tourism Product Development Plan highlights, the Pilbara is not a traditional leisure tourism destination and does not offer many tourism products (outside of the natural beauty of the region and recognised national parks). The Plan highlights future opportunities for Aboriginal cultural tourism, and importantly the major gap in cultural products and infrastructure in the region. To increase leisure tourism and potential economic returns a focus is required on long-term investment in the development of Aboriginal tourism products (i.e. new business development) which can increase exposure and awareness of the rich cultural history of the region.

3.3 Facility Functionality

3.3.1 Building Functionality

Numerous facility audits have broadly been undertaken in the last four years including the Entertainment Facilities Feasibility (2012) and the Draft Community Infrastructure Plan (2015). A summary of findings completed in relation to cultural and community assets is summarised in the following table. It also includes further engagement undertaken with facility operators and RFF's understanding of the condition/ functionality of buildings. The audit/ assessment relates to assets under ownership or management of the Town of Port Hedland.

An overarching finding of previous audits of community infrastructure has identified:

- many buildings, due to their age, could be better designed to comply with current accessible/ universal design standards;
- several buildings no longer cater for the purpose or activity that they were intended for;
- the location/ siting is poor; and
- management systems were lacking and required improvement to better coordinate space utilisation across community facilities.

| Infrastructure | Location & Built Form Summary |
|-----------------------------|--|
| Court House Gallery | <ul style="list-style-type: none"> • Former Port Hedland Courthouse, retrofitted as a Gallery which limits functionality • The internal floor area of the centre is estimated at 450m² • Basic amenities lacking including toilets, kitchen/ food preparation facilities which restrict functionality and utilisation of space; • Gallery is small and doesn't allow for travelling exhibitions and the internal layout of the building (i.e. smaller individual spaces, building height) limits flexibility in size/ scale of exhibitions • Limited storage space, administration space and space to undertaken workshops to build local capacity (i.e. no studio space for arts and areas to support creative industry wokshops being undertaken by FORM); • the age of the building and equipment increase ongoing maintenance costs, non-compliance with ABC and DDA and visitor experience (i.e. air-conditioning, lighting issues); • It does not include any studios for local aspiring artists to compliment the Spinifex Gallery in South Hedland; • Ideal setting in leafy gardens, supported by the Silverstar café (undergoing refurbishment) • Any further population growth would outstrip current facility capacity and ability for programs to cater for a more diverse population |
| Port Hedland Visitor Centre | <ul style="list-style-type: none"> • Located on Wedge Street in the historical Town Centre of Port Hedland • Offers tour booking for the BHP Port Tour and Local History Tour • Limited visibility in terms of location and also limited bus/ car parking for travelling tours • Management outsourced to FORM • Complimentary to the Art Gallery and Silverstar Precinct in the West End • WiFi available to visitors |
| Matt Dann Centre | <ul style="list-style-type: none"> • 302 seat theatre delivering music and cinema • the Matt Dann is only Circuitwest venue in the region (aside from planned Karratha Community and Cultural centre). design and colocation of this facility with hedland senior high school provide operational impediments and challenges around security and restrict community access; • Nominated works required focus on: <ul style="list-style-type: none"> ○ Improved box office and front of house; ○ development of rehearsal space; ○ Improve back-of-house storage; and ○ Limited external outdoor theatre space adjoining the centre. <p>The improvements identified can be achieved to the existing building as shown by Concept planning as part of the Entertainment Feasibility.</p> <ul style="list-style-type: none"> • Recent lighting improvements to the Centre have just been funded through Royalties for Regions |

| Infrastructure | Location & Built Form Summary |
|-----------------------------------|---|
| Wanangkura Stadium | <ul style="list-style-type: none"> • \$33 million multi-purpose recreation centre • Considerable shortage of: <ul style="list-style-type: none"> ○ Indoor flexible spaces for physical fitness/ gym space to accommodate high demand; ○ Creche; ○ Storage Space ○ Security; ○ Kitchen • Limited use as function space resulting from: <ul style="list-style-type: none"> ○ poor lighting/ acoustics; ○ no commercial kitchen; ○ inability to jointly run functions at Jimblebar room and the main Stadium • Building design prevents sectional usage of the space (i.e. the whole building is accessible when opened) creating security, management and utilities challenges • Jimblebar Room is limited in functionality and capacity is also restricted • Has been occasionally used for larger functions (i.e. year 12 ball, Economic Forum) catering for 200+ events • Proposed expansions to the stadium could facilitate opportunities to increase efficiency/ maximise utilisation. |
| JD Hardie Centre | <ul style="list-style-type: none"> • Incorporates some small community meeting space in association with the NFP office space area; • Facility Hire available but limited in utilisation |
| Gratwick Hall/ Civic Centre | <ul style="list-style-type: none"> • Gratwick Hall is a very small facility, the gym only capable accommodating around 10 people at any one time • High demand at the gym facilities in unable to be met in the current size building/ configuration • Capital expenditure to make the facility unstaffed recently completed • Requirement to upgrade/ increase the size and scale of the facility to accommodate a larger gym |
| Port Hedland Library | <ul style="list-style-type: none"> • is located in the former Cooke Point Preschool in Dempster Street (built circa 1970) • restricted operating hours and service provision with core librarian services concentrated in South Hedland and planned for further consolidation through development of the South Hedland Hub |
| South Hedland Town Centre Gardens | <ul style="list-style-type: none"> • Stage located in the South Hedland Town Centre with public toilets • Stage and amphitheatre is set in a relative small outdoor green space in the Town Centre with limited shade |

Source: Port Hedland Feasibility Study (2012), Draft Community Infrastructure Plan 2015, Stakeholder Engagement

The high level assessments completed demonstrate that a number of the arts and cultural facilities under ownership by the Town are aged; or that buildings have been repurposed where possible to accommodate arts/cultural service provision. Furthermore, existing buildings may not have been properly designed to maximise multi-functional purposes. In both

instances, the capacity to provide the community with high quality services is being restricted by the space restrictions or design faults.

Additional information is also expected to be provided in the subsequent stages regarding the operating, maintenance and capital replacement costs for arts and culture focused assets in the Town of Port Hedland. In the interim, consultation with the Town's Asset Manager during May 2016 indicated that existing costs are likely to be extreme; many of the buildings providing for arts and cultural activity have or are close to need of replacement in alignment with the Town's Asset Management Strategy and Asset Management Plan. Moving forward, consolidation of services to a single building was strongly supported by the Asset Manager for the Town of Port Hedland as a means to effectively use capital to deliver operational and maintenance savings to the Town of Port Hedland in the medium term as part of the broader budget repair strategy being pursued.

3.3.2 Financial Operations

The Town of Port Hedland operates and funds a variety of recreational and cultural assets, including:

- JD Hardie Centre
- Libraries
- Matt Dann Cultural Centre
- Courthouse Art Gallery
- Visitor Information Centre
- Gratwick Aquatic Centre
- South Hedland Aquatic Centre
- Wanangkura Stadium

The annual cost to operate these recreational and cultural facilities was \$9.3 million in 2014-15 (Table 3.1), which is a cost expected to grow at or around 3% per year. This level of expenditure as well as the anticipated growth is consistent with previous years. Analysis of figures before 2013-14 is not possible as not all data is available for every facility. Regardless, this level of expenditure (escalating at or around 3% per year) is expected for the future.

It should be noted that this level of expenditure does not include any overheads or other costs that the Town of Port Hedland may incur as part of managing or administering these facilities (i.e. only the operating income and expenditure for each facility has been considered) nor any capital expenditure.

Additionally, as the 2015-16 budget (Table 3.2) shows, with the inclusion of capital expenditure the overall costs are increased to \$11.2 million with \$11.5 million in operational expenditure. Moving forward, it would appear that the annual costs to operate the cultural facilities is a minimum of \$10.5 million (i.e. net of operating income) with the additional burden of capital expenditure on an on-going basis.

Table 3.1 Existing Financial Operations, Community Infrastructure, Town of Port Hedland

| | 2013/14 | 2014/15 |
|--|---------------------|---------------------|
| J D Hardie Centre | | |
| Operating Income | \$218,745 | \$252,122 |
| Operating Expenditure | \$1,859,038 | \$1,712,960 |
| Net Position | -\$1,862,180 | -\$1,859,761 |
| Libraries | | |
| Operating Income | \$35,399 | \$69,612 |
| Operating Expenditure | \$823,456 | \$1,212,362 |
| Net Position | -\$1,161,009 | -\$1,156,661 |
| Matt Dann Cultural Centre | | |
| Operating Income | \$534,863 | \$161,460 |
| Operating Expenditure | \$944,822 | \$749,437 |
| Net Position | -\$409,959 | -\$587,978 |
| FORM - Courthouse Gallery⁽¹⁾ | | |

| | 2013/14 | 2014/15 |
|-------------------------------------|--------------|--------------|
| Operating Income | \$0 | \$0 |
| Operating Expenditure | \$393,300 | \$393,300 |
| Net Position | -\$393,300 | -\$393,300 |
| FORM - TOPH Visitor Centre | | |
| Operating Income | \$0 | \$0 |
| Operating Expenditure | \$341,552 | \$353,504 |
| Net Position | -\$341,552 | -\$353,504 |
| Gratwick Aquatic Centre | | |
| Operating Income | \$151,622 | \$248,326 |
| Operating Expenditure | \$897,459 | \$901,612 |
| Net Position | -\$745,837 | -\$653,286 |
| South Hedland Aquatic Centre | | |
| Operating Income | \$615,005 | \$402,967 |
| Operating Expenditure | \$1,354,435 | \$1,679,916 |
| Net Position | -\$739,430 | -\$1,276,949 |
| Wanangkura Stadium | | |
| Operating Income | \$2,276,176 | \$1,991,656 |
| Operating Expenditure | \$2,416,258 | \$2,335,743 |
| Net Position | -\$140,082 | -\$344,087 |
| TOTAL | | |
| Operating Income | \$3,831,809 | \$3,126,142 |
| Operating Expenditure | \$9,030,320 | \$9,338,834 |
| Net Position | -\$5,198,511 | -\$6,212,692 |

ote: Income and expenditure are based solely on the operation of the facility (i.e. no overheads or other costs incurred by the Town of Port Hedland through the management or administration of these facilities has been included). (1) Financial information is not available for the 2013-14 year. YE December 2014 figures have been used.

Source: Town of Port Hedland (2016)

Table 3.2 Budget 2015-16, Community Infrastructure, Town of Port Hedland

| Facility | Budget |
|---------------------------------|--------------|
| Gratwick Olympic Pool | |
| Capital Expenditure | \$30,000 |
| Operating Expenditure | \$931,243 |
| Operating Income | \$67,800 |
| Net Position | -\$893,443 |
| JD Hardie Centre | |
| Capital Expenditure | \$252,379 |
| Operating Expenditure | \$2,227,578 |
| Operating Income | \$215,450 |
| Net Position | -\$2,264,507 |
| Matt Dan Cultural Centre | |
| Operating Expenditure | \$1,155,608 |
| Operating Income | \$358,200 |
| Net Position | -\$797,408 |
| Port Hedland Library | |
| Operating Expenditure | \$61,000 |
| Net Position | -\$61,000 |

| Facility | Budget |
|-------------------------------------|----------------------|
| South Hedland Aquatic Centre | |
| Capital Expenditure | \$30,000 |
| Operating Expenditure | \$1,887,091 |
| Operating Income | \$107,000 |
| Net Position | -\$1,810,091 |
| South Hedland Library | |
| Capital Expenditure | \$283,938 |
| Operating Expenditure | \$1,181,900 |
| Operating Income | \$62,943 |
| Net Position | -\$1,402,895 |
| Wanangkura Stadium | |
| Capital Expenditure | \$351,941 |
| Operating Expenditure | \$2,854,373 |
| Operating Income | \$533,800 |
| Net Position | -\$2,672,514 |
| Courthouse | |
| Operating Expenditure | \$628,177 |
| Operating Income | \$25,825 |
| Net Position | -\$602,352 |
| Visitor | |
| Capital Expenditure | \$92,250 |
| Operating Expenditure | \$623,965 |
| Net Position | -\$716,215 |
| Total | |
| Capital Expenditure | \$1,040,508 |
| Operating Expenditure | \$11,550,935 |
| Operating Income | \$1,371,018 |
| Total | -\$11,220,425 |

Source: Town of Port Hedland (2016)

3.3.3 Community Consultation/ Feedback

The Town of Port Hedland undertook its last Community Perceptions survey in 2013. The survey generally determined the community considers the Matt Dann, Courthouse Gallery and Community Events as the most important cultural assets/ programs in the community; and that broadly the community is fairly happy with the quality of service provided. 'Great Services' was the strongest feedback received in the qualitative feedback; however, there was an overall suggestion that facilities required upgrading. The desire for upgrades still came despite an increase in the level of satisfaction of services provided across the key arts and culture centres between 2010 and 2013.

The Draft Community Infrastructure Plan (2015) also included extensive consultation with the community, albeit with more of a focus on leisure facilities. The report incorporated commentary from the community on arts/ culture and community meetings spaces, which included:

- Access to a large civic hall (to replace the loss of Percy Gratwick Hall);
- Home grounds / headquarters and support facilities for clubs and community organisations;
- Shade at parks and sports facilities;
- Access to indoor spaces for recreation activities (such as indoor court sports martial arts, dance, gymnastics etc.);

- access to second tier, affordable places for community meetings and small group activities typically available in older, more established communities;
- Availability of facilities at peak times (afternoon/evenings) and in season (winter);
- More functional and better planned facilities;
- Better quality playing fields, boat ramps and fishing facilities;
- Dedicated, fenced dog off-leash areas;
- Facilities planned in partnership with user groups and providers.

Since the consultation has been completed, the new YIC HQ building has opened in South Hedland on Lawson Street. This centre includes community meeting and function space as well as gym space which will likely be made accessible to some community groups. This will assist in alleviating some latent demand for this type of infrastructure.

Planned improvements to service provision by the development of the new South Hedland Library and Community Hub would also assist in addressing some of the underlying supply gaps for baseline community meeting space. This is appropriately located in South Hedland where the majority of the population is based.

Replacement of the Percy Gratwick Hall continues to be an ongoing limitation on community events/ activation in the Town. It Although improvements to Wanangkura Stadium could result in better opportunities for community functions, the scale of the building and its sports/ recreation focus will have limitations of the type and frequency the main stadium can be used for functions.

3.4 Benchmarking

3.4.1 Facility Provision

The Town of Port Hedland recently made available its draft Community Infrastructure Plan for comment. The purpose of the report is to identify and plan for the provision of community, recreational and cultural infrastructure for a community of 30,000 – 50,000. Industry benchmarks dictate that a population of 30,000-50,000 is required to adequately support an art gallery, cultural centre and performing arts centre (DSR, 2012; DoI, 2007). Benchmarking of this type allows for industry standards but it fails to appreciate to unique situation of regional areas as most of these benchmarks are meant for capital city environments. Based on a quantitative assessment Port Hedland could be considered to have sufficient supply of cultural assets.

The report made recommendations on the need for short-term and longer term community infrastructure additions to meet population growth to 30,000 – 50,000, as highlighted in the following table. Importantly, the report determined that additional local fitness, health, care and cultural facilities are in demand, and improvements will be desirable especially if the population reaches 30,000.

Table 3.3 Review of Facilities

| New Infrastructure/ Recommended Upgrades | Comments |
|---|--|
| Civic Centre and Community Halls | Recent reports to Council have highlights the ongoing concern regarding the condition of the existing Civic Centre in addition to the centre no longer having capacity to meet office requirements to provide for the administration of the Town of Port Hedland. This resulted in the loss of the Percy Gratwick Hall as it was transitioned to office space to meet ToPH requirements. This has left the Town with no defined civic function space. Council has previously considered a significant upgrade (circa \$15 Million) to the existing Civic Centre to rectify building condition and meet future staff requirements. |
| Convention Facility | A dedicated convention facility is not required until population reaches circa 80,000. Around 2 – 3 convention type events are held on an annual basis in Port Hedland linked to the resources sector of local economic development. Utilisation of the Stadium could effectively meet this purpose in the medium term for occasional events with appropriate modifications to address lighting and acoustic issues. |

| New Infrastructure/ Recommended Upgrades | Comments |
|---|--|
| Performing Arts Centre | The report notes the existing performing arts centre if adequate improvements which increase public access and provide additional theatre/ rehearsal space could be added. |
| Art Gallery | Development of a Sub-Regional Gallery, or expansion/ improvement of functionality of the existing art gallery could be appropriate. Notes the colocation of the Visitor's Centre to the gallery is complementary (and vice-versa). |
| Visitor/ Information Centres | Consider the colocation of library services in Port Hedland with the Visitor Centre. No consideration is given the suitability of the location of the Visitor Centre. |

Several other recommendations were made with respect to the provision of Cultural, Community and Education Facilities in the Town of Port Hedland. The following are relevant:

- review potential for cultural/ entertainment activities to be developed along foreshore (in association with FORM);
- incorporate cultural and community land use activation as part of any Port Hedland marina development should it proceed;
- plan for the co-location of community and cultural facilities within existing and new activity centres, including retail/ commercial precincts and active recreation facilities;
- work with the HSH to provide more community access and upgraded facilities including the Matt Dann Theatre including revision of shared use agreement;
- consider extension of the JD Hardie Centre including additional rooms for a range of social and cultural activities; and
- review provision of library services for Port Hedland to deliver the service (rather than a new facility) in conjunction with other community, recreation or civic uses.

The report demonstrates the underlying demand for new arts and cultural space and that colocation of information based centres is also important in the design phase.

3.4.2 Financial Benchmarking

The Town of Port Hedland has been benchmarked against other, regional local government areas in terms of expenditure, income and net position of their recreation and culture department. The following table and graphs highlight how the Town of Port Hedland compares to other, similar local governments in regional, coastal locations in WA. Generally, the Town of Port Hedland spends more on recreation and culture than most other areas. In terms of revenue, the Town of Port Hedland also generally receives less than other areas, which also results in the Town of Port Hedland having a considerably worse net position (i.e. revenue minus expenses) than other areas.

Even on a per capita basis, the Town of Port Hedland spends more and has a worse net position than any other area compared (Figure 3.6 and Figure 3.7). In terms of revenue per capita, the Town of Port Hedland is below Karratha and Broome but above Geraldton and Busselton (Figure 3.5).

It is important to note that the figures used for this analysis include all income and expenditure for the recreation and culture program across each local government area. As such, the figures include all wages, grants, overheads, etc. associated with the recreation and culture program, which is in addition to just the operational revenue and expenditure analysed in the previous section.

The information importantly highlights the lower proportion of revenue generated from Port Hedland recreational and culture infrastructure relative to operating costs. This suggests there may be a need to improve management, facility design is limited utilisation or that fees and charges are comparably not as significant. Given feedback on the costs to access buildings and the rates raised through fees and charges compared with the adjoining Local Government of the City of Karratha, it appears

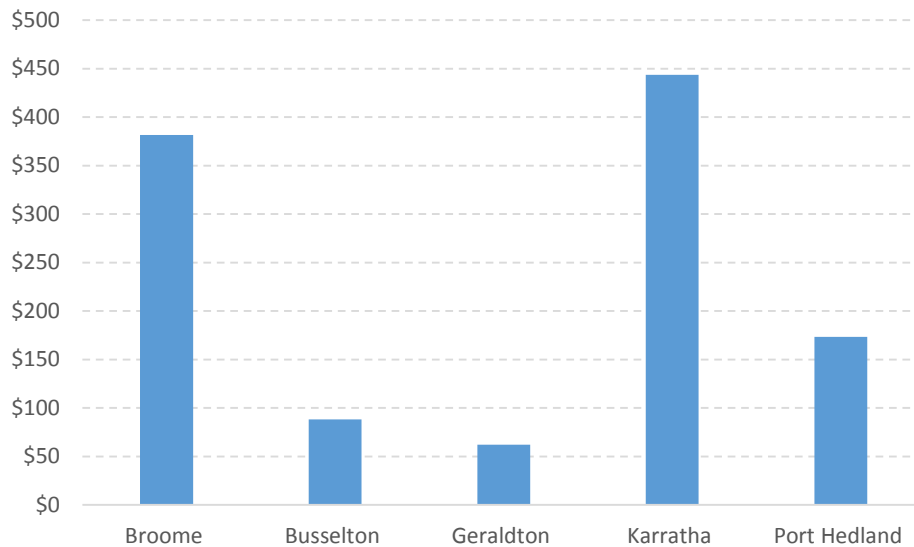
more likely that management or facility design are the factors effecting revenue from community and sporting facilities.

Table 3.4 Financial Benchmarking, Recreation and Culture Financials

| | 2012-13 | 2013-14 | 2014-15 |
|---------------------|---------------|---------------|---------------|
| Revenue | | | |
| Port Hedland | \$3,403,000 | \$3,405,000 | \$1,737,000 |
| Broome | \$17,296,696 | \$1,180,917 | \$1,252,605 |
| Busselton | \$3,022,663 | \$3,058,646 | \$3,256,492 |
| Geraldton | \$2,377,585 | \$2,503,663 | \$2,718,727 |
| Karratha | \$6,080,982 | \$8,494,979 | \$20,237,270 |
| Expenditure | | | |
| Port Hedland | \$20,629,000 | \$26,577,000 | \$20,203,000 |
| Broome | \$7,683,673 | \$9,106,405 | \$9,078,395 |
| Busselton | \$12,478,290 | \$13,946,231 | \$15,228,810 |
| Geraldton | \$11,642,879 | \$12,357,477 | \$13,951,693 |
| Karratha | \$21,536,842 | \$27,543,562 | \$30,197,904 |
| Net Position | | | |
| Port Hedland | -\$17,226,000 | -\$23,172,000 | -\$18,466,000 |
| Broome | \$9,613,023 | -\$7,925,488 | -\$7,825,790 |
| Busselton | -\$9,455,627 | -\$10,887,585 | -\$11,972,318 |
| Geraldton | -\$9,265,294 | -\$9,853,814 | -\$11,232,966 |
| Karratha | -\$15,455,860 | -\$19,048,583 | -\$9,960,634 |

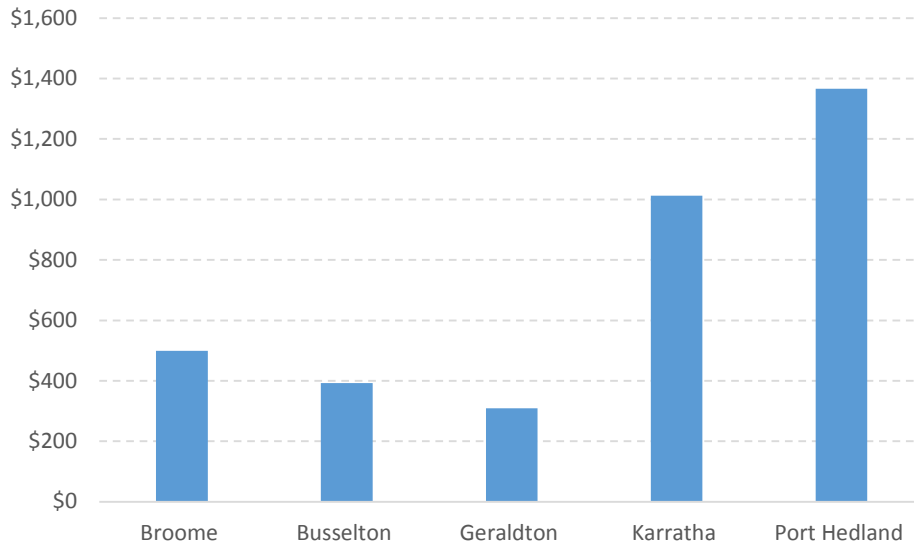
Source: RFF through LGA financial statements

Figure 3.5 Revenue for Recreation and Culture, Per Capita



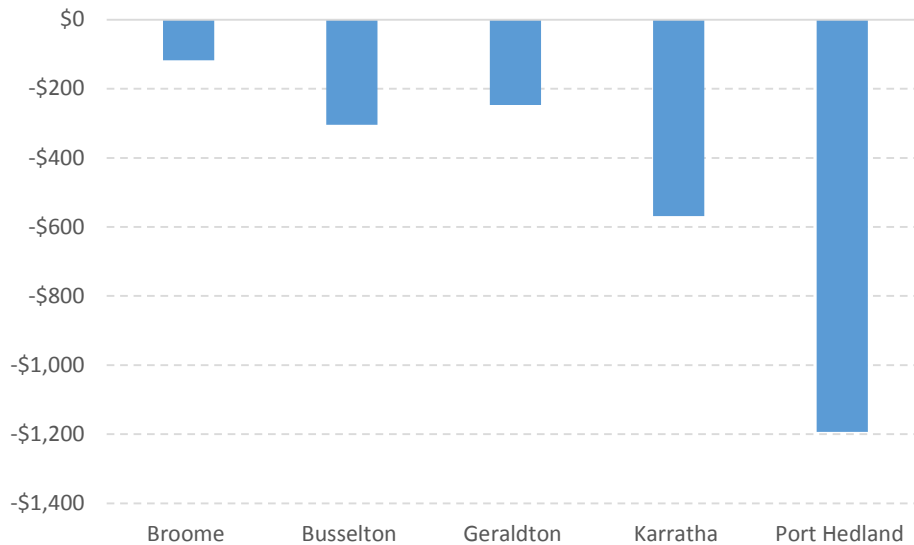
Note: Average of last three financial years used and compared to the estimated resident population as of June.
Source: RFF through LGA financial statements; ABS (2016)

Figure 3.6 Expenditure for Recreation and Culture, Per Capita



Note: Average of last three financial years used and compared to the estimated resident population as of June.
Source: RFF through LGA financial statements; ABS (2016)

Figure 3.7 Net Position for Recreation and Culture, Per Capita



Note: Average of last three financial years used and compared to the estimated resident population as of June.
Source: RFF through LGA financial statements; ABS (2016)

3.5 Local Capacity, Skills and Resources

Port Hedland has a relatively high participation rate in cultural and arts activity (FORM notes 20,000 + people attend their events indicated attendance rates much higher than the state average of 8/10), primarily driven by highly functioning local arts groups/ organisations and strong funding support from government and industry.

This demonstrates a high level of salience amongst the arts and culture community in Hedland comparable to other communities in the Pilbara which typically have a single representative arts organisation. The capacity and confidence in the service delivery of arts and cultural activity in the Town is also reflected in the proportionality strong funding from the Federal and State Government; and Industry to organisations within the Town.

Interestingly, the lack of direct funding as a State level to a specific centre as highlighted early may suggest that there is not an arts facility of with sufficient capacity at this point to warrant direct funding; resulting in the indirect support provides to the likes of FORM.

Table 3.5 Local Capacity, Skills and Resources

| Organisations | Summary | Funding |
|---------------|--|--|
| FORM | <ul style="list-style-type: none"> • FORM is an independent, non-profit cultural organisation established in 1968 that develops and advocates for excellence in creativity and artistic practice in Western Australia. • Its only permanent regional presence is in Port Hedland operating the Courthouse Gallery, Visitor Centre and Spinifex Hill Art Studio • FORM manages/ provides a number of other local creative services including: <ul style="list-style-type: none"> ○ West End Markets and Activation Program; ○ Creative Business Development Series; ○ Hedland Art Awards. • FORM is a unique highly functioning art/s cultural organisation and an asset to the arts and cultural programming and service deliver in Port Hedland. • The lack of an A-class gallery impedes international calibre programs and exhibitions and the development of indigenous art in the region | <p>FORM has strong industry and government relationships including</p> <ul style="list-style-type: none"> • principal funding body is BHP Billiton; • Australia Council for the Arts; • Department of Culture and the Arts; • Australian Government Visual Arts and Crafts Strategy; • LotteryWest; • Wesfarmers; • Pilbara Development Commission; • Town of Port Hedland • Office of the Arts; • Arts Law Centre of Australia; • Herbert Smith Freehills; and • a number of other small/ medium Pilbara Businesses. <p>Not all funding is provided to operations in Port Hedland. However, the diverse range of funding support indicates the capacity of the organisation and strong management/ governance in place.</p> |
| HARTZ | <ul style="list-style-type: none"> • Hedland Art Council in Port Hedland • Approximately 40 members however facility restricts use to around 10 people at a time due to size • Existing building is also uncomfortable to operate from limiting use • Not for profit organisation that has been nurturing the extended Port Hedland community with the arts since 1994 • Community art, children and adult art workshops, small exhibitions and studio space | <p>HARTZ was previously funded from 2012 – 2015 from Country Arts WA and BHP Billiton Iron Ore.</p> <p>However, funding into the future is no longer secure which may affect the ongoing viability/ functionality of the organisation.</p> |
| C3 Gallery | <ul style="list-style-type: none"> • Located inside C3 Church in South Hedland • A modern gallery space with weekly painting workshops • Features Art from Local Artists | Self-Funded. |

| Organisations | Summary | Funding |
|----------------------|--|---|
| Spinifex Art Gallery | <ul style="list-style-type: none"> • The Spinifex Hill Artist Studio opened in 2014 following \$2.5 million funding being secured through corporate, State and Federal Funding. • Managed by FORM • The Studios comprise of two professional studio spaces with facilities for painting and three-dimensional work, residence for an art centre manager, gallery-standard artwork storage facilities and includes feature canopy and large garden sculpture that were designed and developed through the Land.Mark.Art program. • The internal floor area of the buildings is estimated to be 350 – 400m². The site also includes outdoor space for artists to work in a well landscape, shaded area. | <ul style="list-style-type: none"> • Primary funding partner is BHP Billiton • Office of the Arts |

4 SUMMARY OF NEED

4.1 FINDINGS

The early analysis completed of the need for an arts, culture and enterprise facility has determined that:

- at a Policy level, there is clear support at State, regional and local level to provide infrastructure in the Pilbara which can support arts and cultural development to support economic diversification of the economy through tourism; increase economic participation amongst aboriginal people and improve liveability of communities;
- as population of Port Hedland grows, the capacity for facilities including community meeting space, function space and arts/ cultural space will restrict or limit service provision proportionately to population size;
- arts, Cultural and Community space in regional communities must respect and engage with the Traditional Owners and the Iconic landscape features of the community;
- Colocation of arts and culture uses with information focused uses such as Libraries and Visitors Centres can be complimentary.
- demand for arts and culture activity in Port Hedland is strong given the high level of participation rates reported; the importance place on community and arts activity by the community; its diverse multicultural background; proportionately higher aboriginal population; long-term financial investment by Local, State and Federal Government; and Industry;
- the population size is unlikely to grow to a size and scale to support a dedicated convention centre;
- the Matt Dann theatre provides a high level of serviceability as a performing arts venue and colocation with the Highschool maximises utilisation; however the age of the interiors warrants improvements and additional facilities such as rehearsal studios are required to balance community and school access to performing arts studios
- fitness space, independent of other recreational assets are high use, high income assets for the Town of Port Hedland which are at capacity; and without further investment market share could be substantially lost to the private sector (note: already commenced with privately operated commercial gym expected to open in the 16/17 Financial Year);
- the Town of Port Hedland has a limited function space which is of sufficient size and includes necessary design attributes to support community functions and events since the conversion of Gratwick Hall to professional office space;
- existing arts, culture and community space in Port Hedland is aged or is older repurposed buildings which limits participation and service delivery;
- costs to operate arts and cultural infrastructure by the Town is proportionately higher compared with similar sized communities and is likely to increase as older buildings continue to deteriorate;
- revenue from community/ recreation facilities in the Town is proportionately less than that of other likeminded communities suggesting that improved management or building modification/ remedies/ expansion could provide a means to improve the sustainability of arts, cultural and recreation space in the Town of Port Hedland;
- there is a strong level of capacity within the community and existing organisations in the arts, culture and community sector capable of supporting enhanced service delivery and skills development amongst the Port Hedland Community.

4.2 RECCOMENDATIONS

The recommendations based on the findings above are as follows:

6. Any new arts and cultural, function facility should be designed and located in accordance with the Traditional Owners, and located along Port Hedland's Waterfront, its most notifiable landscape asset.
7. Additional or replacement infrastructure is required to address the limitations existing infrastructure to meet current and project community need for arts, culture and fitness space.
8. A more diversified income base or management arrangement for newer buildings or buildings which are largely meeting their functional purpose should be considered as part of a broader review by the Town.
9. Holistic consultation with the Arts Community should be undertaken as part accurately defining the requirements of arts and cultural space (i.e. studios, galleries etc.) in providing for the future requirements of a Port Hedland population of 30,000.
10. Negotiations with major capital and operating funding partners should progress in parallel with arts, cultural and community infrastructure planning; and where possible longer term partnerships should be secure to allow investment which can lead to greater economic independence in the region for the arts and culture community in the medium term.

4.3 OPTIONS FOR ASSESSMENT

Based on the findings and recommendation of this needs assessment, three potential options have been defined which are described below.

4.3.1 Option 1 – Do Nothing

This option would see no capital investment in the delivery of new infrastructure or any improvements to existing.

4.3.2 Option 2 – Modifications/ Extension of Existing Arts, Culture and Community Facilities

This option entails undertaking improvements as necessary to increase the capacity at existing facilities including:

- renovation and additions to the Matt Dann Centre as recommended in the Port Hedland Entertainment Feasibility (2012);
- upgrades and extensions to the courthouse gallery to convert the facility into a Class A gallery which incorporates additional studio space for use by the arts community;
- extensions to the Gratwick Hall gym to meet forecast demand for fitness facilities for the Port Hedland locality;
- extensions to the Civic Centre (which would require broader building rectification) to provide for a new Community Function space or refurbishment and additions to Wanangkura Stadium to increase use as a community function space.

4.3.3 Option 3 – Colocation of Visual Arts, Information Services, Function and Fitness Space

This option would incorporate a new development along the Port Hedland waterfront to meet future demand and would include:

- development of multi-functional building incorporating an A Class Art Gallery, Function/ Restaurant area, Visitor Centre/ Port Hedland Library Integrated Service and New Fitness Centre to meet Port Hedland demand;
- renovation and additions to the Matt Dann Centre as recommended in the Port Hedland Entertainment Feasibility (2012); and
- refurbishment of the Wanangkura Stadium to increase use for functions/ community events; and
- repurposing/ demolition or sale of vacated buildings.



4.3.4 Option 4 – As per the Concept Brief to the Pilbara Development Commission

The project was broadly defined as development as follows:

- Regional Convention Facility
- Visual arts studios (space for artists in residence)
- Performing arts rehearsal and support spaces (storage areas for props and resources)
- A display space
- A stage/performance space
- Civic areas
- Food and beverage merchant opportunities
- Office accommodation.

It is assumed that this option would result in the repurposing/ demolition or sale of vacated buildings.

5 OPTIONS ASSESSMENT

5.1 Methodology

An assessment of the options has been undertaken having regard to a number of criteria which have been weighted based on our understanding of the Town of Port Hedland priorities based on engagement through the first phase of work. The assessment has been undertaken based on our understanding and historical experience with major infrastructure projects and local knowledge of Port Hedland.

5.2 Assessment Criteria & Weighting

The assessment criteria and associated weighing including a description and justification is outlined below.

Table 5.1 Assessment Criteria

| Assessment Criteria | Description |
|---------------------|--|
| Capital Cost | Consideration of the potential capital cost to the Town of Port Hedland to complete the project. |
| External Funding | The opportunity for external funding from the State, Federal Governments and/or Industry |
| Operational Costs | The ongoing operational costs which may be incurred by Council to operate and maintain the option |
| Functionality | The capability of the project to improve service provision to the community. |
| Management | The potential to secure good quality management support and/or achieve more efficient management outcomes. |

The weighting and associated justification for each is included below.

Table 5.2 Assessment Criteria Weighting

| Assessment Criteria | Weighting | Justification |
|---------------------|-----------|--|
| Capital Cost | 15% | The Needs Analysis and other background reports (i.e. Community Infrastructure Plan) demonstrate that Council will need to eventually make some expenditure on improve cultural facilities as population grows. As such, the requirement to make expenditure in the short – medium term required and unlikely to have a major impact on the Town. |
| External Funding | 20% | It is our understanding that Council has a limited capital works budget due to difficult financial circumstances (despite the strong position www.mycouncil.wa.gov.au suggest). A project which therefore limits Council's capital contribution by aligning with other sources of funding for capital would be an ideal outcome. |
| Operational Costs | 30% | The Town of Port Hedland is under increasing pressure to find annual savings on a year-to-year basis as downward pressure is put on rates. Projects which may deliver ongoing operational savings to the Town would therefore be highly sought after. |
| Functionality | 25% | A strong focus should always lie on improving services to the Community. This must be balanced with the proper financial management of Council. |
| Management | 10% | Securing management support may be linked to other external funding sources to support operations. High quality management support is also likely to lead to greater programming and improved service deliver for the community. However, Council could if required provide management support services itself and securing such services is more of a 'value add'. |

5.3 Assessment Outcomes

The Table below shows the outcomes of the assessment. The scores represent a blended average across internal team assessments. Rankings against each option were given on a basis of 1 (being poor) to 5 (being excellent). The weightings applied for each criteria were then applied to the scores given resulting in a weighted score. The table below represented the weighted average of the three individual assessments. The assessment has determined Option 3 to be the preferred outcome.

Table 5.3 Assessment Outcomes

| Average | Capital Cost | External Funding | Operational Costs | Functionality | Management | Total |
|----------|--------------|------------------|-------------------|---------------|------------|-------|
| Option 1 | 0.75 | 0.47 | 0.60 | 0.33 | 0.27 | 2.42 |
| Option 2 | 0.45 | 0.40 | 0.70 | 0.67 | 0.33 | 2.55 |
| Option 3 | 0.45 | 0.80 | 1.20 | 1.08 | 0.43 | 3.97 |
| Option 4 | 0.25 | 0.73 | 0.80 | 1.08 | 0.43 | 3.30 |

A consolidation of comments from the three assessors for each of the scores given is also provided below. Assessment by all three persons was generally consistent. Where there was a major variant in the score, commentary has been provided to explain the assessor's position.

Table 5.4 Assessment Comments

| Option | Criteria | Comments |
|----------|-------------------|--|
| Option 1 | Capital Cost | There is no capital cost in the short term and therefore limited financial stress on Council. However, in the longer term a high capital cost could be incurred as Council continues to operate/ maintenance older buildings and replacement costs (i.e. escalation) result in a higher capital replacement cost in the longer term. |
| | External Funding | No project and therefore no chance for any additional external funding. One assessor considered as the project did not require external funding is should be ranked highly, as it doesn't require any new capital. |
| | Operational Costs | Costs are likely to stay consistent with current projections under the Council's Long-Term Financial Plan. |
| | Functionality | Operations/ functionality and service provision will continue 'as is' |
| | Management | Management is expected to stay 'as is'. |
| Option 2 | Capital Cost | The project is likely to have a substantial capital cost. Retrofitting older buildings required ABC Disability and Fire issues to be upgraded meaning substantial upgrades at different sites would be required along with potentially several contracts being issued for a number of projects increasing the overall cost. |
| | External Funding | The does not align with the aspirations of key potential funding partners including Roy Hill and the Pilbara Development Commission. |
| | Operational Costs | No colocation can be achieved resulting in higher operational costs (i.e. power, water, general maintenance from several buildings rather than one). The benefits of colocation can't be realised. |

| Option | Criteria | Comments |
|----------|-------------------|--|
| | Functionality | Retrofitting buildings further to improve service has limitations. Compromises in design are required. Further, the delivery of services which are interconnected from different locations reduces capacity to deliver high quality services and can inconvenience the community. |
| | Management | Management across a number of sites is likely to result in multiple management models being required resulting in 'as is' outcome, which doesn't provide any savings or efficiency improvements. |
| Option 3 | Capital Cost | Development of a new centre is likely to have a significant capital cost. However the award of a single contract for construction, and in a location where land acquisition costs are avoided would assist in limiting the scale of the project budget. |
| | External Funding | The development aligns broadly with the preferred project outcomes previously supported by BHP and generally aligns with the aspirations/ requirements of Roy Hill and PDC. |
| | Operational Costs | Colocation of services and a new development integrated design efficiency measures is likely to reduce both facility operating costs and also ongoing labour/management costs to the Town. |
| | Functionality | A new project would allow a design outcome to specifically cater for services provided. The retention and additions to the Matt Dann would leave the Performing Arts Centre in South Hedland where the majority of the youth is located ensuring convenient access. |
| | Management | A custom design facility is likely to be highly attractive to arts organisations in Western Australia where operational funding/ partnerships support the presence. |
| Option 4 | Capital Cost | The development of a project of this scale including a specially designed performing arts centre is likely to have a significant construction cost, require particular expertise during design and fitout. |
| | External Funding | The project is broadly aligned with external funding source aspirations. However, the size of the project may still result in a substantial contribution from the Town being required due to capped external funding sources. |
| | Operational Costs | Colocation of services and a new development integrated design efficiency measures is likely to reduce both facility operating costs and also ongoing labour/management costs to the Town. However the integration of facilities where demand may not be sufficient (i.e. convention facility) may impact on revenue and result in higher operating costs being incurred by the Town. |
| | Functionality | The full colocation of services will assist the improvement of services delivery to the community. Locating the facility in Port Hedland, which would be consistent with the aspirations of the State Planning Strategy and CID document, would limit accessibility of children to the performing arts. |

| Option | Criteria | Comments |
|--------|------------|---|
| | Management | A custom design facility is likely to be highly attractive to arts organisations in Western Australia where operational funding/ partnerships support the presence; however management that provides for visual and performing arts are unique and might require a JV/ shared management arrangement which could be hard to secure. |