

PORT HEDLAND ENTERTAINMENT FEASIBILITY

APRIL 2012

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1 EXECUTIVE SUMMARY

With the resources industry driving rapid population growth, the Town of Port Hedland (ToPH) has identified the need for new entertainment, recreation and community amenities. Recognising that entertainment, arts and cultural facilities play an important role in the development of a strong community, the Council commissioned a study into feasibility and funding options for the town's existing and future theatres, arts and outdoor events spaces, cinemas and recreation facilities.

Demand for entertainment and cultural facilities is driven by the size, growth rate and demographic profile of the resident population. Port Hedland had an estimated permanent residential population of 14,500 in 2011, however the influx of fly-in fly-out and construction workers increases the town's population to greater than 25,000 people at any one time. Underreporting leads to the provision of insufficient funds for infrastructure and services, placing a burden on overused facilities.

Demographic profiling of the Port Hedland population finds that the high proportion of young families with children, high income and post-school qualification levels should generate above average levels of demand for general entertainment options. It is evident that significant unmet demand already exists, with facilities generally run-down and at full capacity.

The Port Hedland Growth Plan contains a development trajectory in which the town achieves a population of 50,000 people over the next 24 years. In addition to residential, commercial and industrial land and floorspace, the plan identifies the need for a local multi-purpose cultural/performing arts facility now and a museum and art gallery from 2020.

Existing facilities for films, theatre, dance, music and visual arts include the Matt Dann Cultural Centre, Gratwick Hall, the Court House Gallery, the JD Hardie Centre and several outdoor venues including the Race Course, Kevin Scott and Colin Matheson ovals. Analysis of the town's facilities highlights significant gaps in supply as well as issues such as outdated equipment and operational impediments, with venues often constrained by their primary sporting or education use.

The Matt Dann Cultural Centre is a shared teaching/performance facility located on the South Hedland Senior High School site, with management issues around security and restricted access arising from the shared use of the theatre. Suggested minor works with a total cost estimate of \$400,000 include a motorised lighting truss system, a motorised screen and a digital projector, and are expected to greatly enhance auditorium operation and co-location.

The 'blue sky' option, aimed at positioning Matt Dann Cultural Centre to become a major performance venue, details modifications such as Front of House, office and Box Office refurbishment, additional rehearsal space, backstage storage and an outdoor theatre. From an operating cost perspective, it is forecast that the centre will return a surplus of \$29,196 in 2016, assuming capital and finance costs are not incurred by the operator. The theatre could potentially attract funding from DCA, Royalties for Regions and DET, but is likely to require additional funds from an industry source.

Stakeholder consultation and benchmark analysis indicates the need for a purpose built cinema complex in Port Hedland. WA's main regional cinema operator, Orana Cinemas, identifies a population catchment requirement of 30,000 residents to ensure a self-funding and profitable enterprise. Excluding capital costs, regional cinemas can become operationally sustainable with catchments of 15,000 to 20,000 people.

The study explores several options for cinema facilities in various locations, including the potential for combining the proposed three cinema auditoriums with a six-lane bowling alley and a Timezone/Playzone games facility. As a commercial venture the cinema is unlikely to attract funding; however it is not expected to be commercially

viable immediately based on the current population catchment. This means that funding will most likely be needed from either the ToPH, the Port Hedland Port Authority (PHPA) or from industry backing. Success will also depend on the capture of expenditure from the FIFO segment.

The West End has historically been the business and cultural centre of Hedland, and is the location for a proposed art space. FORM has prepared a proposal for an exhibition conference space to be located at the Boat Ramp Site, while this study proposes the Marrapikurrinya Arts Space for the northern end of Wedge Street. Both proposals include exhibition, function and meeting rooms along with studios and some office space. The arts space is expected to return an operating surplus of \$34,674 by 2016, but will require capital funding from sources such as the PHPA, DCA, Royalties for Regions and industry bodies.

Port Hedland's lifestyle and climate makes it an ideal place for outdoor performances, which are currently held on sites including Kevin Scott Oval, the Turf Club, the South Hedland High School oval and Colin Matheson Oval. The study explores the feasibility of developing a dedicated outdoor events space at the Boat Ramp site or within a marina on the Spoil Bank. A permanent outdoor venue is expected to return a small operating surplus of \$12,570 in 2016 and

could be eligible for DCA or Royalties for Regions funding.

Development of a new Multi-Purpose Recreation Centre is nearing completion, and will be Hedland's new home for indoor sports in addition to providing space suitable for some performances. The Wangka Maya Pilbara Language Centre is currently developing a cultural centre to provide research capacity, preservation of cultural material and practices, a library, permanent exhibition space and more.

The anticipated capital cost of the suggested facilities is approximately \$32 million, necessitating funding by various private and public sector sources. From an operational perspective, each facility studied could break even under the identified operating parameters, with the exception of the bowling alley and amusement arcade.

The Australian Performing Arts Centres Association (APACA) indicates that performing arts centres on average derive 50% of capital expenditure funding from the state, 47.5% from local sources and 2.5% from federal and other sources. For Port Hedland, potential sources of funding include private and industry sectors, owner/operators, PHPA, Royalties for Regions, ToPH, DCA, DET, Office of the Arts Australia and Country Arts WA.

Commercial projects (such as the cinema) will only be eligible for private sector funding, while community

infrastructure projects may be funded by private or public sources. Due to low returns in initial years, private funding responsibility will fall to major industry players with an active interest in retaining permanent employees in the town. The following table illustrates an indicative funding mix applied to the total capital requirements for the facilities.

	State Government			Town of Port Hedland	Private Sector		Total Capital Cost
	DET	DCA	PHPA	Royalties for Regions	Owner/ Operator	Industry	
Matt Dann Cultural Centre	\$1,706,667	Possible	NA	\$1,706,667	NA	\$1,706,667	\$5,120,000
Cinema	NA	NA	NA			\$4,900,000	\$4,900,000
Cinema & Bowling Alley	NA	NA	NA	NA	Unlikely	\$11,680,000	\$11,680,000
M Park Art Space	Possible	Possible	\$6,396,667	\$6,396,667	NA	\$6,396,667	\$19,190,000
Permanent Outdoor Space	NA	Possible	Possible	\$3,600,000	NA	\$1,800,000	\$5,400,000
Total Funding Required	1,706,667		6,396,667	11,703,333	NA	\$26,483,333	\$46,290,000

It is evident from the table that in contrast to the typical funding mix derived by Performing Arts Centres (APACA), the cultural and arts facilities in Port Hedland will have less reliance on government sector funding sources, and require more input from industry sources.

2 INTRODUCTION

2.1 BACKGROUND

The Town of Port Hedland (ToPH) is a fast expanding community in the Pilbara region of Western Australia. It is undergoing an economic and social transformation due to the combined efforts of resource companies, the Town of Port Hedland and the state government through its Pilbara Cities Project. Extensive plans are in place for development of new shopping facilities, recreation facilities and community facilities.

Specialist economic consultants Pracsys, in association with Peter Hobbs Architect, have prepared this feasibility study into entertainment facilities for the Town of Port Hedland. Spread over an area of approximately 36 square kilometres, the main residential settlements are in the northwest (referred to as West End – the historical heart of Port Hedland); the northeast (Point Cooke and Pretty Pool); and in the south at South Hedland. The geographic dispersal of these settlements is a significant challenge for the orderly planning of services, facilities and infrastructure.

In partnership with BHP Billiton Iron Ore, the Town of Port Hedland has prioritised strategic planning for entertainment facilities and services for the benefit of future populations.

2.2 ENTERTAINMENT AND SOCIAL CAPITAL

Port Hedland is renowned for its indigenous culture and history, long trains, big ships, salt piles and red dust. Often referred to as the friendliest town in the Pilbara, the local people make Port Hedland what it is today.

Port Hedland has undergone huge social changes in the past 20 years. Alterations in shift structures and the proliferation of fly-in, fly-out workers has contributed to a demographic shift that has led to the decline of sports clubs, community groups and other vital parts of the social fabric.

Despite these challenges the community has remained strong. There is a resilience and determination in the local population that is undiminished. In fact, with a boom in infrastructure investment in the Town, the community is emerging to strengthen its social structures once again.

Entertainment, media, the arts and culture all play a vital role in binding communities together. They help build common understandings and civic pride in what the civil communities can achieve. From museums to open-air amphitheatres to dance studios, arts spaces are, at root, civic spaces. The arts and their entertainment functions are a superb means of building social capital.



It is tempting to see the arts and entertainment as peripheral to rebuilding the community. After all, some art exists for its own sake – valuable for what it is as much as for what it might do. But a growing body of research suggests that the arts and entertainment can be a valuable engine of civic renewal. Indeed, more and more arts institutions are directing substantial resources to that cause. The arts can nurture social capital by strengthening friendships, helping communities to understand and celebrate their heritage, and providing a safe way to discuss and solve difficult social problems.

Whether we are spectators, performers or producers, the arts provide a uniquely enjoyable way to build our stock of informal social capital. Beyond the individual effects, the arts allow for public celebration and exploration of the meaning of community. Public entertainment and arts facilities inspire civic pride, thereby uniting communities in their appreciation of what they can collectively produce.

For the Town of Port Hedland, it is time to rebuild its cultural infrastructure so that the growth in residential population can be welcomed back into the Hedland community.

2.3 PURPOSE OF THE STUDY

The study investigates the optimal range, scope and configuration of entertainment facilities suitable for the Town of Port Hedland, both now and into the future. The study is important because of the historical under-provision of entertainment facilities in the Town, and the current and future growth in temporary and permanent population associated with the resources export boom.

The evolution of Port Hedland to city-status is likely occur pursuant to the State Government Pilbara Cites initiative, which nominates the Town as the focal point for regional services and infrastructure development. This means that the town will require facilities that both advance the amenity of Port Hedland and provide much needed entertainment options for the growing residential, FIFO and visitor population.

It is intended that the feasibility study will inform strategic planning for future capital projects and support funding approaches to public and private partners. The specific requirements of the study brief are to conduct:

- An assessment of current facilities and the gaps in entertainment facilities and service offerings

- Consultation with a range of key stakeholders to determine a shared vision and potential entry barriers for prospective business operators
- A feasibility report including facilities benchmarking, prioritisation of entertainment options for Port Hedland, siting options analysis, funding requirements and strategy
- Programming/business activity thresholds for financial sustainability of facilities operations
- Facilities concept designs and sketches

2.4 APPROACH

The number, size, configuration and location of entertainment facilities that would be viable or otherwise justified are derived from understanding the likely range of activities that the local population requires.

The size and demographic characteristics of the population determines what type of activities are undertaken, or would be undertaken if suitable facilities were available. This relationship explains the current demand, but it also provides the basis for forecasting future demand, allowing for changes in the size and demographic characteristics of the population.

With a profile of future cultural activity patterns based on population and demographics, we can estimate what facilities will need to be provided to meet future needs. This analysis incorporates the experiences of other towns and their entertainment facilities through a benchmarking process; and also accounts for the current facilities and their capacity to provide more services.

2.5 REPORT STRUCTURE

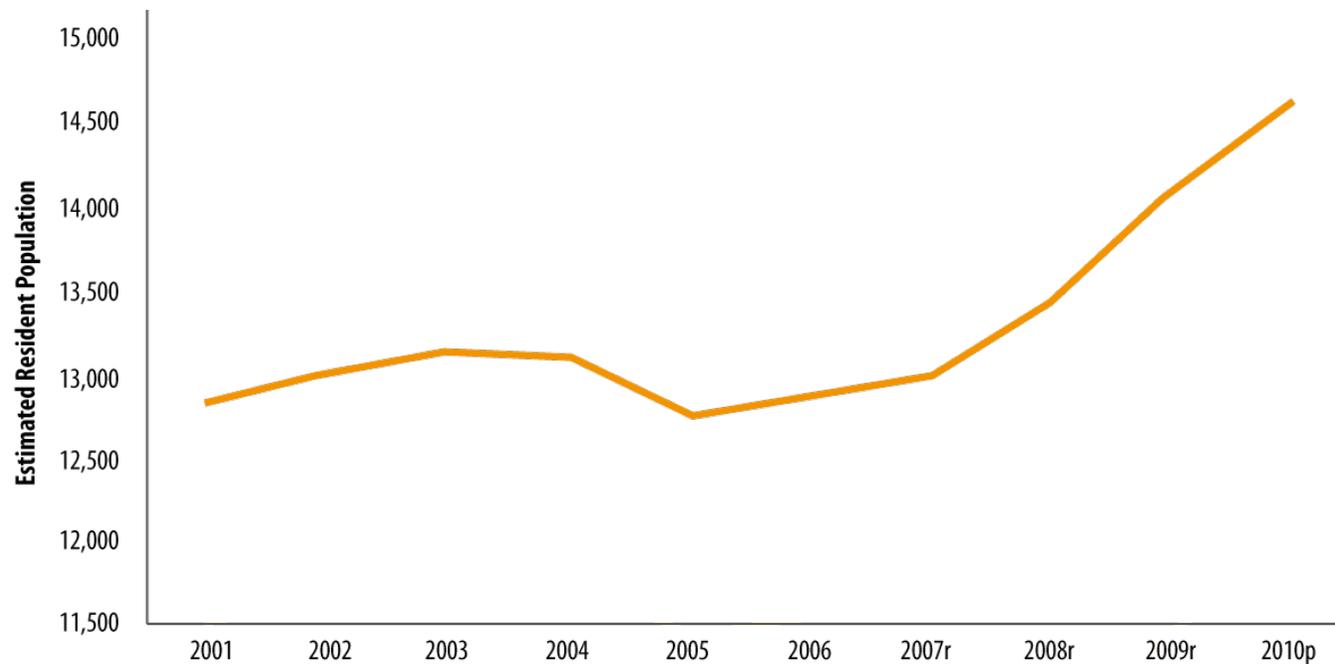
Following the logic of this approach, the report is organised into the following sections:

Section 2	Population Forecasts and Demographics
Section 3	Activity Demand
Section 4	Facility Supply and Gaps
Section 5	Entertainment Activity Program
Section 6	Facility Proposals
Section 7	Funding Strategy
Section 8	Governance Options

3 POPULATION FORECASTS AND DEMOGRAPHICS

In the first instance, the demand for entertainment, arts and cultural facilities is driven by the size, growth rate and demographic profile of the residential population. The purpose of this chapter is to explain where the Port Hedland population is going and the implications for these facilities into the future.

Figure 1: Growing Population



Source: ABS Estimated Resident Population (2006)

3.1 HISTORICAL POPULATION

Being a relatively young and resource-driven place, Port Hedland is subject to anomalies that need explanation.

First, official records of the permanent residential population have fluctuated between approximately 12,500 people in 1996 to approximately 14,500 people in 2011¹. At any time however, there are more than 25,000 people residing in the Town of Port Hedland. The additional population is made up of medium-term fly-in, fly-out (FIFO) workers, employed directly by major resource companies and their contractors, or indirectly through service and logistics companies and government agencies. Temporary construction workers swell the population even further for short-medium periods associated with building significant infrastructure items like mines, ports, rail networks, etc.

Second, the official population of Port Hedland is significantly underreported compared to the ABS analysis. A recent submission to the parliamentary inquiry on the effects of fly-in, fly-out activities on Pilbara towns commented²:

¹ ABS Estimated Resident Population, August 2011

² Pilbara Councils Submission to the Inquiry into the use of Fly-in, Fly-out (FIFO) Workforce Practices in Regional Australia, November 2011

“For many years now regional local governments in Western Australia have identified gross errors in Australian Bureau of Statistics (ABS) census data, in particular, frequent under enumeration of population numbers has occurred (often by 20 to 25 %).

Furthermore, the FIFO figures being used by the Western Australian Planning Commission were, within 18 months of their adoption in late 2008, understated by 20% for 2010, 60% understated for 2015 and 90% understated for 2020”

It is clear that both the Western Australian Government and the resource industry are being guided in their planning by data that significantly understate existing permanent populations in the Pilbara, as well as present and future FIFO activity. The impact of the underreporting of permanent residential population and FIFO populations is that Commonwealth Financial Assistance Grants are providing insufficient funds to support the operations of Pilbara local governments, and the poor standard of facilities are overburdened with regular use by large numbers of FIFO workers.

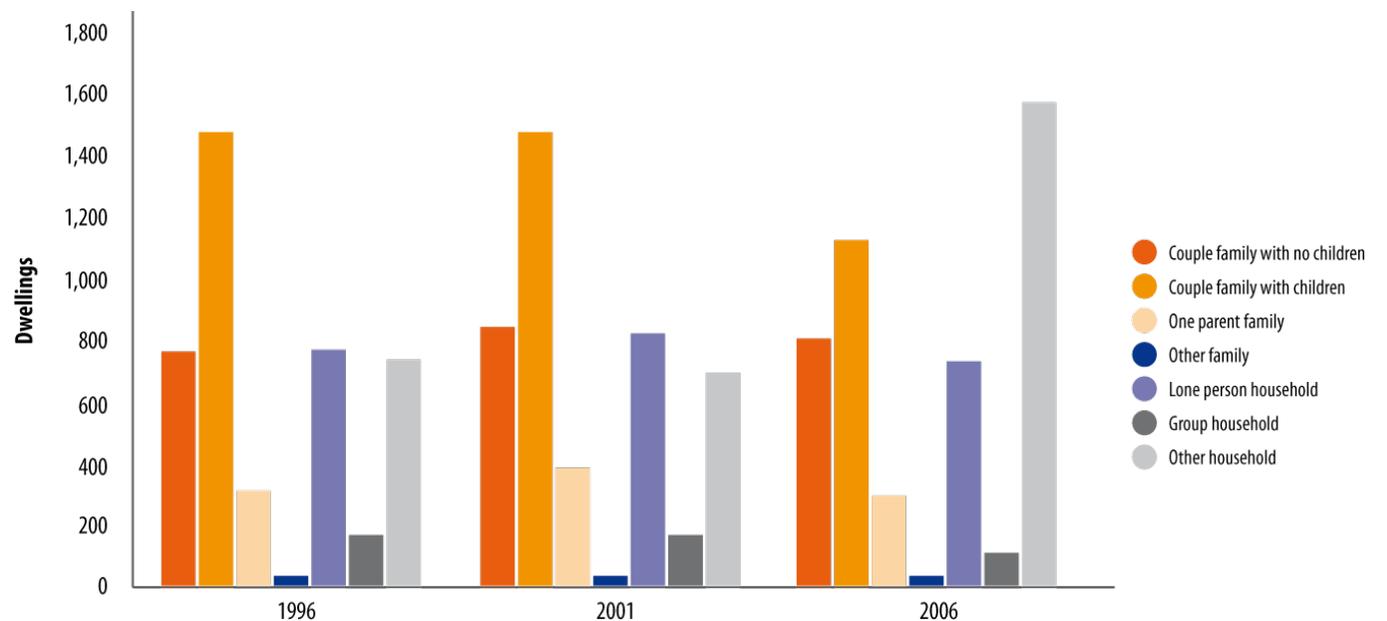
3.2 HISTORICAL DEMOGRAPHICS

While the quantum of catchment growth is important in determining patterns of entertainment activity demand, so too is the demographic composition.

Port Hedland showed a large decrease in couple families with children between 2001 and 2006, however the overall population of the town did not alter. Couple families with no children and one-parent families rose in 2001 and subsided in 2006.

ABS’s other household category comprises visitors and other non classifiable households. This category more than doubled between 2011 and 2006, while all other household types fell slightly. This shows the large impact

Figure 2: Family Structures Changing



Source: ABS Census of Population and Housing (2006)



that temporary construction workers, FIFO workers and business related visitors have on the town.

The demographic base of Port Hedland is noticeably different to more established communities and the general population of WA, which in turn, determines the extent of engagement with different entertainment categories by demographic segments. Figure 3 draws a comparison between some of the demographic aspects of Port Hedland compared with Perth and the town of Benalla in Victoria. Benalla is an example of a long established regional community. It has a similar base population to Port Hedland, however the demographics reflect a more permanent and diverse residential base.

Figure 3: Demographic Comparison of Port Hedland, Perth and Benalla (2006)

	Port Hedland (LGA)	Perth (SD)	Benalla (SLA)
Total Population (2006)	11,959	1,445,076	9,129
Median Age	31	36	43
Median Household Income	1,865	1,086	706
Proportion post school qualifications	63.5%	54.7%	44.9%
Proportion white collar	23.5%	31.9%	25.3%
Families with kids <15 years	49.0%	54.7%	38.7%

Source: ABS Census of Population and Housing (2006)

Some notable points about Port Hedland can be gleaned from the analysis:

- Port Hedland has proportionately more post-school qualified people, but fewer white collar workers, which suggests a strong trades sector and may suggest a high participation in general entertainment activities
- Port Hedland has a relatively young population which suggests a lower participation in culture and the arts, however a high level of young families with children which suggests a high participation in general entertainment activities
- Very high median household income levels which would suggest a higher frequency of consumption with entertainment, culture and the art activities relative to Perth and Benalla

Generally the following relationships exist between demographic characteristics and entertainment culture and arts participation:

- Generational differences translate into different attendance patterns. Generally, those users who are middle aged or in families with dependent children will have the highest participation rates. Furthermore, age will influence the type of activity demanded
- Higher levels of education attained generally equate to higher participation rates in art and cultural activities

- Income is a significant factor in terms of anticipating arts or cultural participation rates, with higher income levels equating to a higher participation rate and frequency of participation in culture and the arts activities

There are significant implications for entertainment demand and subsequent programming given the links between demography and the consumption of cultural and entertainment products. Based on the demographic analysis, the Town of Port Hedland can be expected to experience average to above average levels of demand relative to state levels. The demographic profile suggests that the entertainment offerings should be programmed more towards general entertainment rather than emphasising arts and culture options. This is not to say that these things should not be programmed, but rather they should be programmed in the context of the apparent demographic demand.

Planning for expansion of entertainment activity within regional locations such as Port Hedland needs to take account of digital migration (especially with the introduction of the National Broadband Network), with appropriate feedback mechanisms in place to revise the supply of entertainment floor space over time as consumer needs change.

3.3 FUTURE PLANNING

The Town of Port Hedland's 'Pilbara Port City Growth Plan' articulates a development trajectory for Port Hedland over the next 24 years and how it might achieve a population of 50,000 people. Specifically, the growth plan outlines the case for:

- Significant new residential development capacity of 23,230 total new dwellings (17,587 dwellings in South Hedland and 5,463 new dwellings in Port Hedland)
- Providing housing diversity and housing choice for both permanent and temporary workforce
- Approximately 125,000 sqm of additional retail / commercial floorspace
- A cultural hub in the West End of Port Hedland and a new retail centre in the East End
- Delivery of an integrated town centre for South Hedland
- Approximately 2,161 ha of additional strategic industrial land and 450 ha of additional general / light industrial land³

In addition to the requirements for new residential accommodation that reflects the anticipated population growth; the growth plan also identifies the requirement for a neighbourhood multi-purpose cultural/performing arts facility now, and a museum and art gallery from about 2020. The growth plan does not suggest that a regional multi-purpose cultural/performing arts centre is required within the next two decades.

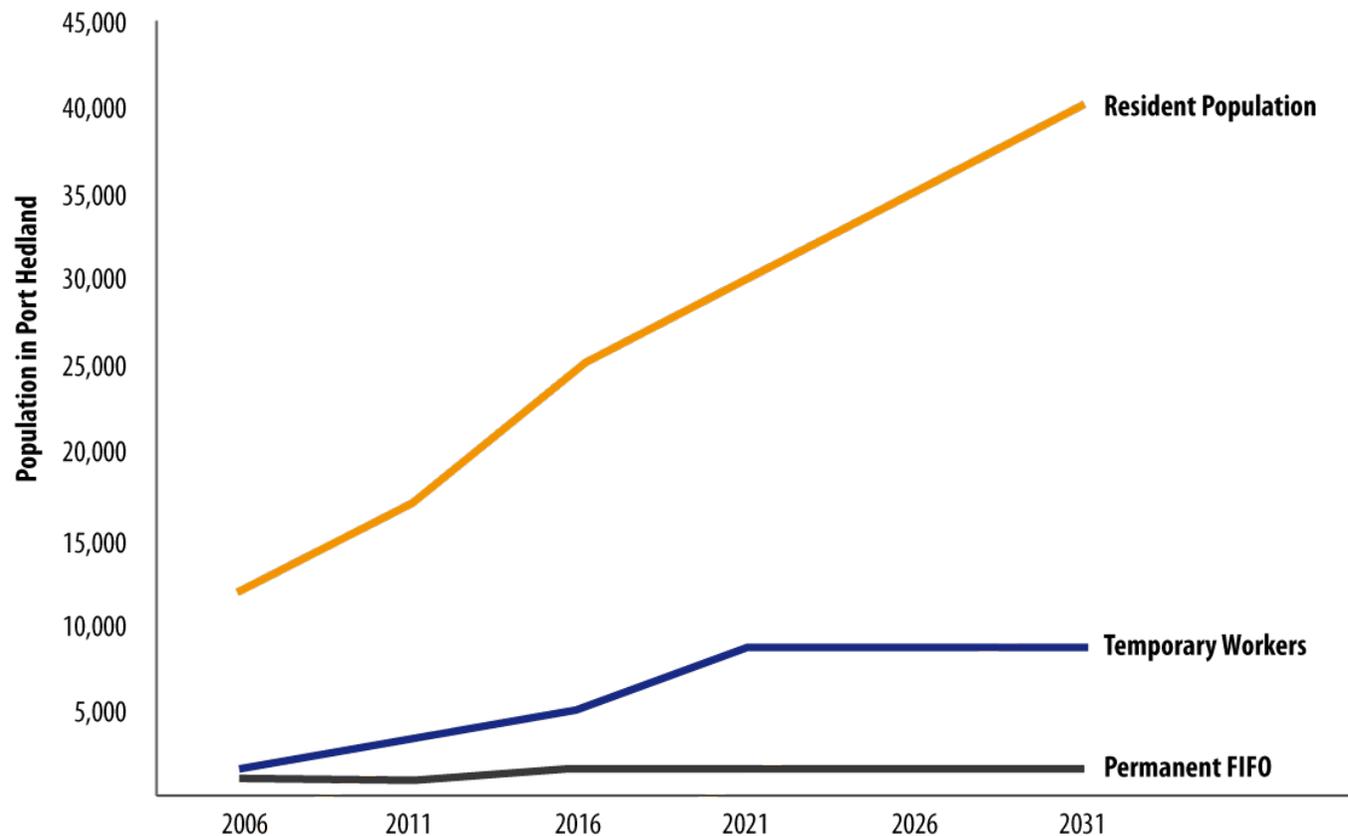
Traditionally, local governments have planned infrastructure and services on the basis of the needs of their permanent residents. The entertainment requirements of FIFO workers can place unexpected and significant additional demand on local government services.

Given its location and the lack of any significant satellite centres, Port Hedland's catchment population is more or less limited to its immediate residential population and its workforce base.

Figure 4 summaries the projected catchment growth by segment.

3 'Pilbara's Port City Growth Plan (Draft)', Town of Port Hedland, October 2011.

Figure 4: Port Hedland population growth by segment



Source: Port Hedland Regional Hotspots Land Supply Update, 2011

The population projections used in this analysis are based on figures contained in the Port Hedland Regional Hotspots Land Supply Update⁴ and projected out to match the development trajectory suggested by the Port Hedland Growth Plan.

There are presently 55,000 transient worker accommodation beds available for FIFO workers (operational and construction) within the four local governments that make up the Pilbara region. Furthermore, the four local governments are presently in various stages of consultation in relation to a further 32,000 beds, which will be constructed over the next two to three years. Based on consultation with key employers, the population of both temporary and permanent FIFO worker in Port Hedland has been projected to 2021. Temporary FIFO refers to the workers associated with the construction stage of projects in Port Hedland. These workers are temporarily based in Port Hedland for all/part of the construction stage, after which time they are usually relocated to other locations. Permanent FIFO refers to workers associated with the ongoing operations of projects in Port Hedland. These workers are permanently based in Port Hedland.

⁴ Department of Planning April 2011

4 ACTIVITY DEMAND

The first noteworthy point about future planning for entertainment facilities in the Town of Port Hedland (ToPH) is that significant unmet activity demand for facilities already exists. Although going through a renaissance at present, the Town's facilities are generally run-down and at full capacity. This section profiles the demand for various activities based on both direct consultation with community stakeholders and statistical modelling of demand based on benchmarks for both activity and facility capacity.

4.1 CURRENT SITUATION

4.1.1 Films

Film is currently offered at the Matt Dann Cultural Centre and a number of external outdoor venues that includes the Courthouse Gallery carpark off Wedge Street. There are a number of operational issues with the Matt Dann Cultural Centre, in particular the cost of preparing the theatre for film that often interferes with the daytime operation of the MDT as an education facility. Film is offered on a weekly basis and tends to be second release showings- i.e. release between first release and prior to DVD release. Essentially this means that Port Hedland residents cannot see first release films.

Outdoor cinema is provided in a car park off Wedge Street, featuring alternative programming to 'blockbusters' shown

at Matt Dann Cultural Centre, to appeal to a demographic of young professionals and people interested in cultural offerings. This includes live acoustic entertainment and cocktail food provided by the Silver Star Café. The West End Movies Program is run by the ToPH. Although the space is transformed by use of deckchairs and palms being brought in for the occasion, the bitumen makes the space hot and uncomfortable for patrons. This situation would be improved with softer materials, paving and shade structures.

4.1.2 Classical Music, Theatre and Dance

The primary venues for this sector are the Matt Dann Cultural Centre and the Gratwick Hall located at the ToPH Administration building. However, the latter is a flat floor hall without any special acoustic qualities.

4.1.3 Visual Art

Visual Arts are provided primarily through the Court House Gallery, a mid century bungalow located in the West End. Currently operated by not for profit arts and crafts coordinators FORM, the Court House events are extremely well patronised.

4.1.4 Contemporary Music Concerts

Contemporary Music is the best represented sector of the Arts in Port Hedland, and is provided through a number of venues that include outdoor venues such as the Race Course, Kevin Scott and Colin Matheson Ovals, and indoor venues such as local pubs and the Matt Dann Cultural Centre and the JD Hardie Centre. Large festival style events are becoming increasingly popular, and fit well with the younger Port Hedland demographic.

4.1.5 Community Events

The Town of Port Hedland presents four annual quality community events and monthly outdoor movies to its residents and visitors, which form an important part of the social fabric of the community. These events are free to the public and feature quality entertainment and associated activities including market stall programs, competitions and workshops. The scope of these events has been to a large extent fully realised within the context of a community event and the Town is currently working on a proposal with a major presenter to develop a ticketed event, featuring a high profile international act.

This is in response to the ToPH Strategic Plan (2010 -2015) which includes the following Actions:

'Actively seek to attract 'draw card' entertainers and events to the Town of Port Hedland' and 'Actively seek to attract or establish a nationally significant event to Port Hedland.'

4.2 STAKEHOLDER VIEWS

At the commencement of this study, the Town of Port Hedland identified and facilitated a number of consultations with key industry and community stakeholders within Port Hedland. These stakeholders have provided important information as to the needs and aspirations of their various constituencies, which in turn have informed the recommendations of this report. This information is a mix of statistics and anecdotal evidence, and has been relied on in lieu of detailed public surveys.

The list of stakeholders and key findings are as follows.

4.2.1 Lawson Street Youth Centre (Youth Involvement Council)

- A drop in centre for young indigenous children (10-17)
- Confirmed lack of entertainment opportunities
- Entertainment tickets could become part of reward system for participation in schools
- Need for more performance opportunities - success of mobile radio program

- Importance of events such as Blue Light Discos
- Need for more adult mentoring - possibility to harness FIFO participation

4.2.2 Matt Dann Cultural Centre

- 302 seat theatre delivering music and cinema
- Facility generally in need of refurbishment
- General difficulty of operation due to South Hedland Senior High School's day-time use of the auditorium
- Issues of general public interface with school children, leading to security concerns
- As local community demand for the auditorium (conferences, films) increases, co-location issues are exacerbated
- Space required for dance classes, rehearsals etc
- Motorised light rig, digital projector and motorised screen would increase efficiency of Cinema to Theatre changeover significantly
- Separate box office and office accessible from outside would solve student/public interface issues
- New storage required

4.2.3 Fortescue Metals Group (FMG)

- FMG reported projects that will have a maximum workforce of 7,000 to 8,000, creating 320 permanent residential jobs
- Each permanent job attracts 2.7 people to Hedland
- Predominantly spouses and young children; only 3 high school aged children in whole workforce
- FMG focus is on South Hedland
- FMG runs its own community programs including V Tech (Indigenous training initiative)
- Funding a trainee café at Marquee Park
- Emphasis on education
- Identified need for afterschool care, school holiday activities
- Real shortage of entertainment options
- Needs for a safe and friendly town centre

4.2.4 Wangka Maya Pilbara Language Centre

- A research facility documenting numerous local language groups
- Anthropologic research centre of national importance



- Funding of new cultural centre valued at approximately \$50 million is being sought
- Adjacent site to current centre has been gifted by state government for the cultural centre project

4.2.5 Pilbara Development Commission

- Administers Royalties for Regions
- Economic diversification for Port Hedland required
- Huge accommodation problem
- Need for tourist infrastructure
- Quality hotels, bars, cafes required
- Wedge street to remain cultural centre of Port Hedland but street upgrade urgently required
- Regular bus service between Port and South Hedland urgently required

4.2.6 Port Hedland Chamber of Commerce

- General discussion about unprecedented and continuing growth
- Urgent need for quality conferencing, exhibition space
- Needs to be in Port Hedland- close to action

4.2.7 FORM

- Advocate for arts and culture in Port Hedland
- FORM operates major art and craft exhibitions
- FORM runs West End Markets - 3000 attend
- All FORM functions are extremely well attended and the population has a high demand for cultural activities
- Deep understanding of the genus locii- celebration for what makes Port Hedland unique
- Natural connection to Asia- trade, time zone, proximity
- Many highly educated, white collar workers- sophisticated, tribal
- This sector very technically savvy- digitally connected
- Need for a new Cultural Hub - cultural tourism is an untapped potential
- Housing required for not-for-profits such as FORM

4.2.8 BHPB Iron Ore

- General discussion on development of entertainment options with preference for cinema and possibly bowling alley model

4.3 ACTIVITY FORECASTS

It is important to distinguish between demand for activities and demand for facilities. The users generate demand for entertainment and cultural activities that require infrastructure to facilitate the supply of these activities. Once the demand for entertainment and cultural activities can be estimated it can be translated into the types and quantities of facilities necessary to accommodate it.

Estimating demand for entertainment activities in Port Hedland requires an appreciation of the nature of the town, its history and the drivers that will determine its growth trajectory over the next few decades.

Hedland, like almost all the towns in the Pilbara, is rapidly expanding because of strong growth in the resource sector. Without resources and the infrastructure to export them, Port Hedland would not exist in its current form, the population would not be what it is or what it is projected to be, and the demand for services and facilities would be significantly less than that suggested by the Growth Plan.

In estimating the demand for entertainment activities in Port Hedland, state average attendance rates and frequencies have been applied to the projected residential population. This is intended to provide an estimate of latent demand. As the supply of many of these products is limited,

there is high level of leakage from Port Hedland and a high rate of substitution.

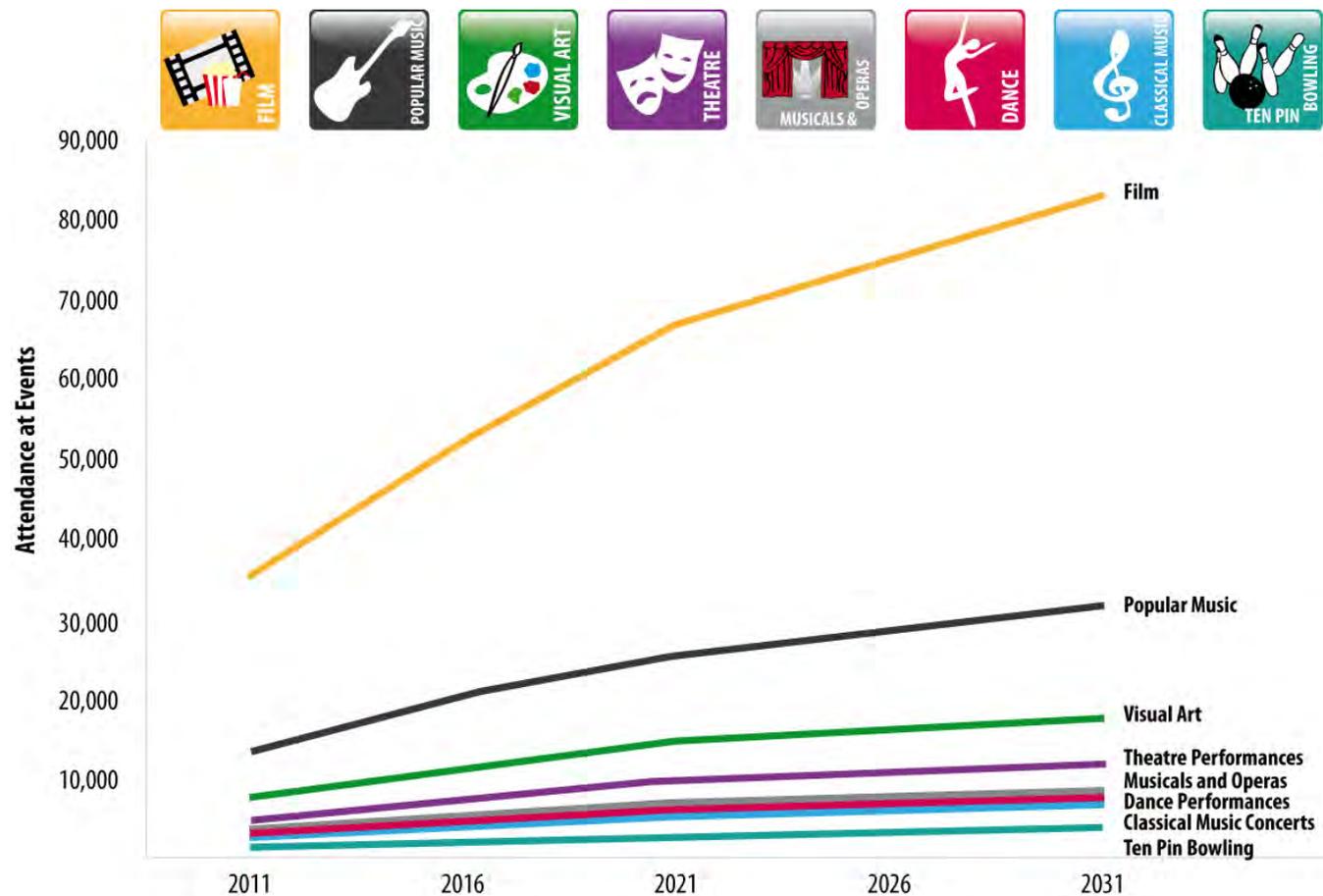
Figure 5 summarises the demand for a range of entertainment and cultural products in 2016. This reflects the total demand for entertainment in Port Hedland, including that which is consumed outside of Port Hedland. The analysis assumed that both the Permanent and Temporary FIFO workers demonstrate comparable levels of demand to single person households.

Figure 5: Entertainment Demand (2016)

Activity	 CLASSICAL MUSIC	 POPULAR MUSIC	 THEATRE	 DANCE	 MUSICALS & OPERAS	 VISUAL ART	 FILM	 TEN PIN BOWLING
Average Attendance Rate	10%	36%	16%	12%	12%	23%	65%	5%
Average Attendance Frequency	2.22	2.34	1.95	1.67	1.69	2.08	3.31	2.00
Total Attendance	5,039	19,908	7,309	4,741	5,110	11,094	52,410	2,368
Average Spend (Adult)	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	Not Available	\$18.50	\$19.90
Average Spend (Child)	\$15.00	\$15.00	\$15.00	15.00	15.00	Not Available	13.50	17.90
Total Expenditure (Per Annum)	\$134,419	509,811	188,442	120,224	134,275	Not Available	893,092	45,919

Source: ABS Cat. 4114.0, ABS Census of Population and Housing (2006) and Pracsys (2012)

Figure 6: Port Hedland Resident Demand Growth for Events



Source: Pracsys Analysis (2012) of ABS Cat. 4114.0, ABS Census of Population and Housing (2006)

Figure 6 translates findings from both the stakeholder consultation and the statistical analysis of entertainment activities to a single 'event attendance' profile. It summarizes how the residential demand for entertainment, culture and the arts will grow over time. These projections are based on current patterns of consumption. Beyond 2016, planning for expansion of entertainment, activity within regional locations such as Port Hedland needs to be aware of industry trends such as digital migration (especially with the introduction of the NBN), with appropriate feedback mechanisms in place to revise the supply of entertainment facilities over time as consumer needs change.

The analysis shows that film attendance is likely to be the largest of any form of entertainment, followed by popular music, visual art and other arts activities.

CURRENT ENTERTAINMENT SITES

- 1 Court House Gallery**
- 2 Race Course**
- 3 Colin Matheson Oval**
- 4 Matt Dann Theatre**
- 5 Kevin Scott Oval**
- 6 J.D. Hardie Centre**
- 7 Hedland SHS**

- Indoor
- Outdoor



5 FACILITY SUPPLY AND GAPS

The case can be made that Port Hedland is currently severely under serviced by entertainment and cultural facilities. There are lack of informal meeting spaces such as bars and cafes and the supply of quality formal spaces for these functions has not been in line with the high population growth. This study acknowledges this situation and offers the following as a snapshot of places and facilities currently offering entertainment and cultural activities within Port Hedland.

5.1 MATT DANN CULTURAL CENTRE

The Matt Dann Cultural Centre is a 302 seat theatre located at South Hedland Senior High School and operated as a shared facility with the Department of Education and Training. It is the only purpose built performing arts venue in Port Hedland and offers theatre, cinema, music and dance events. It is also available for general hire for conferences and community events. South Hedland Senior High School uses the space as a general teaching area and for the presentation of its school productions, performance showcase program and school activities such as graduations. The Town of Port Hedland has access to the facility outside of school hours, generally between 3.30pm and 7.30am on schooldays, with full access on weekends, public holidays and school holidays. The Centre is in urgent need of refurbishment to a standard that befits its high use as an important public facility.

While the Matt Dann Cultural Centre remains the principle venue for music, dance theatre and film in Port Hedland, it does so operating with outdated facilities and equipment, and some significant operational impediments caused by co-location with South Hedland Senior High School.

5.2 GRATWICK HALL AND CIVIC CENTRE GARDENS

Located at the Town of Port Hedland's main administration offices, the Gratwick Hall and adjoining Civic Centre Gardens provide for a diverse range of functions including weddings, community and corporate events, regular dance classes and the long established Pilbara Music Festival.

5.3 JD HARDIE CENTRE

Currently the Town of Port Hedland is managing the JD Hardie Centre as a sport and recreation facility. These functions will relocate to the Multi Purpose Recreation Centre when it opens in May 2012 under an external management contract with YMCA. The JD Hardie Centre will transition its focus to that of a youth centre, under Town management. A range of services and programs in the area of families, children and young people will be provided, in addition to a number of community agencies taking up tenancies in the centre. Current tenancies and tenancy opportunities include:

- Youth Involvement Council
- YMCA
- Department for Communities
- Lifestyle Solutions

An activation plan is being prepared at the time of this report, which is expected to include:

- Programming of activities including circus skills, hip hop and other dance forms, performing arts and music workshops, educational workshops including remedial tutoring, exercise and unstructured sports and digital art projects
- Recording studio and music rehearsal space
- Youth Zone/drop in space

The JD Hardie Centre has recently had a major addition that will see it become a major provider of youth counselling services. It is more correctly considered a recreation centre than a purpose built performance venue.

5.4 COURT HOUSE GALLERY

The Court House Gallery is the only permanent gallery space in Port Hedland, and puts on exhibitions that are extremely well attended.

- Operated by FORM, under an external contract arrangement with the Town of Port Hedland
- Well run and patronised, would benefit greatly from general street and building upgrade of Wedge Street

5.5 SOUTH HEDLAND TOWN CENTRE STAGE

This facility is a newly completed covered stage with lighting, change facilities and permanent landscaped seating, which has been developed within Landcorp's South Hedland Town Centre Project. An Activation Strategy is currently being developed which will include minor and major events. The 2012 Welcome to Hedland event will be presented in this space, along with a diverse program of free movie screenings, music, dance, workshops and talks.

5.6 WANGKA MAYA PILBARA LANGUAGE CENTRE

Wangka Maya Pilbara Aboriginal Language Centre 'aims to be recognised as a leading Aboriginal language and resource centre in Australia. By working with the elders of the Pilbara, Wangka Maya uses its expertise, knowledge and sensitivity to record and foster Aboriginal languages, culture and history, thus ensuring the young people remain strong in retaining their Aboriginal language, culture and

history, ensuring cultural continuity. Wangka Maya acts as a resource centre for Aboriginal communities of the Pilbara. It holds an extensive database of material on Pilbara Aboriginal languages. Resources such as books, DVDs, games and other materials can be accessed or purchased by community members at the South Hedland office or online at www.wangkamaya.org.au.

5.7 SOUTH HEDLAND YOUTH SPACE

The South Hedland Skate Park has been redesigned for a new location, within the South Hedland Town Centre. The South Hedland Youth Space is planned and in development. Currently at concept design stage, the new space includes formal and informal skate elements, landscaped informal meeting places for youth and families and a small informal stage that can be used for additional seating when not used for performance.

5.8 SPORTING FACILITIES USED FOR COMMUNITY EVENTS

There are a number of sporting venues and other outdoor spaces that are used for cultural and entertainment events. Entertainment events at these places are inherently constrained by their predominantly sporting uses. These places include:

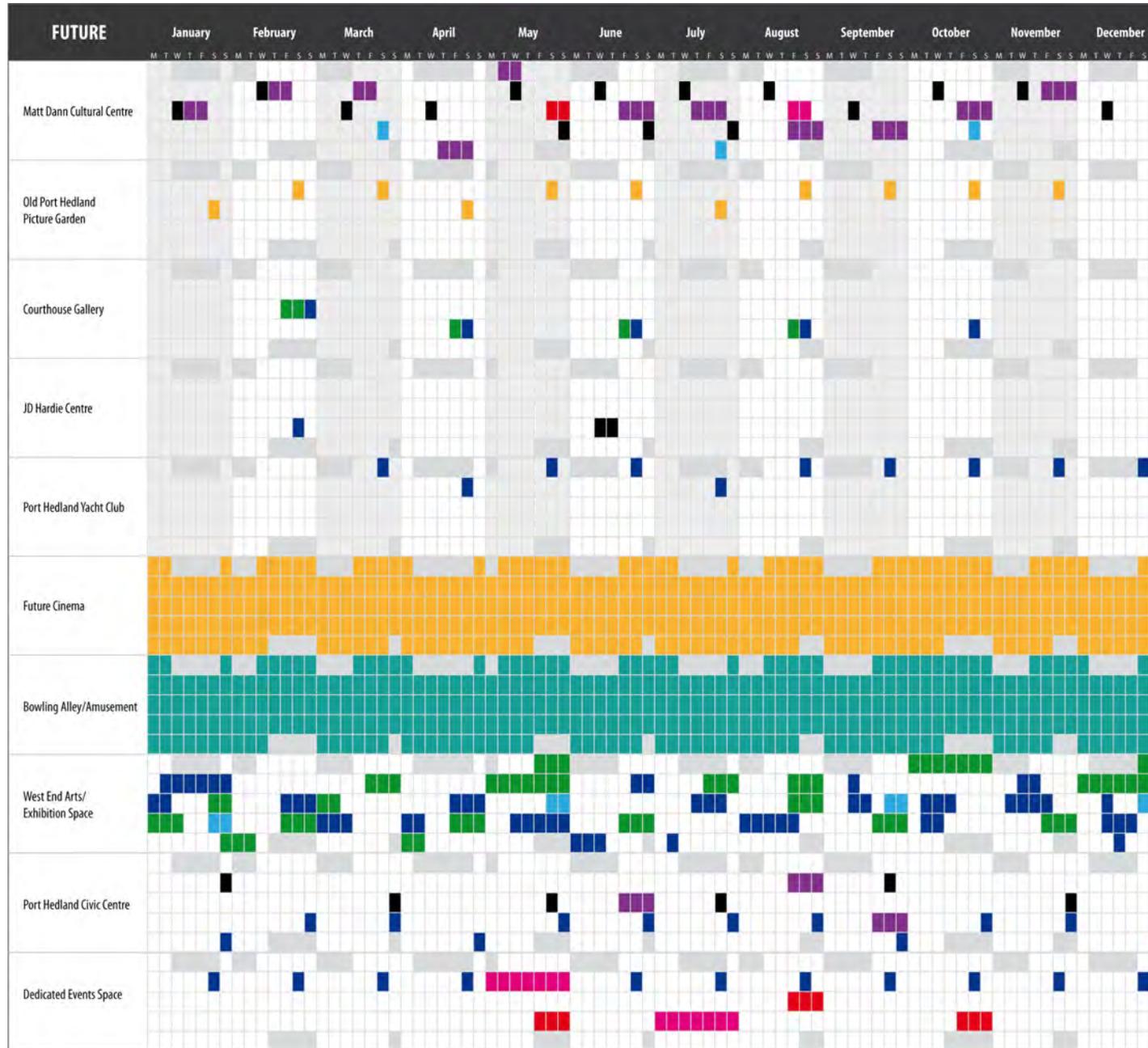
- Colin Matheson Oval - occasional outdoor venue, constrained by other recreational uses, adjacent residential development
- Port Hedland Turf Club - occasional outdoor venue, constrained by other recreational uses, adjacent residential development and currently under consideration for possible relocation to accommodate future residential development, as prescribed by the Growth Plan
- Kevin Scott Oval - occasional outdoor venue, constrained by other recreational uses, adjacent to new Multi-Purpose Recreation Centre
- South Hedland Senior High School Oval - occasional outdoor venue, constrained by school uses

6.0

6 ENTERTAINMENT ACTIVITY PROGRAM

The following diagrams show the current program and a sample program in order to give an impression of the types of entertainment products that could be presented in the various facilities. It is not intended to be comprehensive or precise, because the programming outcomes are yet to be determined. No detailed planning decisions should be based on this indicative program outline.

Sample of Future Program of Events



7 FACILITY PROPOSALS

The purpose of this chapter is to present development proposals to address each major gap in the entertainment facility profile of the Town of Port Hedland. Each proposal includes a development plan, site analysis, attendance estimates and a financial feasibility summary. Capital cost estimates for each facility are detailed in Appendix 3 Order of Probable Cost.

PROPOSED ENTERTAINMENT SITES

- 1 Mpark Artspace**
- 2 Boat Ramp site**
- 3 Spoil Bank**
- 4 Multipurpose Recreation Centre**
- 5 Cinema**
- 6 Town Centre Stage**
- 7 Youth Space/Skate Park**

- Indoor**
- Outdoor**
- Existing**



7.1 MATT DANN CULTURAL CENTRE

The Matt Dann Cultural Centre is a shared teaching/performance facility located on the South Hedland Senior High school site. Built in 1986, it has a seating capacity of 302, and has six classrooms and a number of music practice rooms, as well as a small combined kiosk and box office. The facility is fully utilised with school and community activities.

Developed as a joint venture between the Town of Port Hedland and the South Hedland Senior High School, the management agreement prioritises the activities of the High School over those of the Town. As the Town grows, and the community demand for theatre, dance, music and movies increases, the operation of the Theatre outside school time is becoming increasingly difficult to manage.

Principally, since the stage and theatre is used as a general teaching space, stage sets have to be bumped in and out to accommodate this. The expense and time required for this is significant meaning that theatre seasons are constrained by this restricted access – for example, rigging and bump in may require an 8 hour period and this cannot reasonably be undertaken after school hours.

Furthermore, with more stringent security issues between school children and the general public, considerable care has to be taken to prevent the uncontrolled interaction of performers, box office patrons and students.

This report proposes a number of strategies to improve these operational issues, improve the technical capacity of the theatre, and to augment the current educational offer.

7.1.1 Minor Works

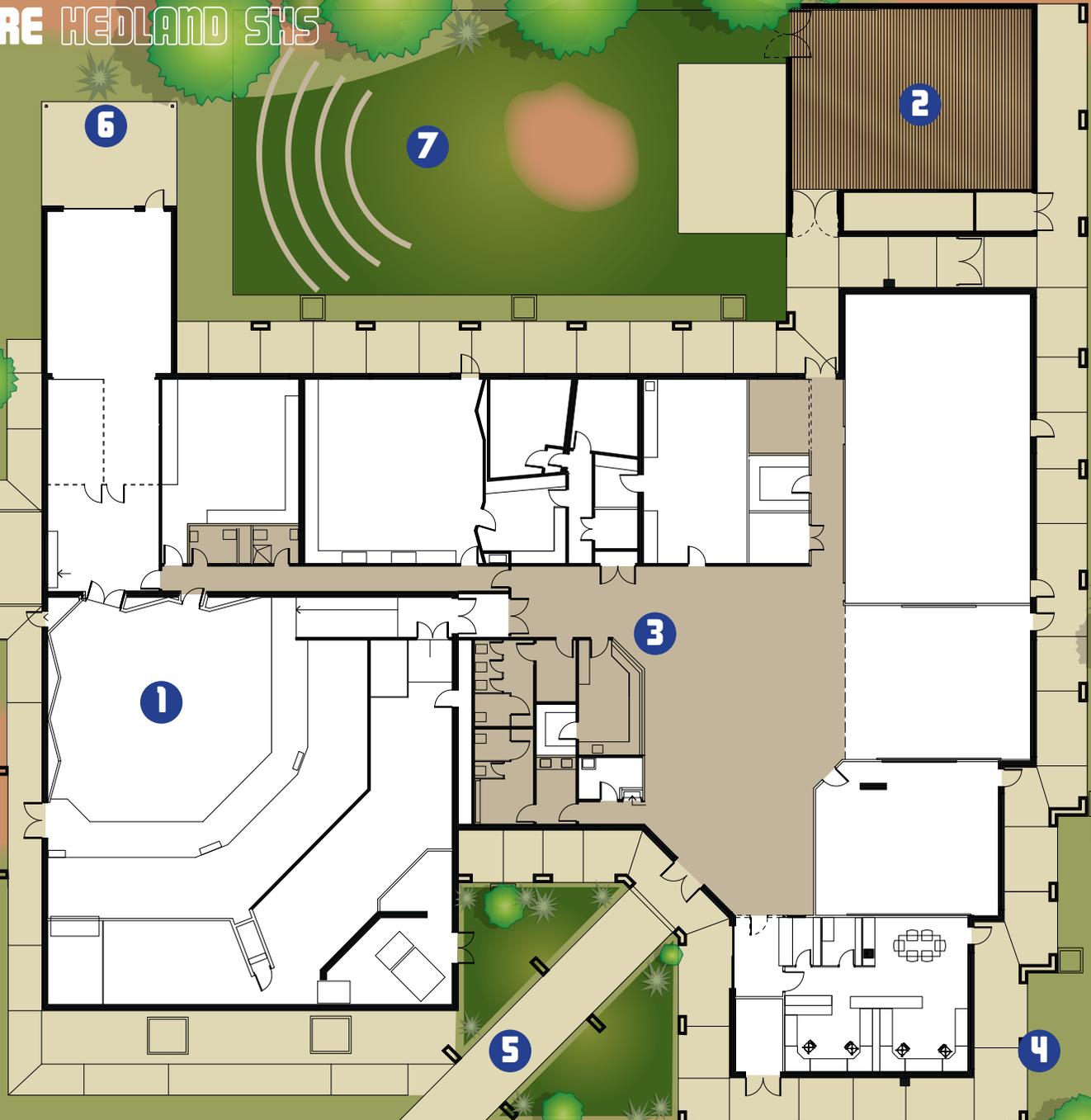
Minor works that would greatly enhance the operation and co-location of the Matt Dann Cultural Centre Auditorium include:

- Motorised lighting truss system – the current system requires scaffold to erect and dismantle stage lighting. A motorised suspension system that allows the rig to be lowered would greatly reduce the cost and time taken to mount lighting, and improve the safety profile of the theatre (cost estimate: \$250,000)
- Motorised Screen - being able to raise and lower projection screen would reduce time of changeover from acting to cinema space (cost estimate: \$50, 000)
- Digital Projector - more and more cinema is offered digitally, with greatly reduced distribution costs over celluloid. Digital facilities would also enable an additional revenue stream to the Centre from sale of advertising opportunities (cost estimate \$40,000)
- A total cost estimate of \$400,000 for these upgrades and ancillary items, while subject to confirmation, is considered adequate

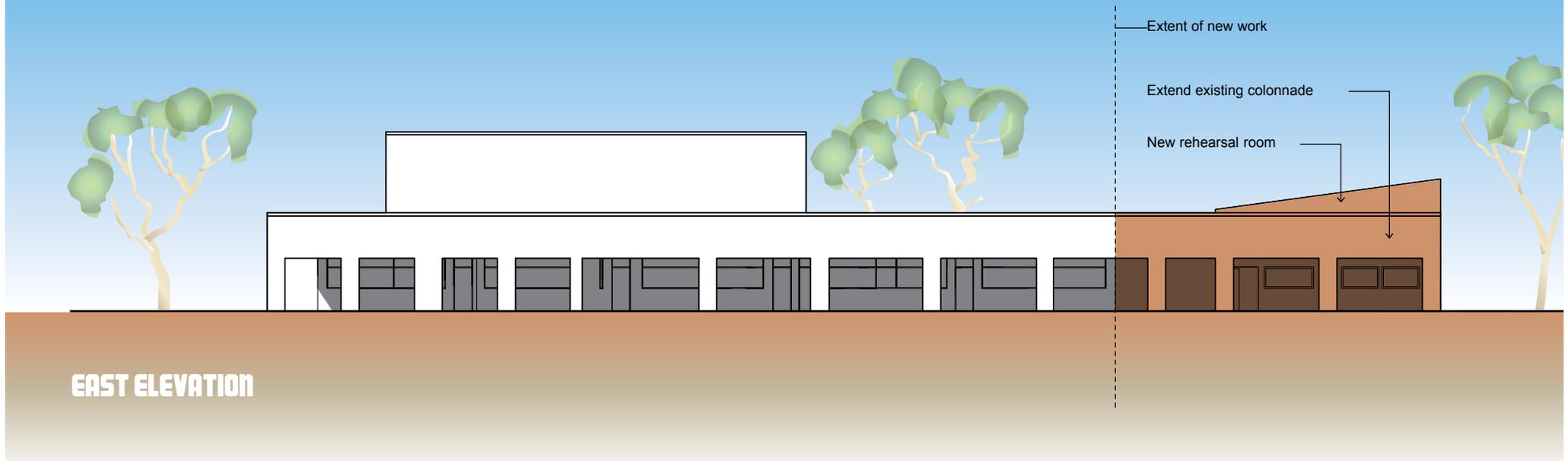
MATT DANN THEATRE HEDLAND SHS

- Main performance venue in Hedland
- Run down
- Issues with co-location
 - Programming
 - Student / public interface

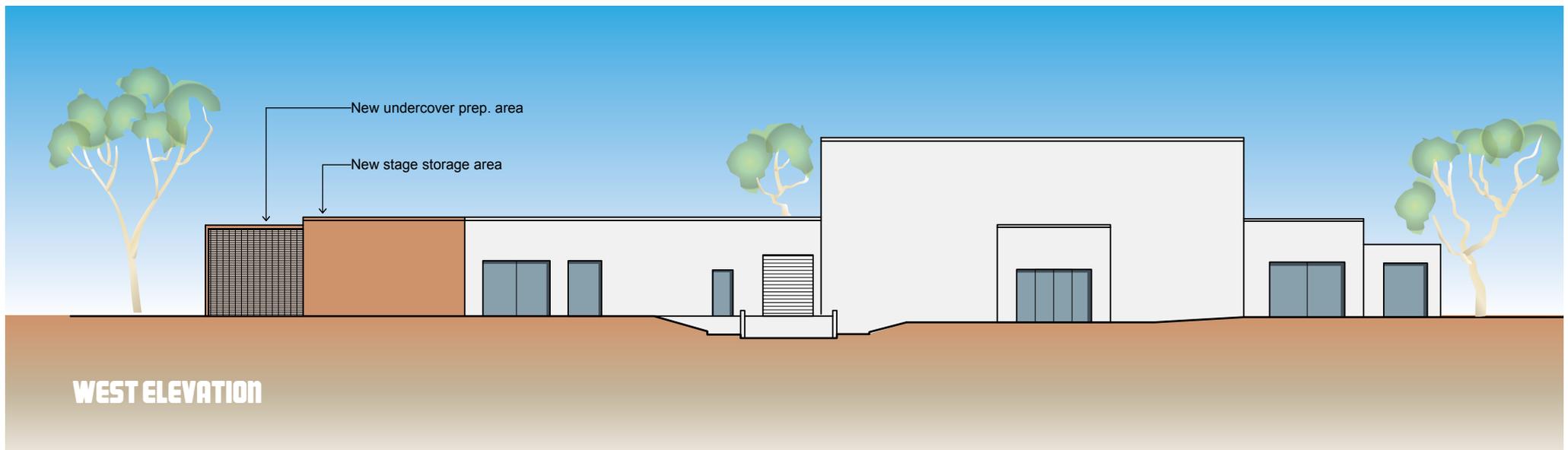
- 1 Refurbish theatre including new lighting rig
- 2 New rehearsal room
- 3 Refurbish foyer, bar and toilets
- 4 Create separate entry, box office and admin office
- 5 Upgrade entry
- 6 Increase backstage storage
- 7 Outdoor performance space



MATT DANN THEATRE HEDLAND SHS



EAST ELEVATION



WEST ELEVATION

7.1.2 Blue Sky Option

A number of strategies have been considered through consultation with Town of Port Hedland staff that would greatly improve the current operations of the Matt Dann Cultural Centre, address the issues of co-location, and position Matt Dann Cultural Centre to become a major performance venue suitable for small to medium size productions. These modifications include:

- Refurbishment of Front of House - the foyer, common areas, bar and toilets are run-down, and in urgent need of refurbishment. This scope would include plastering walls, a replacement ceiling and carpets, replacing toilet fixtures and tiling, and providing a new kiosk. This scope of work would modernise the building, and should provide a sense of glamour and event to the venue and show
- Office and Box Office - a significant issue facing the TOPH Matt Dann Cultural Centre staff is cramped and inadequate office space. Another is the difficulty of keeping general public visiting to purchase tickets from mixing with students during school hours as this breaches school security regulations. This issue has been addressed with the conversion of a classroom into a dedicated TOPH office with a separate front door entry to a Box Office

- Rehearsal Space - one of the key impediments to the running of the Matt Dann Cultural Centre as a theatre venue is that the auditorium proper is used as a daily teaching space, meaning that stage and scenery need to be bumped in and out to suit this timetable. This proposal includes a new sprung floor rehearsal space suitable for dance and theatre classes. This space would reduce the pressure of the current auditorium and ease co-location tensions
- Backstage Storage - the current backstage area is constrained and under sized. This proposal includes storage space and a secure undercover outdoor work space
- Outdoor Theatre - this proposal includes a small external stage and performance courtyard, that adds another dimension to the current offer

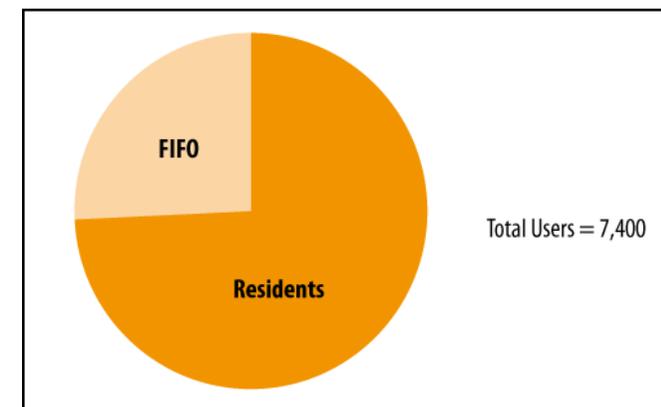
7.1.3 Feasibility

Figure 9 summarises the anticipated user mix of the Matt Dann Cultural Centre in 2016 following the completion of the proposed minor works program. The estimates of demand are based on the assumption that the theatre is capturing the activity market shares. This will be dependent on the following factors:

- Programing at Matt Dann
- Programing in competing facilities

The removal of film programing from Matt Dann will allow greater flexibility in the facility to increase the programming of other activities. This will also support the viability of a separate cinema facility, which is unlikely to be viable if programming of films at Matt Dann is continued.

Figure 9: Matt Dann User Mix (2016)



Source: Pracsys 2012

Figure 10 provides the key figures summarising the projected financial performance of the Matt Dann Cultural Centre in 2016. The financial position assumes that the operator does not incur any of the capital costs or any cost of finance associated with the upgrade to the theatre. A detailed financial summary is included in Appendix 1.

Figure 10: Mann Dann Financial Summary (2016)

Revenue	Expenses	Surplus	Construction Cost
\$558,099	\$528,902	\$29,196	\$5,120,000

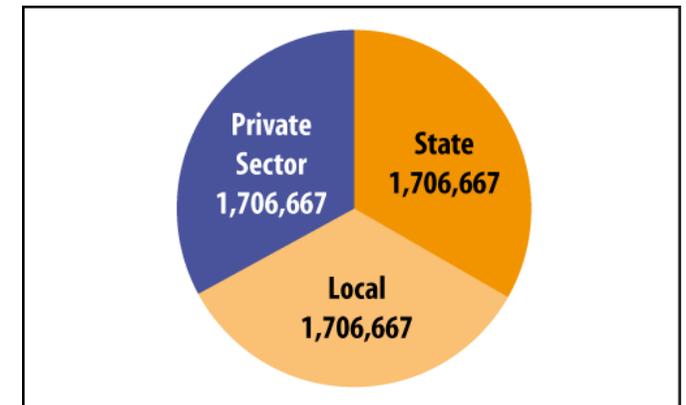
Source: Pracsys 2012 and RBB 2012

7.10.4 Funding Options

The Matt Dann Cultural Centre could potentially attract funding from the DCA or Royalties for Regions, and perhaps the DET, as it is also a school facility. However, further funding will most likely be needed from an industry source, and perhaps from the Town. Support from industry might involve “underwriting” demand through season or event sponsorship, guaranteeing a revenue stream.

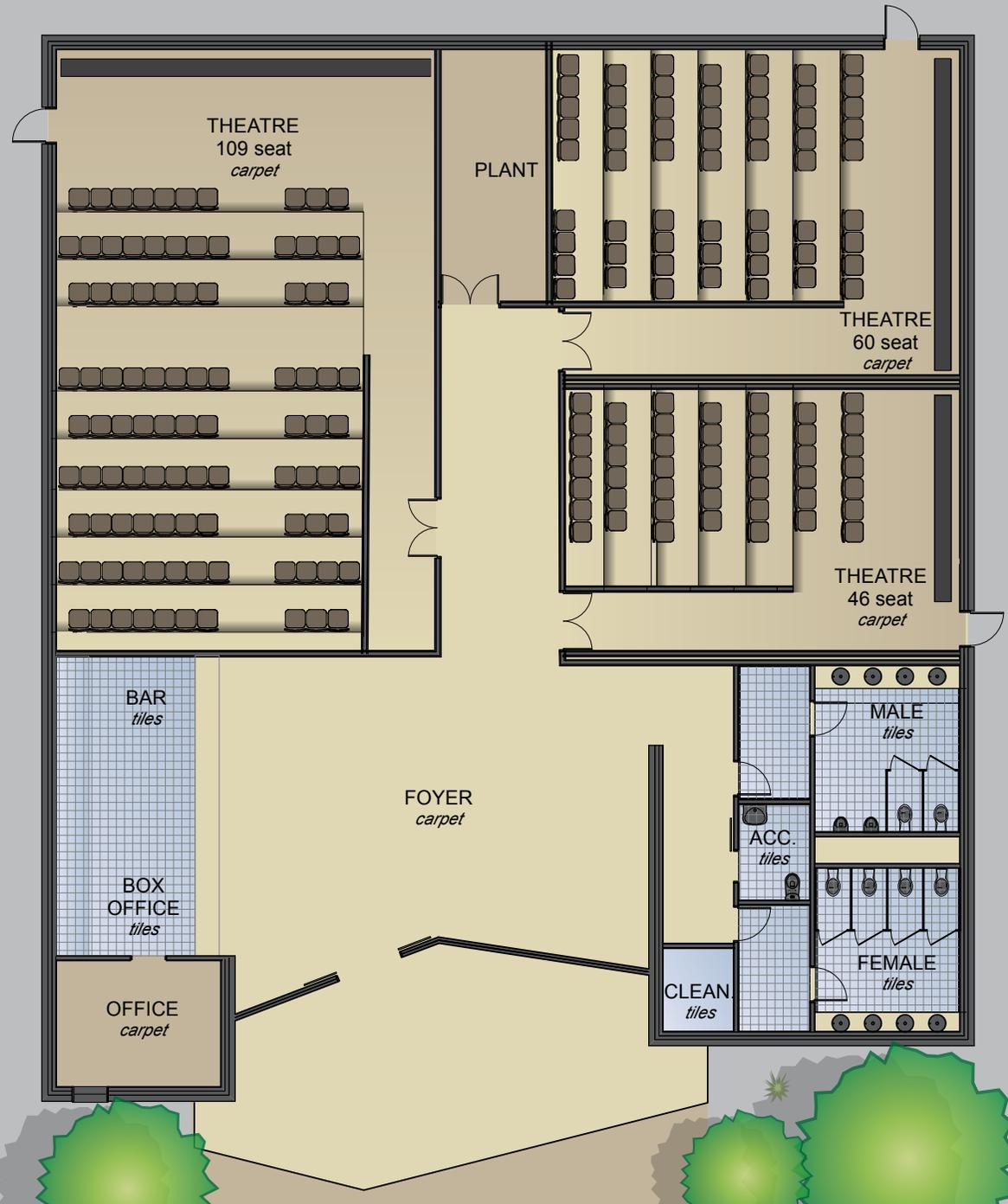
Figure 11 outlines an indicative capital funding mix for the redevelopment of Matt Dann. For detailed discussion of the available funding sources refer to Chapter 8.

Figure 11: Matt Dann Indicative Capital Funding Mix



Source: Pracsys 2012

GENERIC CINEMA



- 3 Cinema complex showing new release movies
 - Based on Albany, Kalgoorlie, Geraldton & Busselton
 - 560m²
- Cinemas:
- 109 seats
 - 60 seats
 - 46 seats

7.2 CINEMA

Stakeholder consultancy and benchmark analysis indicates there is a need for a purpose built cinema complex in Port Hedland. Film is currently offered at the Matt Dann Cultural Centre and a number of external outdoor venues that includes the Courthouse Gallery car park off Wedge Street. There are a number of operational issues with the Matt Dann Cultural Centre; in particular the cost of preparing the theatre for film that often interferes with the daytime operation of the MDT as an education facility. Film is offered on a weekly basis and tends to be second release showings- i.e. release between first release and prior to DVD release. Essentially this means that Port Hedland residents cannot see first release films.

The proposal has been based on consultation with WA's main regional cinema operator, Orana Cinemas.

Orana Cinemas have facilities in Albany (catchment population 41,000), Busselton (32,000), Kalgoorlie (30,000) and Geraldton (43,000). They report that the rule of thumb for when a cinema complex can become a self-funding and profitable enterprise is at a population of 30,000. If capital cost is excluded, regional cinemas can become operationally sustainable with catchments between 15,000 to 20,000 people.

The cinema model proposed within this study is for a 3 auditorium complex with capacities of 40, 60 and 100 seats. The importance of providing three cinemas is that a range of films can be offered, making going to the movies a more spontaneous and regular outing.

The building is conceived as a simple tilt-concrete box with light weight internal fit-out including sloped floor. This approach will allow flexibility and easy conversion to a generic commercial building.

7.2.1 Feasibility

Figure 13 summarises the anticipated user mix of the proposed Cinema in 2016. Estimates of demand are based on the assumption that the theatre is capturing the activity market shares. For the residential segment this will be dependent on the film programming. Aligning film choice with consumer preference and minimising time between release and screening will minimise substitution with alternatives such as DVD and online download and maximise demand.

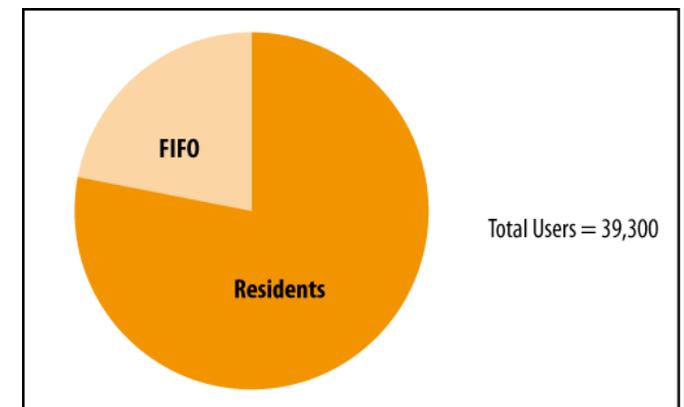
The capture of expenditure from the FIFO segment will be critical to the cinema's profitability. The proposed user mix assumes that the FIFO workers demonstrate the same rate and frequency of attendance as a normal residential market. Knowing that there will be a much higher expenditure

leakage from this segment, the achievement of this will require intervention including:

- Locating the facility in close proximity to FIFO Accommodation to maximise access
- Aligning screening times with workers schedules to optimise attendance
- Entering into sponsorship agreements for resource companies to purchase cinema tickets for use by FIFO employees

The removal of film programming from Matt Dann will also be integral to the viability of a separate cinema facility.

Figure 13: Future Cinema User Mix (2016)



Source: Pracsys 2012

Figure 14 provides the key figures summarising the projected financial performance of the proposed Cinema in 2016. The financial position assumes that the operator does not incur any of the capital costs or any cost of finance associated with the development. A detailed financial summary is included in Appendix 1.

Figure 14: Future Cinema Financial Summary (2016)

Revenue	Expenses	Gross Surplus	Net Surplus	Capital Cost
\$1,011,427	\$691,898	\$319,529	\$117,244	\$4,900,000

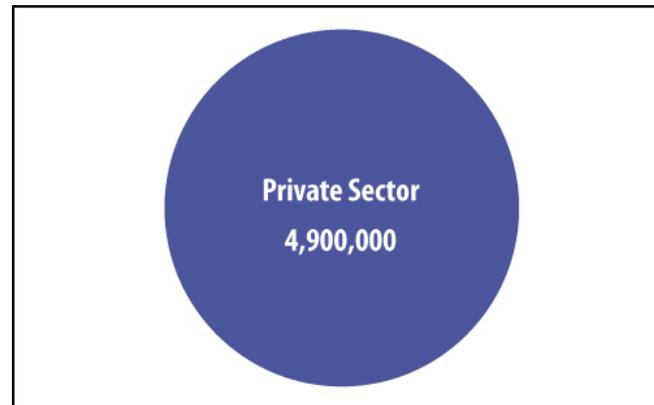
Source: Pracsys 2012 and RBB 2012

7.2.2 Funding Options

The cinema project is unlikely to attract funding from the DCA or other funding bodies, as it is a commercial venture. However, this project will probably not be commercially viable straight away (typically a cinema complex can become self-funding when a town reaches a population of 30,000), and so will probably not be solely funded by the owner/operator. Funding will most likely be needed from either the Town of Port Hedland, the Port Authority or from industry backing, with the owner/operator covering the remainder of the cost. Support from an industry source might also involve “underwriting” demand by purchasing tickets for use by employees, guaranteeing a revenue stream. Figure 15 outlines an indicative capital funding mix

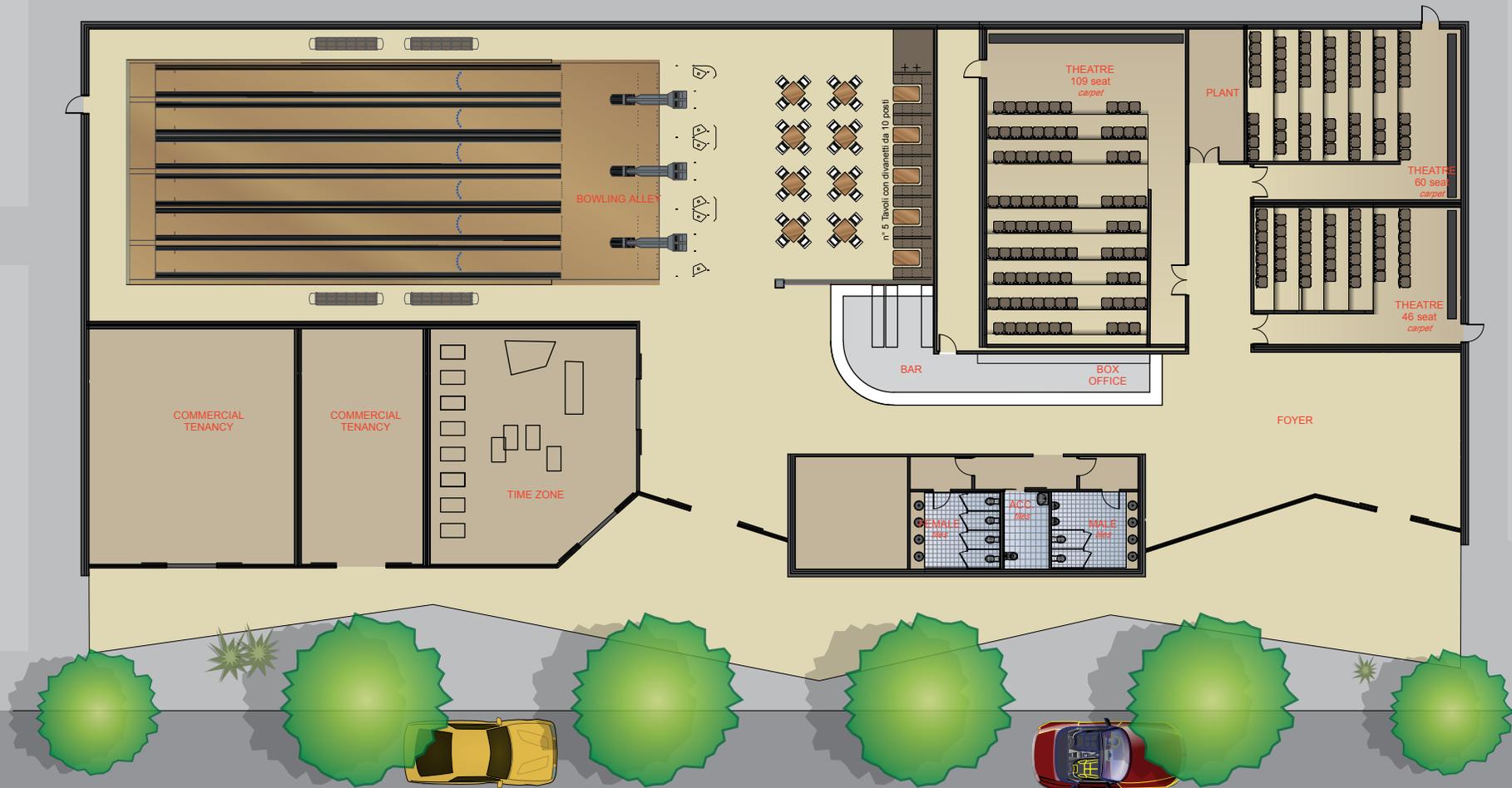
for the development of the Cinema. For detailed discussion of the available funding sources refer to Chapter 8.

Figure 15: Cinema Indicative Capital Funding Mix



Source: Pracsys 2012

CINEMA + BOWLING



- Combined commercial entertainment facility - 1700m²
- 3 Cinemas
 - Combined cafe, bar, box office
 - Timezone
 - 6 lane bowling alley
 - Commercial tenancies

7.3 CINEMA AND BOWLING ALLEY

A recurring request in consultation from a number of stakeholders is for a Ten Pin Bowling Alley. This is slightly at odds with current data that indicates that Ten Pin Bowling has declining patronage, and with a relatively high capital cost, is unlikely to be a sustainable venture in the Port Hedland context.

Notwithstanding this, the proposal within this report is for a hybrid Cinema/ Bowling Alley/ Video arcade complex, with shared management, restaurant/bar/café and ablutions. The building also includes a portion of general retail space that will contribute to the overall viability and activation of the complex.

Through consultation with various stakeholders, there has been general agreement that a commercial entertainment complex should be located in South Hedland. The location of such a complex will become a major driver in the activation of the emerging Town Centre. In early February the Town of Port Hedland conducted a workshop to determine the best location for the complex, based on the fact that a number of projects proposed for the Town Centre are currently being planned and have a major capacity to work in conjunction. Participants included:

Cox Howlett Bailey & Woodland Architects	Library, Lotteries House and Well Womens Centre
Landcorp	Town Centre Masterplan
Pracsys	Hedland Entertainment Study
PHA	Hedland Entertainment Study
Town of Port Hedland	

The following diagram shows the sites considered. The workshop concluded that sites C and D were the preferred options.

CINEMA/BOWLING OPTIONS

Site A.

Anchor corner of Throssell - entry of commercial precinct

Site B.

Utilise shopping centre car park, improve activation of central precinct

Site C.

North of new stage, activate North East corner of Main Street

Site D.

Anchor South West corner of Main Street, adjacent to skate park



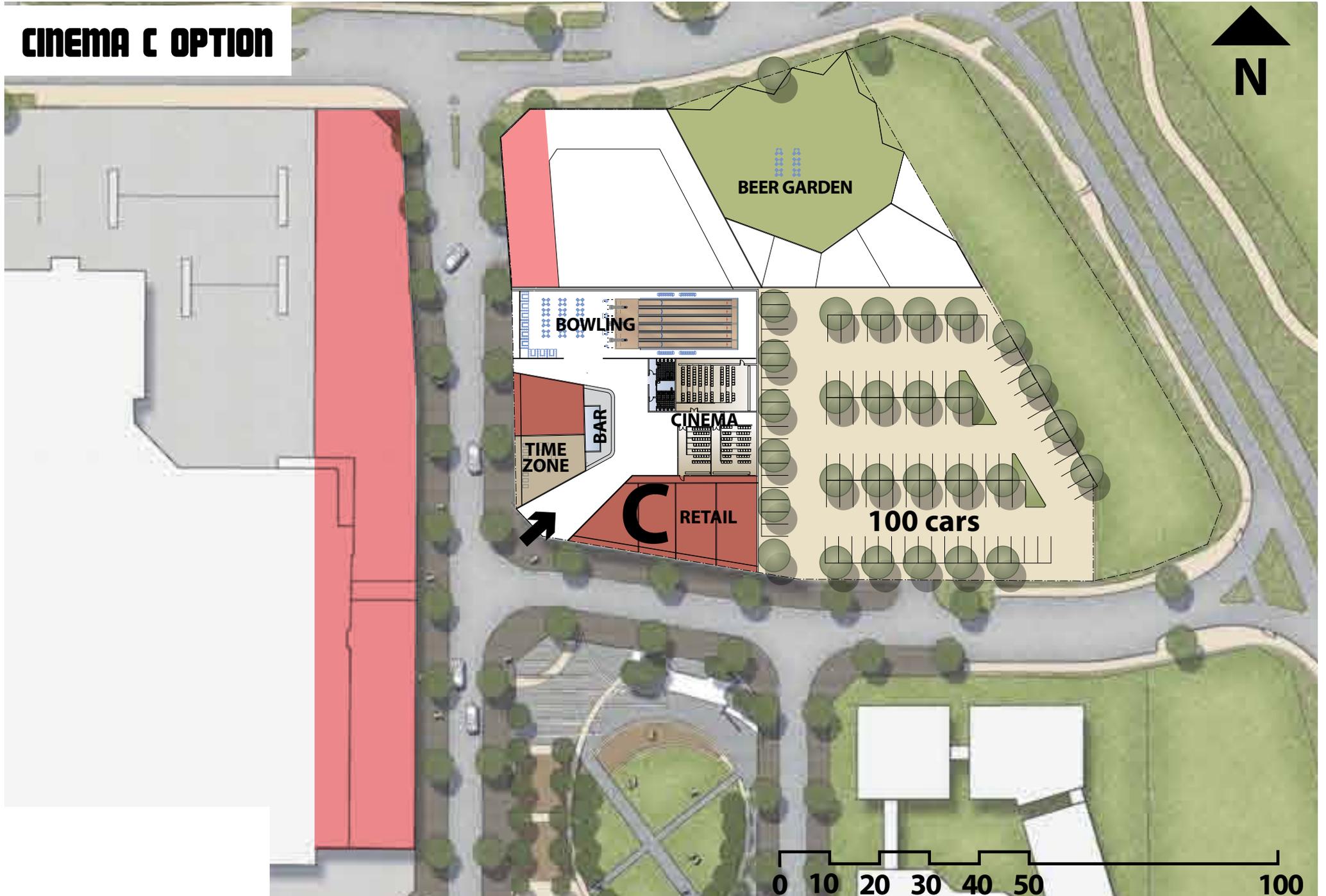
Site C

Site C sits at the northern end of the newly created South Hedland main street, immediately to the north of the new town square and performance space. The land is currently a car park owned by the South Hedland shopping centre owners, Charter Hall. This location would provide an activation driver to the whole street and would become a destination. Plans prepared show a combined cinema, bowling alley, video arcade and supporting retail and commercial. To the north of the site, a tavern/ bar has been shown, with a combined 100 bay car park providing amenity to all functions.

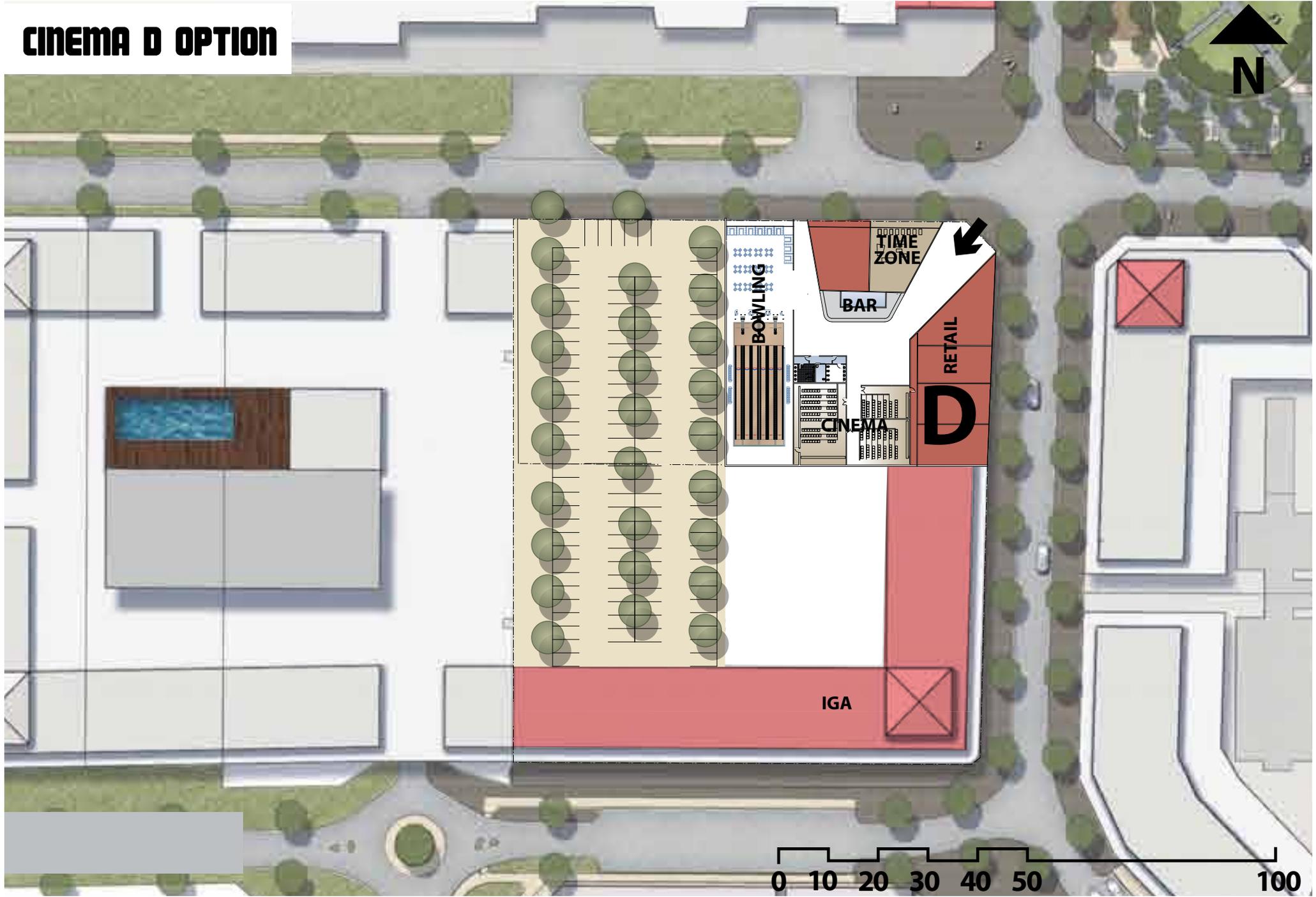
This combination would provide a strong recreational and entertainment focus to this end of the main street.

Site D

The next available site considered is at the south end of the main street, on land currently prepared for sale by LandCorp. The concept is similar to the previous scenario, and would be in close proximity to the new Library and to the refurbished South Headland Aquatic Centre.



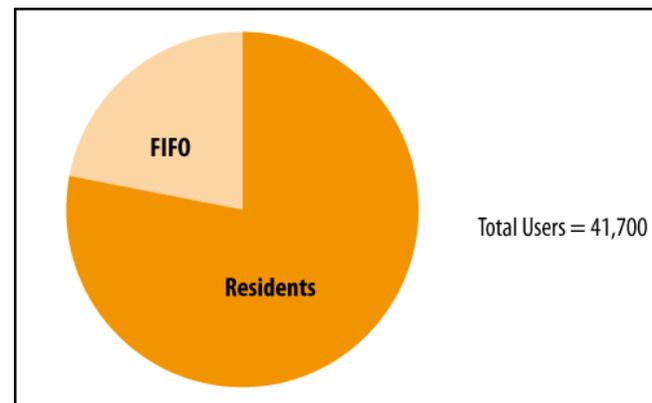
CINEMA D OPTION



7.3.1 Feasibility

Figure 20 summarises the anticipated user mix of the proposed Cinema and Bowling Alley in 2016.

Figure 20: Future Cinema Bowling Alley/Amusement User Mix (2016)



Source: Pracsys 2012

Estimates of demand are based on the assumption that the theatre is capturing the activity market shares. For the residential segment this will be dependent on the film programming. Aligning film choice with consumer preference and minimising time between release and screening will minimise substitution with alternatives such as DVD and online download and maximise demand.

The capture of expenditure from the FIFO segment will be the difference between the cinema profitability. The proposed user mix assumes that the FIFO worker demonstrate the same rate and frequency of attendance as a normal residential market. Knowing that there will be a much higher expenditure leakage from this segment, the achievement of this will require intervention including:

- Locating the facility in close proximity to FIFO Accommodation to maximise access
- Aligning screening times with workers schedules to optimise attendance
- Entering into sponsorship agreements for resource companies to purchase cinema tickets for use by FIFO employees

The removal of film programming from Matt Dann will also be integral to the viability of a separate cinema facility.

While arguably the individual components will benefit from colocation, the extent of this is difficult to quantify. National data suggests both the Ten Pin Bowling and Amusement arcade sectors are in steep decline. As such these components of the facility are unlikely to be profitable and will be reliant on the cinema to support the profitability of the facility as a whole.

Figure 21 provides the key figures summarising the projected financial performance of the proposed Cinema and Bowling Alley in 2016. The financial position assumes that the operator does not incur any of the capital costs or any cost of finance associated with the development. A detailed financial summary is included in Appendix 1.

Figure 21: Future Cinema Bowling Alley/Amusement Financial Summary (2016)

Revenue	Expenses	Gross Surplus	Net Deficit	Order of Probable Cost
\$1,072,499	\$937,721	\$34,777	-\$79,723	\$11,680,000

Source: Pracsys 2012 and RBB 2012

7.3.2 Funding Options

The combined cinema and bowling alley project is unlikely to attract funding from the DCA or other funding bodies, as it is a commercial venture. However, this project will probably not be commercially viable straight away (typically a cinema complex can become self-funding when a town reaches a population of 30,000), and so will probably not be solely funded by the owner/operator. Funding will most likely be needed from either the Town of Port Hedland or from industry backing, with the owner/operator covering the remainder of the cost. Support from an industry source might also involve “underwriting” demand by purchasing tickets for use by employees, guaranteeing

a revenue stream. Figure 22 outlines an indicative capital funding mix for the development of the Cinema Bowling Alley/Amusement. For detailed discussion of the available funding sources refer to Chapter 8.

Figure 22: Cinema Bowling Alley/Amusement Indicative Capital Funding Mix

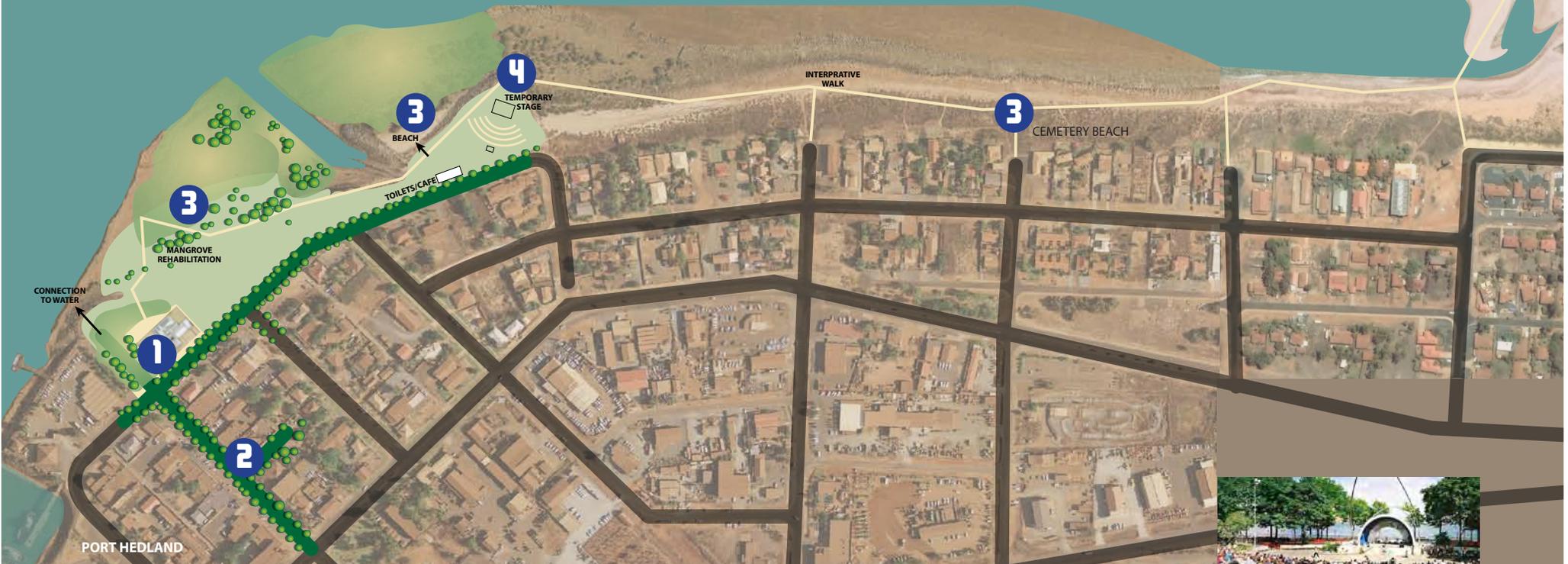


Source: Pracsys 2012

CINEMA C



WEST END



1 Mpark Artspace

- Build over existing carpark
- Cafe / Restaurant
- Exhibition Space
- Function Rooms
- Offices
- Artist in residence with accom

2 Wedge Street

- Upgrade landscape for street activities
- Connect to Courthouse Gallery

3 Coastal boardwalk

- Waterfront Uses
- Activate beach front
- Mangrove Interpretation
- Sculpture
- Link to Yacht Club

4 Dedicated Event Space

- Park suitable for passive recreation
- Circus
- Earth Amphitheatre
- Permanent ablutions / Cafe
- Dedicated event space for up to 8,000



7.4 WEST END ART SPACE

The Port Hedland Growth Plan has identified the West End, centered on Wedge Street, to retain its historic role as the business and cultural centre of Hedland. Currently, this offer is restricted to the activities of Form, The West End Movies, and the West End markets.

There is a real demand for a dedicated, modern art space that is suitable for major touring exhibitions, has conferencing capacity, is digitally connected, and can serve as a function centre. Ancillary uses such as artist in residence studios and affiliated offices can only enhance the viability and programming of such a venue.

7.4.1 Marrapikurinya Park Art Space

Marrapikurinya Park is sited at the northern end of Wedge Street and has a commanding view of the port, the shipping channel and the many ships laden with iron ore as they make their way to international markets. It, in conjunction with the giant iron ore loading facilities of the railhead, is the quintessential view of Port Hedland. The Marrapikurinya Park Art Space is a proposal for a combined Exhibition, Function and Meeting space, which includes a restaurant, an Artist in Residence studio and apartment and some associated general office space. The proposal is that Marrapikurinya Park Art Space be built on the site of the existing Marrapikurinya Park car park, that is proposed to be replaced with undercroft parking.

This facility can become the focus of the West End, and will provide a high quality space that can perform a number of functions, from art exhibitions, to high-level meetings and presentations to community functions and weddings. The space should be flexible enough to cater for large events with sit down dining for up to 200, but that can spill out into the adjacent park.

The first floor meeting rooms are flexible in design and can cater for large meetings and presentations for up to 150 guests. A large terrace provides break out space.

The artist in residence studio and apartment will allow national and international artists access to a space where they can live and work, and re-interpret the Pilbara uniqueness back to the local residents.

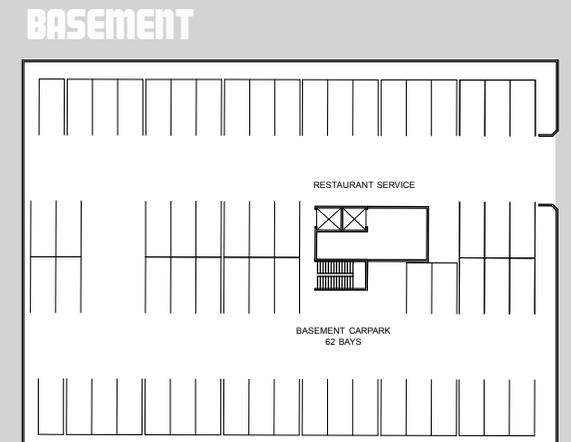
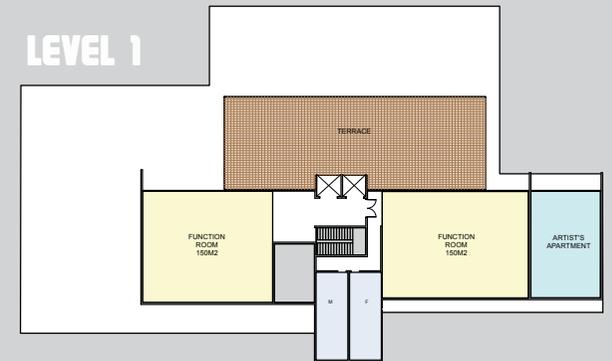
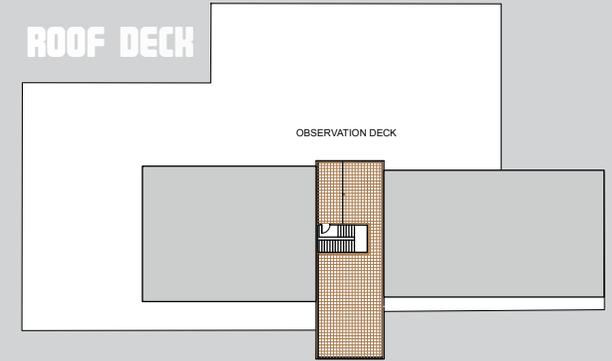
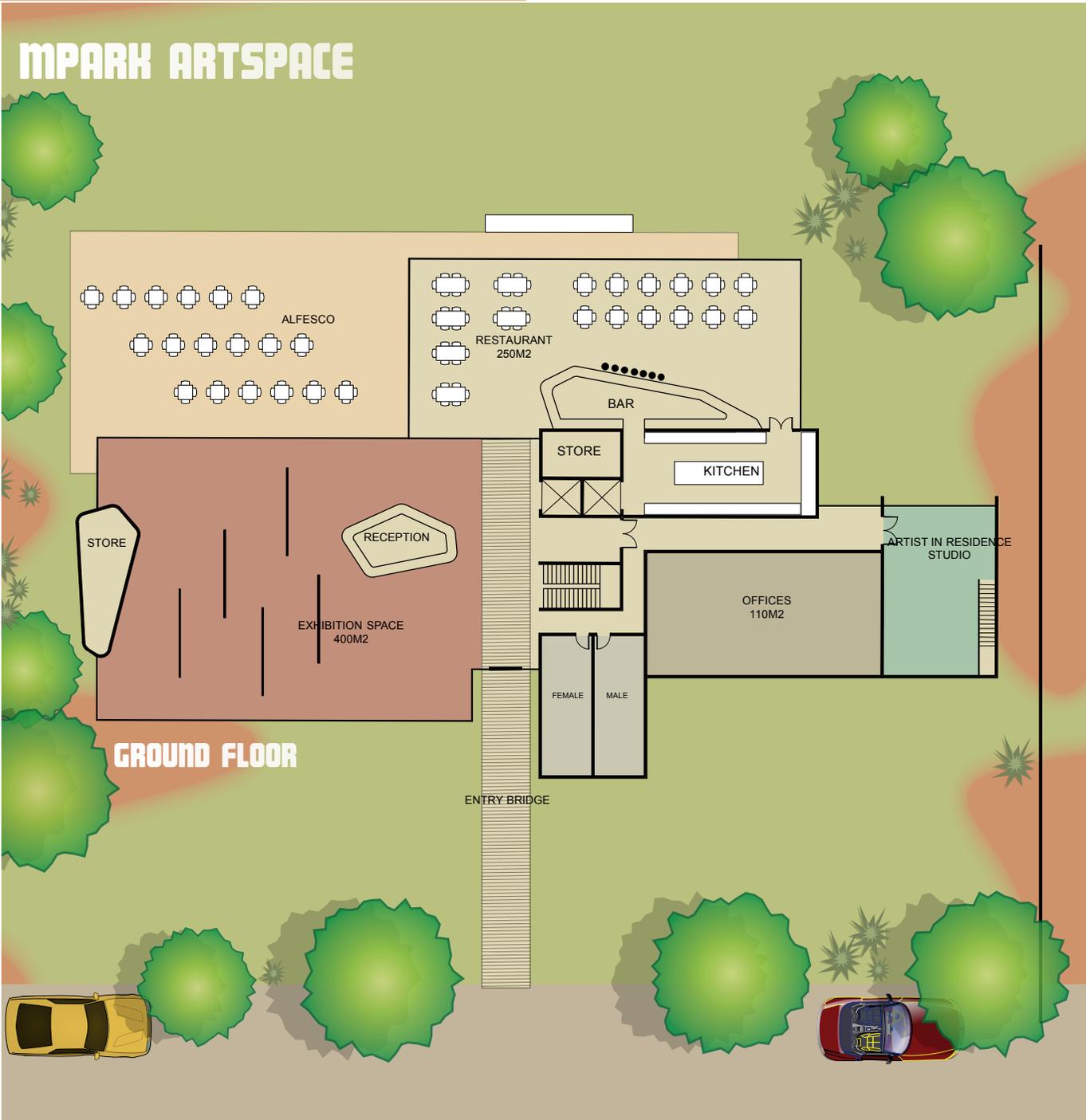
A second floor observation deck will provide the most commanding view of the entire port.

Marrapikurinya Park is a municipal reserve, while the site for this proposal is owned by BHP Billiton.

7.4.2 Form Proposal

A similar, albeit larger, proposal for an exhibition conference space has been prepared by FORM, who currently run the Courthouse Gallery off Wedge Street. Details of their proposal has been included in the Appendix 2.

Figure 23: Art Space Conceptual Floorplan



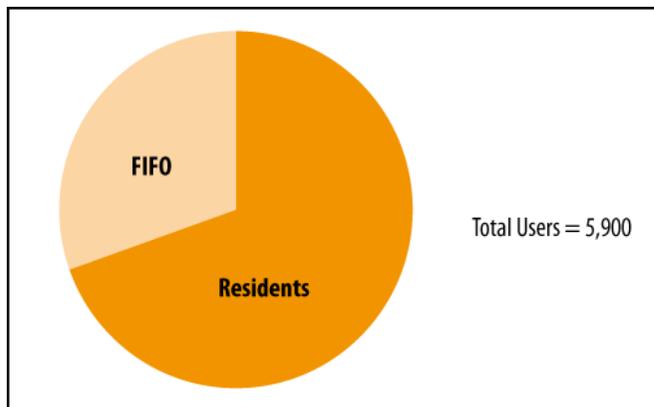
The proposal is a beautiful amorphous shaped building under a voluptuous tent of perforated Core 10 steel, and includes studios, function rooms and a mid scale commercial office block.

Located on the Boat Ramp Site, the FORM proposal would reinforce the west end as the cultural precinct of Port Hedland, although this would likely drag the centre of gravity away from Wedge Street.

7.4.3 Feasibility

Figure 24 summarises the anticipated user mix of the proposed Art Space in 2016.

Figure 24: Future Art Space User Mix (2016)



Source: Pracsys 2012

Estimates of demand are based on the assumption that the theatre is capturing the activity market shares. The user mix estimates exclude café/restaurant and function patrons as the methodology used to determine the turnover of these components is different. The financial position assumes that the operator does not incur any of the capital costs or any cost of finance associated with the development. A detailed financial summary is included in Appendix 1.

Figure 25: Future Art Space Financial Summary (2016)

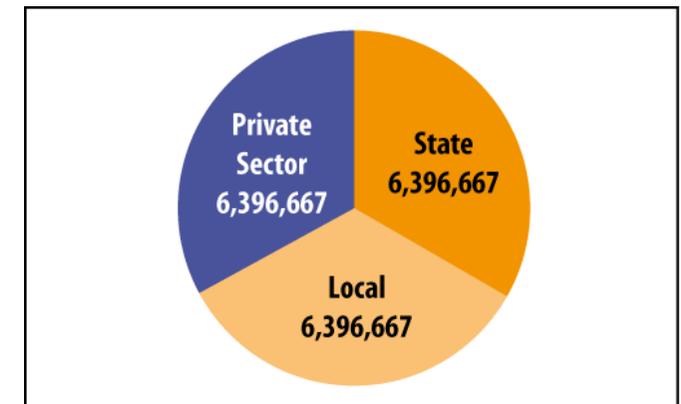
Revenue	Expenses	Gross Surplus	Capital Cost
\$846,721	\$812,047	\$34,674	\$19,190,000

Source: Pracsys 2012 and RBB 2012

7.4.4 Funding Options

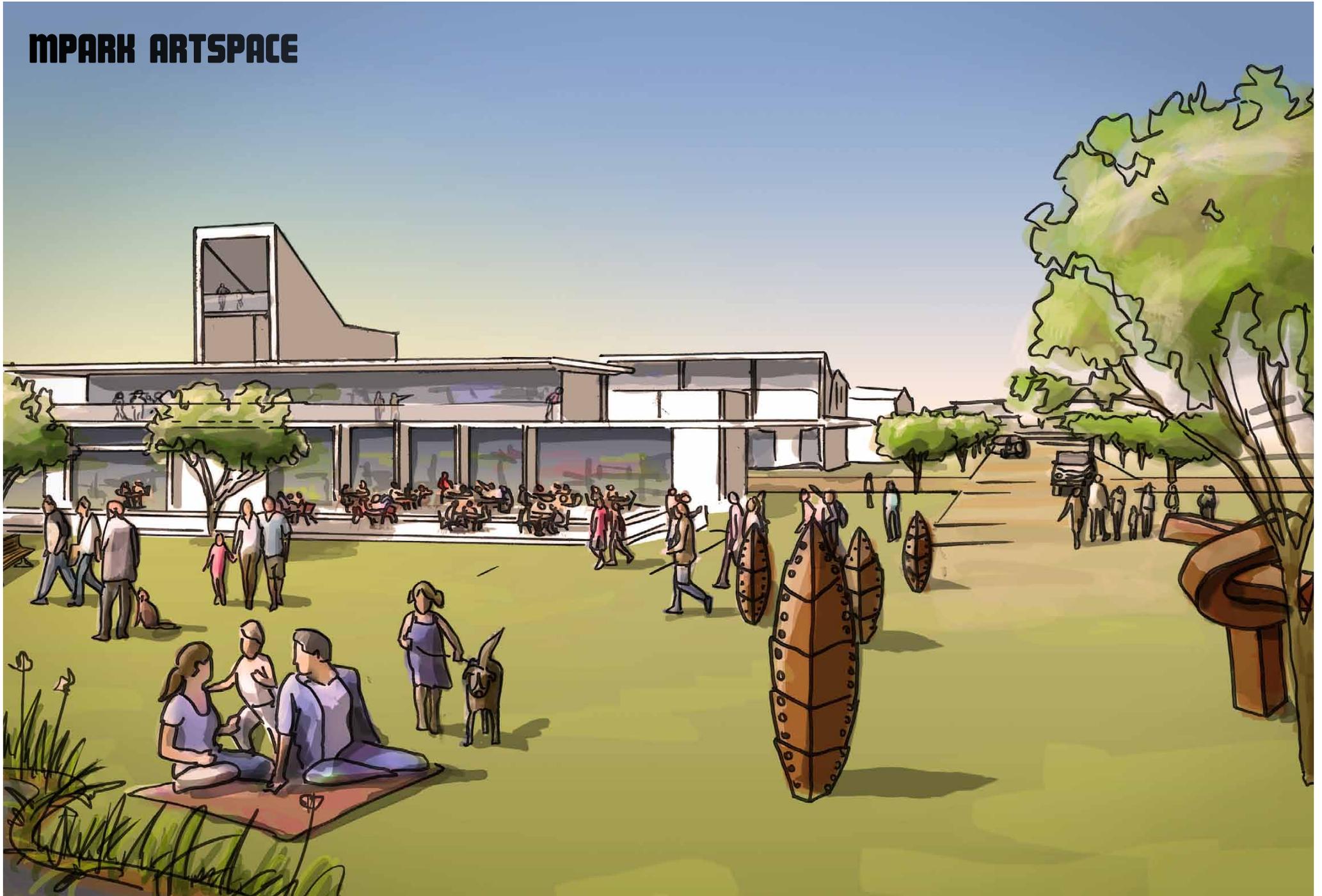
It is expected that the Port Hedland Port Authority will be a potential source of funding for the Marrapikurinya Park Art Space. In addition, the facility may be eligible for DCA or Royalties for Regions funding. An industry sponsor may also be interested in funding. Figure 26 outlines an indicative capital funding mix for the development of the Art Space. For detailed discussion of the available funding sources refer to Chapter 8.

Figure 26: Art Space Indicative Capital Funding Mix

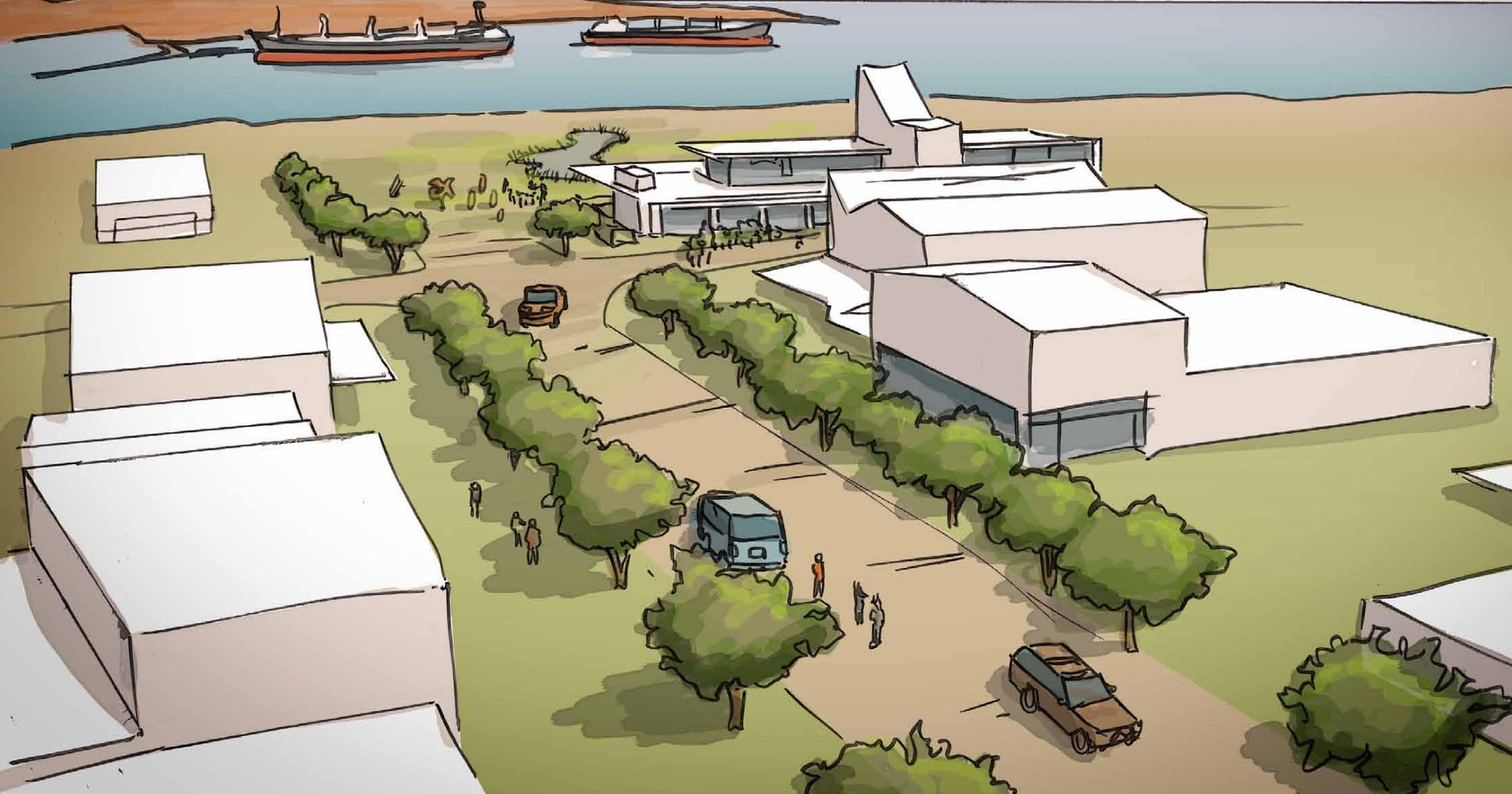


Source: Pracsys 2012 and RBB 2012

MPARK ARTSPACE



MPARK ARTSPACE



DEDICATED EVENT SPACE

1 Boat Ramp Site

- Icon site
- Adjacent to West Town centre
- Reinforces cultural/heritage quarter

2 Spoil Bank

- Icon site
- Plans of new marina not resolved
- Adjacent to future hotel



7.5 DEDICATED EVENTS SPACE

Port Hedland's informal lifestyle, and benign climate for much of the year makes it an ideal place for outdoor performances. The current diary of events include numerous outdoor events, and the Town of Port Hedland is currently planning an additional major outdoor music event for up to 8,000 people/spectators.

The Town of Port Hedland has recently received 3 years worth of funding for this event.

These events are currently held on a number of outdoor sites that include:

- Kevin Scott Oval
- Turf Club
- South Hedland High School Oval
- Colin Matheson Oval

None of these locations are ideal, as all have other overriding uses and functions. There is also a large cost to the erection of stages and associated facilities in these locations. Accordingly, a major plank of the Town of Port Hedland Entertainment Strategy should be to provide a permanent outdoor venue with some permanent infrastructure such as a box office, café, toilets and power, and which should be serviced with a mobile stage.

A permanent outdoor venue will celebrate the special qualities of Port Hedland, which in itself would become a major draw card for national and international performers.

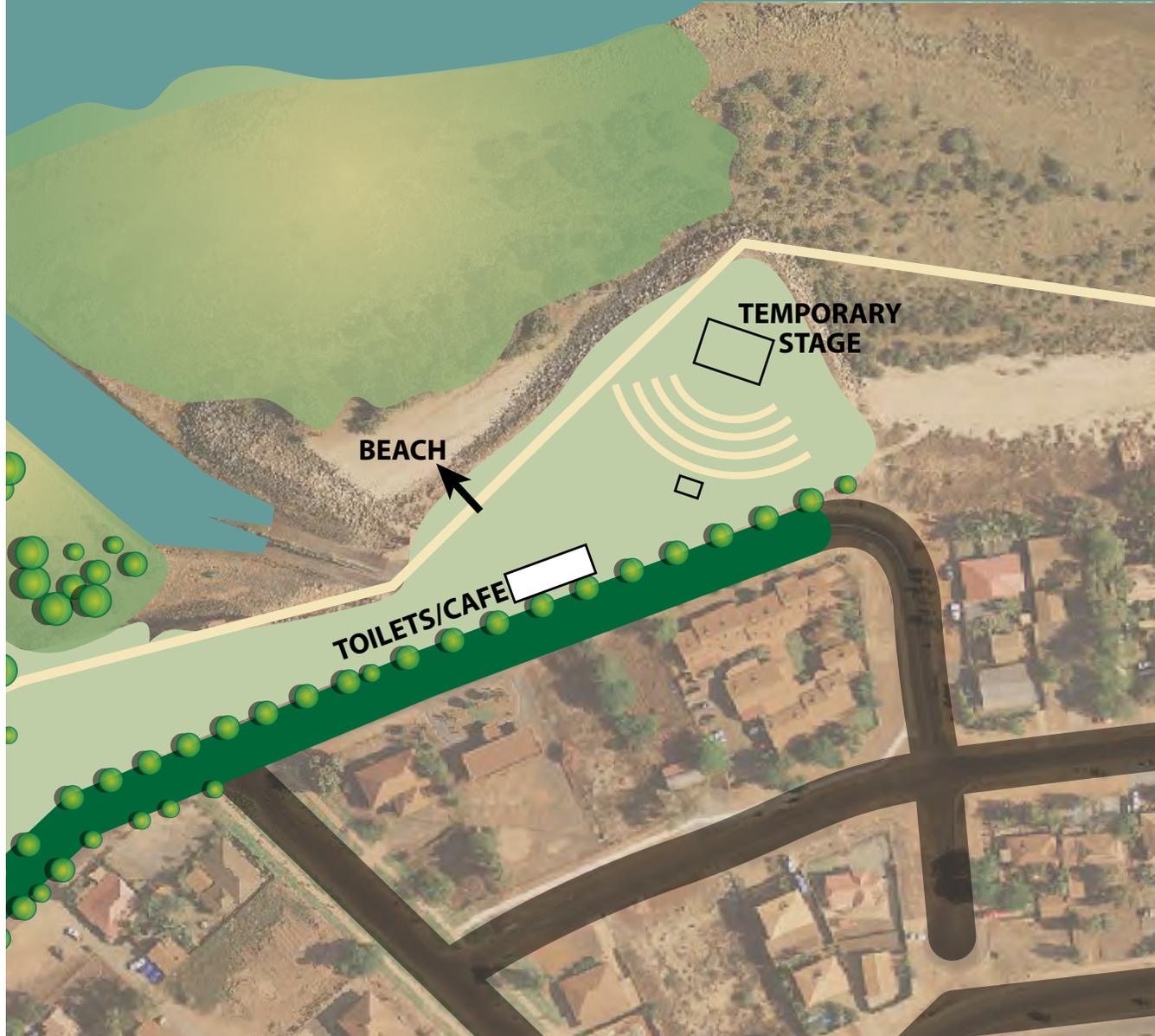
7.5.1 Site Options

Boat Ramp

With the increase of shipping activity, the Port Hedland Boat Ramp is proposed to be moved further from the mouth of the channel, and is likely to be incorporated into a proposed Spoil Bank Marina. Accordingly, the large boat ramp car park of some 1.2 hectares will be available for re-development. The performance space is conceived as a large sculpted park with a combination of expensive lawn areas and sloped grass terraces. This interfaces with a lower beach playground (tide dependent) and a mangrove walk, completing the waterfront sculpture path that begins at Cemetery Park.

This proposal is for the Boat Ramp car park to be re-developed into a permanent outdoor performance space that would be suitable for large scale music festivals, touring circuses or other, more intimate outdoor performances similar to those offered at the Belvoir and Quarry amphitheatres in Perth. A purpose built permanent outdoor performance space recognises the intrinsic qualities of the outdoor Pilbara environment, and would set the performance apart from that delivered in a generic indoor theatre or auditorium.

BOAT RAMP PERFORMANCE SPACE



Permanent box office, toilets and bar facilities would be provided and also available to operate in non-performance times as park facilities.

Performances would be on purpose-designed mobile stage equipment, either provided by touring companies or mobile stage to be utilised.

The Boat Ramp would bring large audiences to the heart of the West End precinct, and would stimulate and activate the West End commercial precinct.

Marina

Landcorp has prepared a number of plans for a marina complex located on the spoil bank, that would include commercial, retail and hotel opportunities, and a caravan park. A two-hectare site has been set aside for an outdoor venue.

This site has considerable merit, and would provide a driver for all the business to be located on the spoil bank. Disadvantages for the location include its proximity to future residential uses that undoubtedly will begin to accumulate in central Port Hedland.

7.5.2 Feasibility

Figure 27 provides the key figures summarising the projected financial performance of the proposed Outdoor Entertainment Space in 2016. The financial position assumes that the operator does not incur any of the capital costs or any cost of finance associated with the development. A detailed financial summary is included in Appendix 1.

Figure 27: Future Outdoor Entertainment Space Financial Summary (2016)

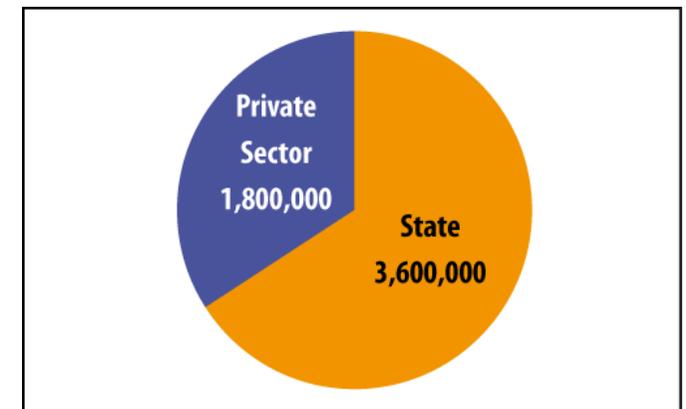
Revenue	Expenses	Gross Surplus/	Capital Cost
\$97,300	\$84,730	\$12,570	\$5,400,000

Source: Pracsys 2012 and RBB 2012

7.5.3 Funding Options

This facility may be eligible for DCA or Royalties for Regions funding. An industry sponsor may also be interested in funding. Figure 28 outlines an indicative capital funding mix for the development of the Permanent Outdoor Entertainment Space. For detailed discussion of the available funding sources refer to Chapter 8.

Figure 28: Permanent Outdoor Entertainment Space Indicative Capital Funding Mix



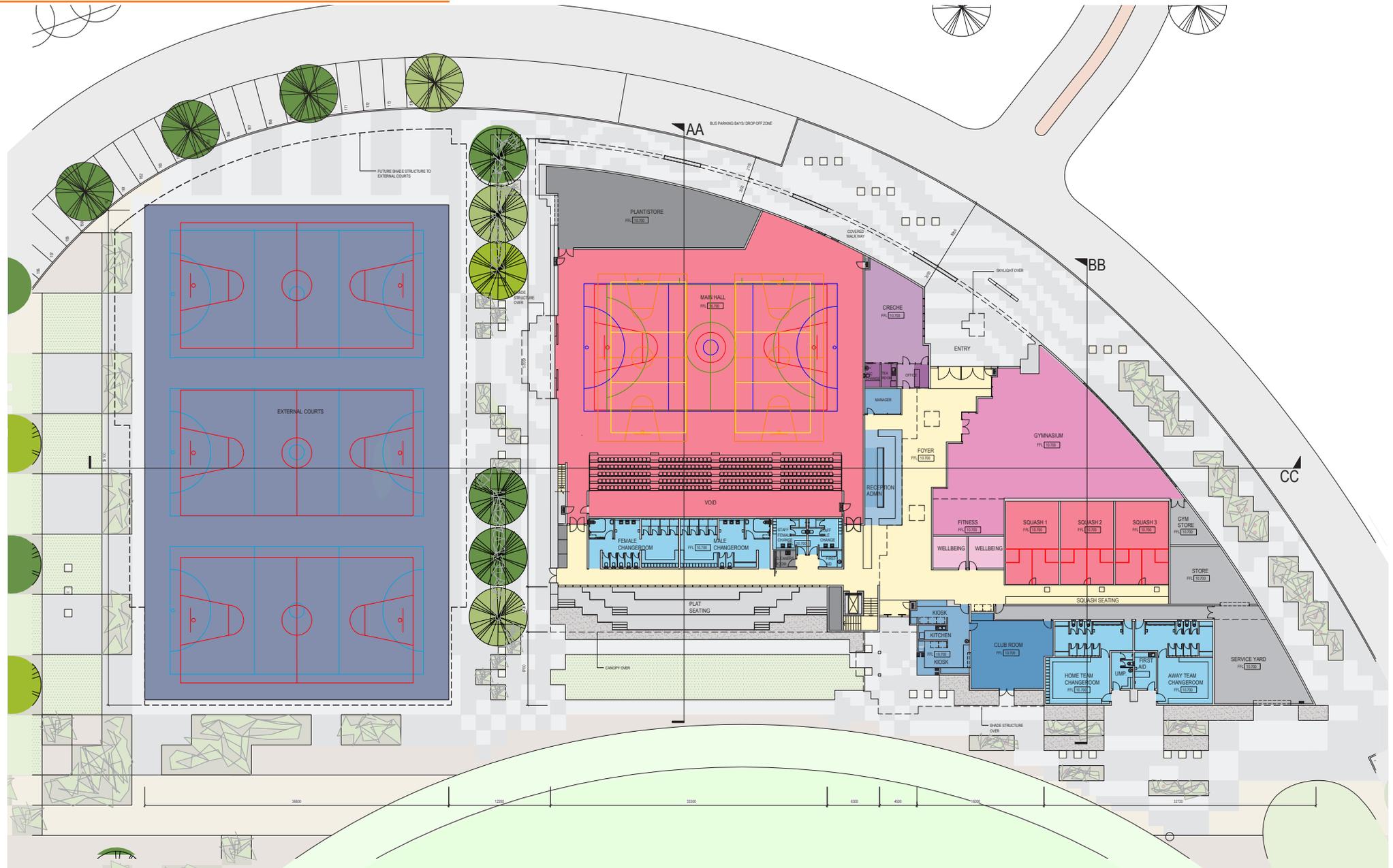
Source: Pracsys 2012



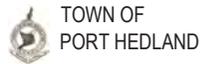
7.6 MULTI - PURPOSE RECREATION CENTRE

The new Multipurpose Recreation Centre is nearing completion, and will become the new home for indoor sports in Hedland. Due to the large volume, tiered seating and sprung floor, the venue will also be suitable for some performances, especially with the inclusion of a mobile stage and lighting that can be brought into the main hall and used to create a temporary proscenium arch theatre.





AAO ARCHITECTURE URBAN DESIGN MASTERPLANNING
 LEVEL 11, 85 FORTHERLY LANE, WEST PERTH, WEST AUSTRALIA
 LEVEL 4, 27-29 ROBINSON TERRACE, PERTH WEST AUSTRALIA
 TEL: +61 8 92277700
 FAX: +61 8 92277000
 EMAIL: aao@ao-ur.com.au
 WEB: www.a-o-ur.com.au



MULTIPURPOSE RECREATION CENTRE
 HAMILTON ROAD
 SOUTH HEDLAND

GROUND FLOOR PLAN

11/08/09
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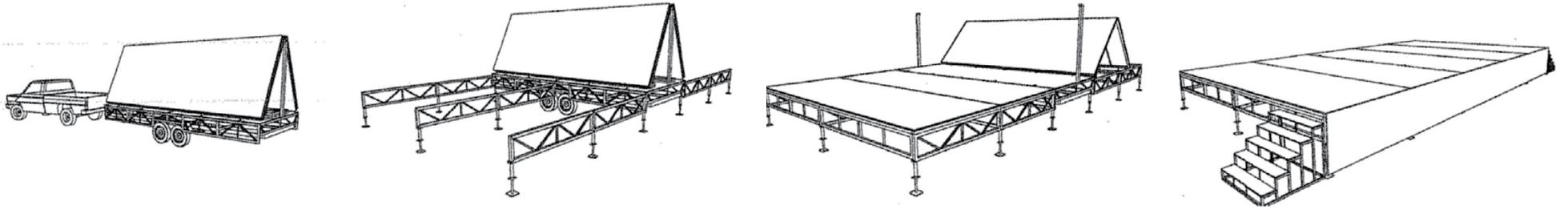
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7.7 WANGKA MAYA CULTURAL CENTRE PROJECT

Wangka Maya Pilbara Language Centre is currently developing a cultural centre which will provide the community with the following key components, as a separate function to the language program:

- Museum standard repository, research centre and exhibition facility, reflecting historical importance for contemporary Aboriginal people and its broadly representative population
- Keeping places distributed throughout the Pilbara to secure and preserve sensitive cultural material to facilitate cultural practices in the country. Owned and managed by the relevant community with technical support in preservation and management provided by the cultural centre in Hedland
- Research capacity, partnering with one or more universities to undertake high value research into the history of Aboriginal people
- Core infrastructure of offices, work stations, and conservation laboratories to facilitate field work undertaken by visiting research teams
- Publication program to ensure that outcomes of research are made available to the community, other researchers nationally and internationally and the interested public
- A library, with a publicly accessible research facility to provide access to the collection and facilitate access to data bases for material held elsewhere and online
- Permanent exhibition space with state of the art displays of material from the collection accessible to all. This would include static displays of photos and artifacts, audio visual, and interactive displays
- Temporary exhibition space to host exhibitions of research outcomes, travelling exhibitions from Art on the Move and others; adaptable so that it can be made available to the community for community and cultural events, seminars, etc.
- Lecture theatre facility to support presentation of research outcomes, host national and international seminars with the capacity to provide live linkage and participation in high profile seminars, discussion forums and conferences across Australia and around the world
- Retail outlet for sale of books, CDs, DVDs and other items directly relevant to the collection
- Outdoor activity space to host gatherings of the local and regional communities

MOBILE STAGE



7.8 MOBILE STAGE

With the reliance on outdoor venues, having a versatile, quick to erect mobile stage and lighting rig, is an essential component of the Port Hedland Entertainment Strategy. This study has consulted with Stage Craft, Perth's leading provider of stage equipment, who has provided an indication of the technical specification and cost of such equipment. The stage unfolds from a 4 wheel trailer into a space of 5m x 6m, while the lighting rig self erects with winches. The nominal cost is estimated at \$400,000.

8 FUNDING STRATEGY

This chapter presents a detailed funding strategy for each of the proposed developments, taking account of the eligibility of each project against a variety of funding sources.

8.1 ISSUES

As detailed above, the anticipated capital cost of the range of facilities suggested by this study is approximately \$32 million. Were the Town of Port Hedland required to finance this order of capital outlay, the estimated cost of capital, assuming government rate financing of the full amount would be approximately \$2.1 million.

Clearly, this is not a viable option and the Town needs to consider the options for sourcing part or all of the capital required through various private and public sector sources.

From an operational perspective, the analysis contained in this report for each of the entertainment facilities options outlines the operating parameters for each of the facilities to break even. The exception to this is the concept of a cinema complex with bowling alley and electronic amusement arcade that, on current settings, does not appear to be a viable proposition.

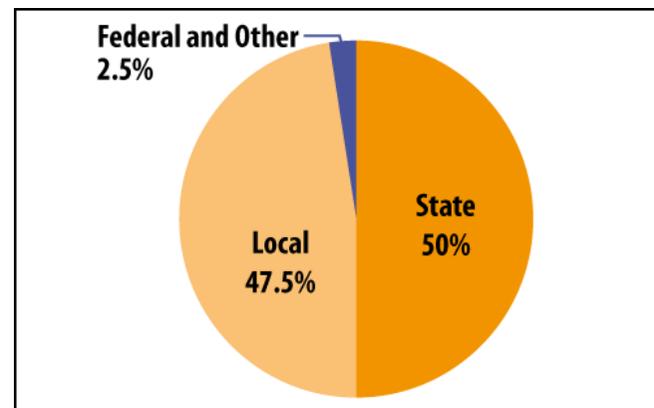
While the cinema alone may be commercially viable, if it is assumed that the bowling alley and arcade options are required, then it raises questions as to how these facilities

can be provided and how they might be funded to provide a commercial operator with an acceptable profit. The most evident solution to this situation is to guarantee some aspect of the demand for bowling activities and, potentially, to eliminate or significantly reduce the extent of the amusement arcade component.

8.2 CAPITAL FUNDING SOURCES

The 2009 Economic Activity Report produced by the Australian Performing Arts Centres Association (APACA) indicates that, in terms of sourcing capital, performing arts centres on average derive funding accordingly.

Figure 29: Sources of Capital Expenditure



Source: Association of Performing Arts Centres Australia (APACA), 2009

8.2.1 Private and Industry Sector

Major industry players in Port Hedland are likely to be the largest source of funding for all of the non-commercial facilities (i.e. all except the cinema/bowling alley). Resource majors in particular are prospective sources of support for the arts in Port Hedland, especially BHP Billiton, as the largest user of the port. Other major resource companies might also be willing to provide funding for these projects, such as FMG, Atlas, Hancock Prospecting and Dampier Salt.

Operational funding support for the Matt Dann Cultural Centre may take the form of season or event sponsorship, providing a guaranteed funding stream.

8.2.2 Owner/operators

Traditionally, cinema projects are a commercial venture funded by a private owner/operator. However the analysis shows that the proposed facilities would be highly unlikely to attract capital funding as the prospective return on capital would be negative.

8.2.3 Port Hedland Port Authority

The Port Hedland Port Authority is another potential source of funding currently benefiting from the resources boom. The M Park Art Space in particular has potential to attract funding from the Port Authority.

8.2.4 Royalties for Regions

The most relevant Royalties for Regions program is the Regional Grants Scheme, which is intended to help improve economic and community infrastructure in regional WA. In 2010-11 funding was \$7.98 million.

In addition to this, according to a ministerial press release on 8 June 2011, \$75 million was made available to regional communities through a special State Government Royalties for Regions program funding round. Eligible proposals include culture and the arts, as well as education, health, improving service delivery or improving infrastructure, among others.

However, funding has closed for the 2011 round, with a final decision expected in February or March 2012. It is anticipated there will be a 2012 round following a similar timeline.

The key issue is the extent to which the Town of Port Hedland structures its grant submissions. That is, whether it is on a case by case basis or as a 'bundled' submission which covers the full range of capital funding sought for all of the facilities proposed in this study.

8.2.5 Town of Port Hedland

It is possible that the Town will have to make some contribution to some of the projects, listed above, if adequate funding can't be found from other sources. It would not be viable for the Town to fund these projects in their entirety, nor to raise significant loan funds, because the Town has insufficient sources of available income to service the debt.

8.2.6 Department of Culture and the Arts (DCA)

Looking Forward Fund's purpose is "to encourage and stimulate strong and diverse regional arts and cultural activity leading to social and economic benefits for communities and artists." Applications will be ineligible if they:

- apply for the whole cost of the project
- are for film or television
- are major infrastructure or capital works projects

As a commercial business, the cinema would be ineligible. Otherwise, any project would be ineligible if they are considered to be major capital works projects.

The Creative Networks Regional Local Government Fund is designed to support local regional government authorities to develop their capacity to use art and culture to improve the lives of their citizens⁵. On the criteria for this fund, none of the proposed capital works projects are eligible.

8.2.7 Department of Education and Training (DET)

DET might provide funding for the Matt Dann Cultural Centre upgrades, as it is a shared teaching/performance facility located on the South Hedland Senior High School site, and was originally developed as a joint venture between the school and the Town of Port Hedland. This therefore is a funding source worth pursuing.

8.2.8 Office of the Arts/Regional Arts Australia (Commonwealth)

The Office of the Arts' regional funding is focused more on supporting touring.

Regional Arts Australia is the peak national body promoting the arts in regional Australia. It's funding in Western Australia is run by Country Arts WA.

⁵ <http://www.dca.wa.gov.au/funding/devolved-funding/>. Accessed 1 March 2012.

8.2.9 Country Arts WA

Country Arts WA has various funding programs, but these are aimed at supporting a project or artist, rather than developing facilities. While Country Arts WA would probably not provide funding for the capital cost of the facilities in Port Hedland, ongoing operational funding might be available.

Also, Country Arts WA currently has five priority areas:

- Children and Young People
- Indigenous Arts and Culture
- Technology
- Health and Wellbeing
- Country Arts WA Focus Region – Gascoyne

If a specific project being run by one of the Port Hedland facilities addresses one of these areas, then funding might be available.

8.3 FUNDING STRATEGY

There are two basic funding strategies available to the Town of Port Hedland. First, commercial projects will only be funded by private sector interests because they uniformly do not qualify for government funding. The proposed cinema is one such commercial project.

Second, community infrastructure projects may be funded by either public or private sources. On the public side, funds are most likely to come from the State Government through the Department of Education (for Matt Dann Cultural Centre) and through the Port Hedland Port Authority (for the M Park Art Space). On the private side, the business modelling showed that no operator could afford to make a capital contribution to any of the facilities because of the low viability in the early years of operation. So the funding responsibility falls to other major industry players in the community who have an active interest in creating a level of entertainment amenity in the Town of Port Hedland that entices employees to choose to live in the community rather than commuting on a fly-in, fly-out basis. On this basis and in accordance with the foregoing analysis, Figure 30 shows the indicative funding mix for the facilities.

Figure 30: Capital Funding Mix for Culture and the Arts Facilities in Port Hedland

	State Government		Town of Port Hedland		Private Sector	
	DET	DCA	PHPA	Royalties for Regions	Owner/Operator	Industry
	Matt Dann Cultural Centre	33%			33%	
Cinema						100%
Cinema and Bowling Alley						100%
M Park Art Space			33%	33%		33%
Permanent Outdoor Space				67%		33%

Source: Pracsys 2012

Applying these funding proportions to the capital requirements for each facility generates the results shown in Figure 31.

Figure 31: Capital Funding Plan

	State Government			Town of Port Hedland	Private Sector		Total Capital Cost
	DET	DCA	PHPA	Royalties for Regions	Owner/Operator	Industry	
Matt Dann Cultural Centre	\$1,706,667	Possible	NA	\$1,706,667	NA	\$1,706,667	\$5,120,000
Cinema	NA	NA	NA			\$4,900,000	\$4,900,000
Cinema & Bowling Alley	NA	NA	NA	NA	Unlikely	\$11,680,000	\$11,680,000
M Park Art Space	Possible	Possible	\$6,396,667	\$6,396,667	NA	\$6,396,667	\$19,190,000
Permanent Outdoor Space	NA	Possible	Possible	\$3,600,000	NA	\$1,800,000	\$5,400,000
Total Funding Required	1,706,667		6,396,667	11,703,333	NA	\$26,483,333	\$46,290,000

Source: Pracsys 2012

In contrast to the typical funding mix derived by Performing Arts Centres (APACA), the cultural and arts facilities in Port Hedland will have less reliance on government sector funding sources.

9 GOVERNANCE AND MANAGEMENT OPTIONS

9.1 BASIS FOR ANALYSIS

The development of the proposed entertainment facilities in Hedland requires the consideration of suitable organisational and governance models to ensure effective delivery and management of both the facilities and the entertainment offering in the Town of Port Hedland over time. The future governance arrangements must consider both the current arrangements in the case of existing facilities and new arrangements for new facilities.

Governance refers to the highest-level organisational arrangements for the building, owning and assignment of management responsibility for each facility. Management is the day-to-day administration of the facility and its program of activities.

The options for governance and management arrangements for each proposed facility are considered below.

9.2 MATT DANN CULTURAL CENTRE

The Matt Dann Cultural Centre is an asset of the Department of Education and Training (DET), jointly governed with the Town of Port Hedland. Under the redevelopment proposal, funding would be shared between the DET, the Town of Port Hedland (through the Royalties for Regions program)

and industry supporters. While the governance model is unlikely to change, the redevelopment will allow changes to the management arrangements to the benefit of all parties.

The Town of Port Hedland operates the theatre directly. A pressing management issue is that the main production spaces in the theatre are used for teaching activities, which severely limits the staging of productions and other core theatrical functions. The redevelopment plan addresses this problem by creating replacement teaching spaces, freeing-up the theatre for productions, rehearsals and other arts/entertainment functions.

It is therefore recommended that the new management arrangements be documented and agreed between the Town of Port Hedland and DET to ensure that each party achieves its desired operational outcomes from the redevelopment.

9.3 CINEMA

The cinema complex will be a commercial operation. The money to build the cinema complex will not come from government sources as it is a commercial enterprise. There are several options to deliver a cinema complex, and the Town of Port Hedland has a role to play in every case.

The first step is to have the land made available and to raise the funds to build the facility. Unless Council actually owns the subject site, it is most likely that Landcorp would be required to make the site available, either directly, or through a land swap with existing landholders. The feasibility assessment has shown that it is not commercially viable for a developer to pay the capital cost of development, so private funding will need to be sourced. Assuming that this funding contribution can be negotiated, it is most likely that it will be transferred, along with title to the land, to the Town of Port Hedland or an associated vehicle. It is beyond the scope of this investigation to nominate how such a vehicle would be constituted, so further investigation will be required into the practicality of such an arrangement.

The second step is to canvas commercial partners to build and operate the cinema complex. This could be achieved through an initial expression of interest process, offering a long-term (99 year) lease of the subject site accompanied by a tight specification of the facility to be built. This specification would be negotiated as part of a joint-venture arrangement with the developer/builder.

The operation of the facility would then be by arrangement between the developer/owner and a suitable cinema operator under a single operations agreement. Alternately, separate lease agreements could be struck with a cinema

operator, a bowling alley operator; and with individual retail tenancies associated with the complex.

9.4 MARRAPIKURINYA PARK ARTS SPACE

The Marrapikurinya Park Arts Space site is located on a municipal reserve with adjacent lots owned by BHP Billiton. The redevelopment proposal is for a hybrid arts space that includes exhibition space, a café/restaurant, commercial space, an artist-in-residence facility and conference facilities. The new structure is proposed to be built primarily on the car park.

For the development to proceed, the land ownership will need to be vested in the Town of Port Hedland for this specific purpose. The capital funding is most likely to come from the Port Hedland Port Authority (PHPA) and the Town of Port Hedland (through a Royalties for Regions application). The PHPA capital contribution will most likely be a grant directly to the Town of Port Hedland. Under this proposal, the Town would build the facility.

Due to the complexity of the M Park operations (gallery, exhibitions, business conferences, catering, restaurant/café), it is recommended that suitably qualified facilities management organisations be offered the right to tender for the M Park Management Contract.

9.5 PERMANENT OUTDOOR PERFORMANCE SPACE

This proposal is for the Boat Ramp car park to be re-developed into a permanent outdoor performance space that would be suitable for large scale music festivals, touring circuses or other, more intimate outdoor performances similar to those offered at the Belvoir and Quarry amphitheatres in Perth. Permanent box office, toilets and bar facilities would be provided that can operate in nonperformance times as a park facilities.

The site is a public reserve vested in the Town of Port Hedland. It is proposed that the development be funded by the Town of Port Hedland (through a Royalties for Regions application), supplemented with private sector contributions.

It is recommended that the facility be managed internally by the Town of Port Hedland and hired out on an occasional basis. A separate lease could be offered for the management of the kiosk, on the condition that it must be operating during scheduled performances and events. This management arrangement applies equally at each of the alternate site (boat ramp or marina).

9.6 MOBILE STAGE

The proposed mobile stage would be owned and managed by the Town of Port Hedland. It would be operated and maintained in the same manner as any other piece of valuable Council equipment.

APPENDIX 1: DETAILED FINANCIAL SUMMARY

Matt Dann Cultural Centre	Current	
Cinema and Cultural Tickets	\$174,215	Excluding Cinema and based on 5,474 attendees per annum at an average adult ticket price of \$30 and an average children's ticket price of \$15.
General Hire	\$56,243	Based on current performance
MDCC - Pub/Utilities Contr.	\$248,071	Based on current performance
Grants	\$-	Based on current performance
Food and Beverage	\$34,064	Based on current % of sales
Other	\$25,168	Based on current performance
Total Revenue	\$537,762	
Operating Costs		
Variables Costs		
Cost of Goods Sold Tickets Cinema	\$53,587	
Cost of Goods Sold Food and Bev	\$20,035	Based on current performance
Professional Fees (Cultural Performances)	\$105,168	Based on current performance
Operational Costs	\$35,331	Based on current performance excluding cinema
Total Variable Costs	\$214,122	Based on current performance
Fixed Costs		
Staff	\$176,186	Based on current performance
Administration	\$126,646	Based on current performance

Matt Dann Cultural Centre	Current	
Marketing	\$26,544	Based on current performance
Insurance	\$3,157	Based on current performance
Repairs and Maintenance	\$2,031	Based on current performance
Total Operating Cost of Building	\$5,189	
Depreciation and Amortisation	\$37,307	Based on current performance
Total Fixed Costs	\$371,871	
Total Costs	\$585,993	
Gross Surplus/Deficit	-\$48,232	

Matt Dann Cultural Centre	2016	
Ticketing	191,226	Excluding Cinema and based on 5,474 attendees per annum at an average adult ticket price of \$30 and average children's ticket price of \$15.
General Hire	56,243	Based on current performance
MDCC - Pub/Utilities Contr.	248,071	Based on current performance
Grants	-	Based on current performance
Food and Beverage	37,390	Based on current % of sales
Other	25,168	Based on current performance
Total Revenue	558,099	
Operating Costs		
Variables Costs		

Matt Dann Cultural Centre	2016	
Cost of Goods Sold Tickets Cinema		
Cost of Goods Sold Food and Bev	21,992	Based on current performance
Professional Fees (Cultural Performances)	105,168	Based on current performance
Operational Costs	29,871	Based on current performance excluding cinema
Total Variable Costs	157,031	Based on current performance
Fixed Costs		
Staff	176,186	Based on current performance
Administration	126,646	Based on current performance
Marketing	26,544	Based on current performance
Insurance	3,157	Based on current performance
Repairs and Maintenance	2,031	Based on current performance
Total Operating Cost of Building	5,189	
Depreciation and Amortisation	37,307	Based on current performance
Total Fixed Costs	371,871	
Total Costs	528,902	
Gross Surplus/Deficit	29,196	

Cinema	2016	
Size (sqm)	535	
Ticket Sales	\$669,819	Based on 39,308 attendances per annum at and average adult ticket price of \$18.50 and an average child ticket price of \$13.50
Food and Bev	\$221,040	33% of Ticket Sales
Advertising	\$120,567	18% of Ticket Sales
Total Revenue	\$1,011,427	
Variable Costs		
Cost of Goods Sold Tickets	334,910	50% of Ticket Sales Revenue
Cost of Goods Sold Food and Bev	44,208	20% of Food and Beverage Revenue
Casual Staff	75,000	Five Casual Staff at \$15,000 p.a.
Total Variable Costs	\$454,118	
Fixed Costs		
Staffing	\$180,000	2 Permanent Staff at 90,000 per annum
Administration		
Marketing		
Operating Costs of Building		Based on the following per sqm per annum rates
Rates	\$20,972	\$39.2
Insurance	\$3,371	\$6.3

Cinema	2016	
Air-conditioning	\$3,103	\$5.8
Energy	\$589	\$1.1
Fire Protection	\$8,132	\$15.2
Cleaning	\$6,260	\$11.7
Buildings Staff	\$4,548	\$8.5
Security	\$1,926	\$3.6
Repairs and Maintenance	\$4,387	\$8.2
Sundries	\$4,494	\$8.4
Total	\$57,780	
Total Fixed Costs	\$237,780	
Total Costs	\$691,898	
Gross Surplus/Deficit	\$319,529	
Gross Profit Margin	\$202,285	Assumed to be 20%
Net Position	\$117,244	

Cinema and Bowling Alley	2016	
Building Size (sqm)	1,390	
Component	Revenue	
Cinema Ticket Sales	\$669,819	Based on 39,308 attendances per annum at an average adult ticket price of \$18.50 and an average child ticket price of \$13.50
Cinema Food and Bev	\$221,040	33% of Ticket Sales

Cinema and Bowling Alley	2016	
Cinema Advertising	\$120,567	18% of Ticket Sales
Bowling Revenue	\$45,919	Based on 5,921 attendances per annum at and average adult two game price of \$19.90 and an average two game price of \$17.90
Bowling Food and Bev	\$15,153	33% of Bowling Revenue
Video Arcade Revenue	\$582	Based on an average spend of \$9.27 per household per annum (Source: HHES 2009-10)
Commercial/Retail Rent		Unknown
Total Revenue	\$1,072,499	
Variable Costs		
Cost of Goods Sold Tickets Cinema	\$334,910	50% of Ticket Sales Revenue
Cost of Goods Sold Food and Bev	\$53,392	20% of Food and Bev Revenue
Cost of Goods Bowling	\$9,184	20% of Bowling Revenue
Cost of Goods Video Arcade	\$116	20% of Video Arcade Revenue
Casual Staff	\$120,000	Eight Casual Staff at \$15,000 p.a.
Total Variable Costs	\$517,601	
Fixed Costs		
Staffing	\$270,000	3 Permanent Staff at 90,000 per annum
Operating Costs of Building		Based on the following per sqm per annum rates
Rates	\$54,488	\$39.2

Cinema and Bowling Alley	2016	
Insurance	\$8,757	\$6.3
Air-conditioning	\$8,062	\$5.8
Energy	\$1,529	\$1.1
Fire Protection	\$21,128	\$15.2
Cleaning	\$16,263	\$11.7
Buildings Staff	\$11,815	\$8.5
Security	\$5,004	\$3.6
Repairs and Maintenance	\$11,398	\$8.2
Sundries	\$11,676	\$8.4
Total	\$150,120	
Total Fixed Costs	\$420,120	
Total Costs	\$937,721	
Gross Surplus/Deficit	\$134,777	
Gross Profit Margin	\$214,500	Assumed to be 20%
Position	-\$79,723	

Art Space	2016	
Size (sqm)		
	Revenue	
Exhibition Space	\$6,721	Based on 252 classical music concert attendees per annum at an average adult ticket price of \$30 and an average children's ticket price of \$15.
Café/Restaurant	\$690,000	Based on a benchmark floorspace productivity of \$3,000 per sqm
Function Rooms	\$150,000	Based on a benchmark floorspace productivity of \$500 per sqm
Total Revenue	\$846,721	
Staff	\$150,000	
Programs	\$150,000	
Administration	\$215,493	
Marketing	\$1,746	
Total	\$517,239	
Operating Costs of Building	Cost per Annum	Based on the following per sqm per annum rates
Insurance	\$26,996	\$6.3
Air-conditioning	\$24,853	\$5.8

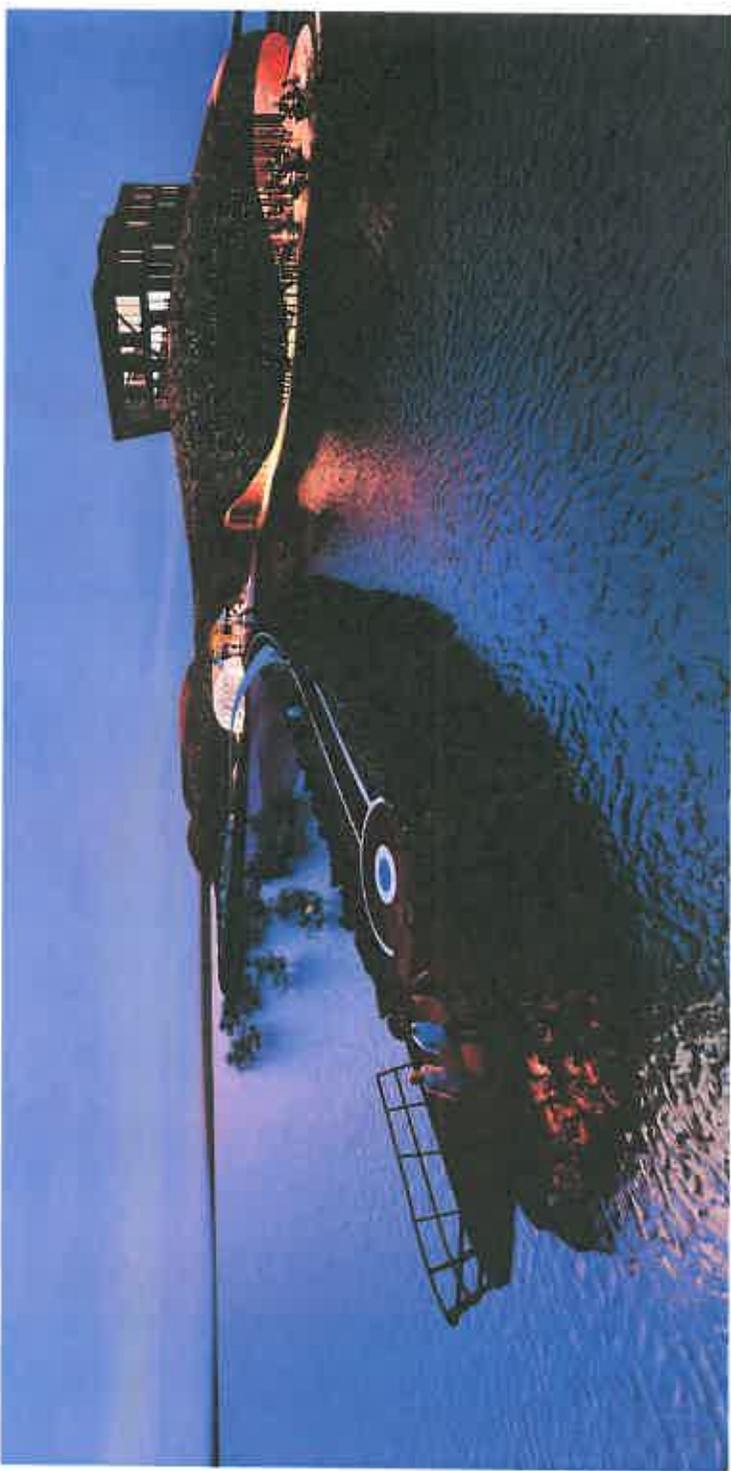
Art Space	2016	
Energy	\$4,714	\$1.1
Fire Protection	\$65,132	\$15.2
Cleaning	\$50,135	\$11.7
Buildings Staff	\$36,423	\$8.5
Security	\$15,426	\$3.6
Repairs and Maintenance	\$35,137	\$8.2
Sundries	\$35,994	\$8.4
Total	\$294,808	
Total Costs	\$812,047	
Gross Surplus/Deficit	\$34,674	

Outdoor Stage	2016
Commercial Hire	71,500
Community Hire	25,800
Total Revenue	\$97,300
Variable Costs	
Operating Expenses	\$9,730
Total Variable Costs	\$9,730
Fixed Costs	
Staffing	\$45,000
Administration	\$4,000
Marketing	\$2,000
Plant and Equipment	\$4,000
Repairs and Maintenance	\$20,000
Total Fixed Costs	\$75,000
Total Costs	\$84,730
Gross Surplus/Deficit	\$12,570

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APPENDIX 2: FORM PROPOSAL

**WEST END COMMERCIAL + CULTURAL PRECINCT
PORT HEDLAND**



PROSPECTUS

SEPTEMBER 2011

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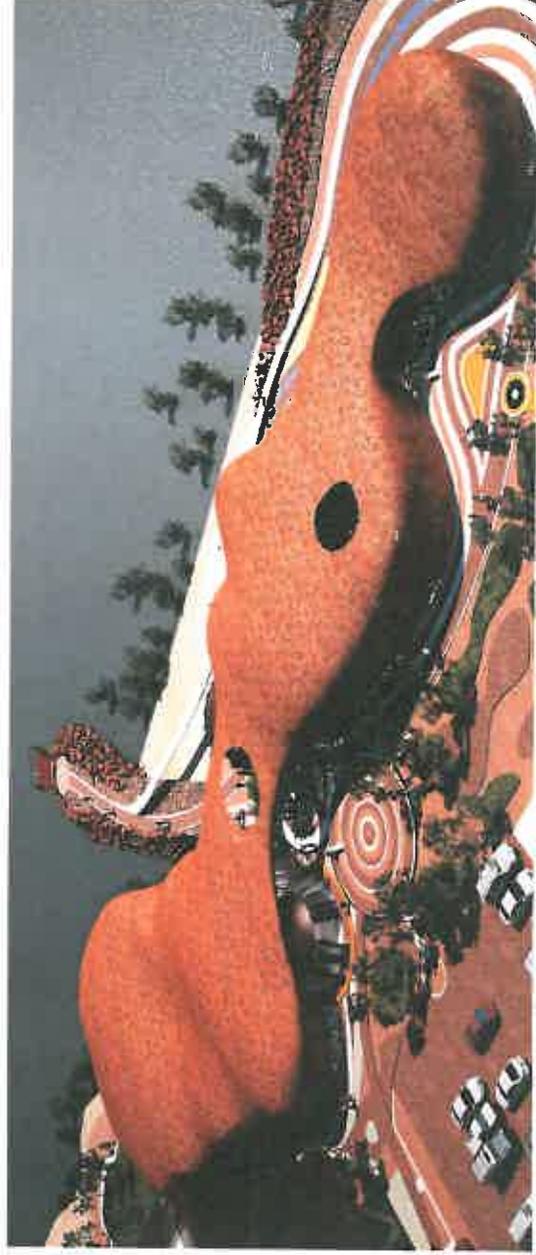
HASSELL

OVERVIEW

“Even more significant than its capacity to improve quality of life for all Pilbara residents, arts and cultural infrastructure is an essential ingredient for economic development opportunities outside of the resource sector.”

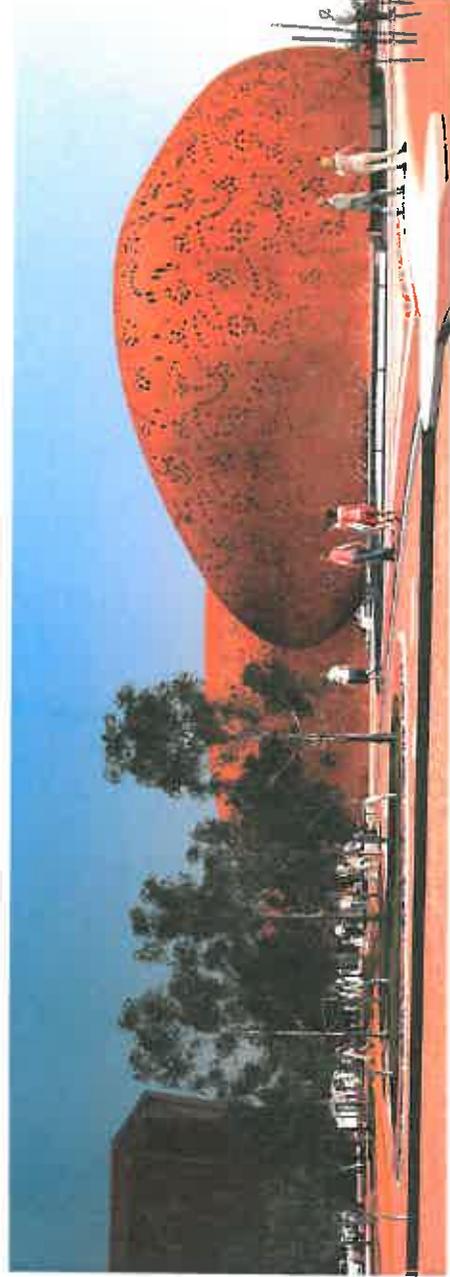
To support this objective, as outlined in The Pilbara Plan (Pilbara Area Consultative Committee, 2008) FORM, in a proposed partnership with BHP Billiton Iron Ore and the Town of Port Hedland aims to develop a world-class commercial and cultural precinct in Port Hedland’s West End district.

The West End Commercial and Cultural Precinct development poses a unique opportunity for Port Hedland to establish a vibrant, attractive and stimulating concentration of business, hospitality and cultural activity in the heart of the West End; a dynamic working and leisure environment which celebrates the unique vernacular of the Pilbara through iconic architectural design.



The focus of the precinct will be to provide much needed A-class gallery facilities to showcase the best of the region’s Aboriginal art and contemporary photography, with a vision of attracting international audiences and talent to the Pilbara. Aboriginal art in particular provides Australia with significant international recognition and figures highly in the nation’s identity, as well as providing an opportunity for Aboriginal people to engage with the mainstream economy in a way that is culturally relevant and sustainable.

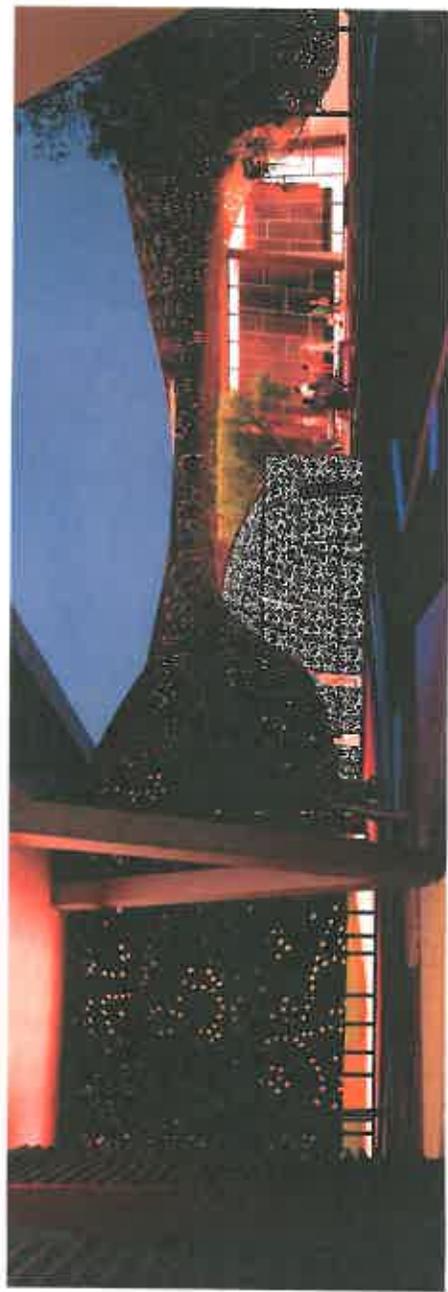
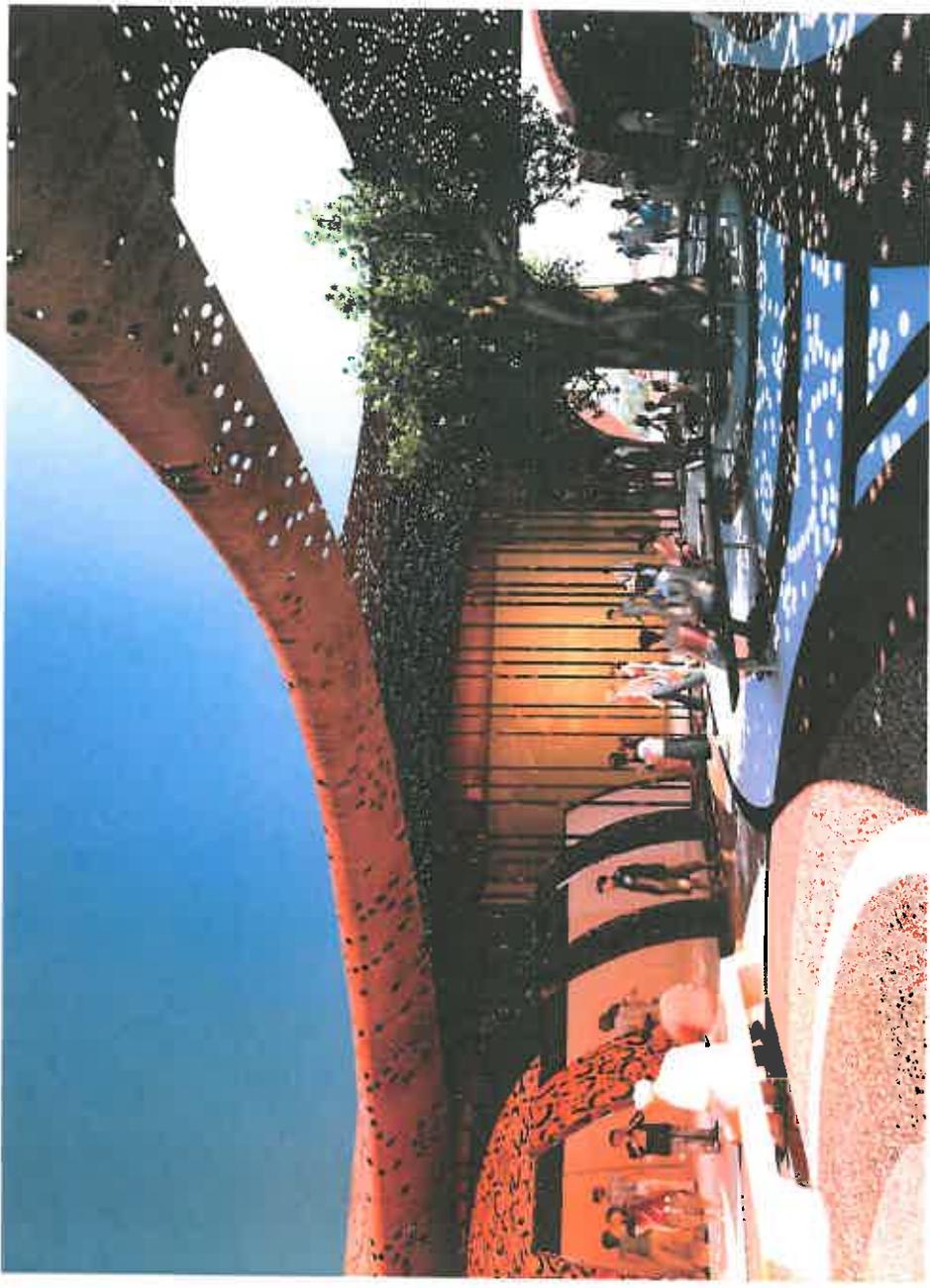
To complement the gallery the precinct will also include a conference facility with capacity for 200 people, two working studios for professionals or specialists-in-residence, a retail space, restaurant and bar, and a 2100sqm four-storey commercial building.



OBJECTIVES

Through the development of the West End Commercial and Cultural Precinct, BHP Billiton Iron Ore, the Town of Port Hedland and FORM hope to achieve the following objectives:

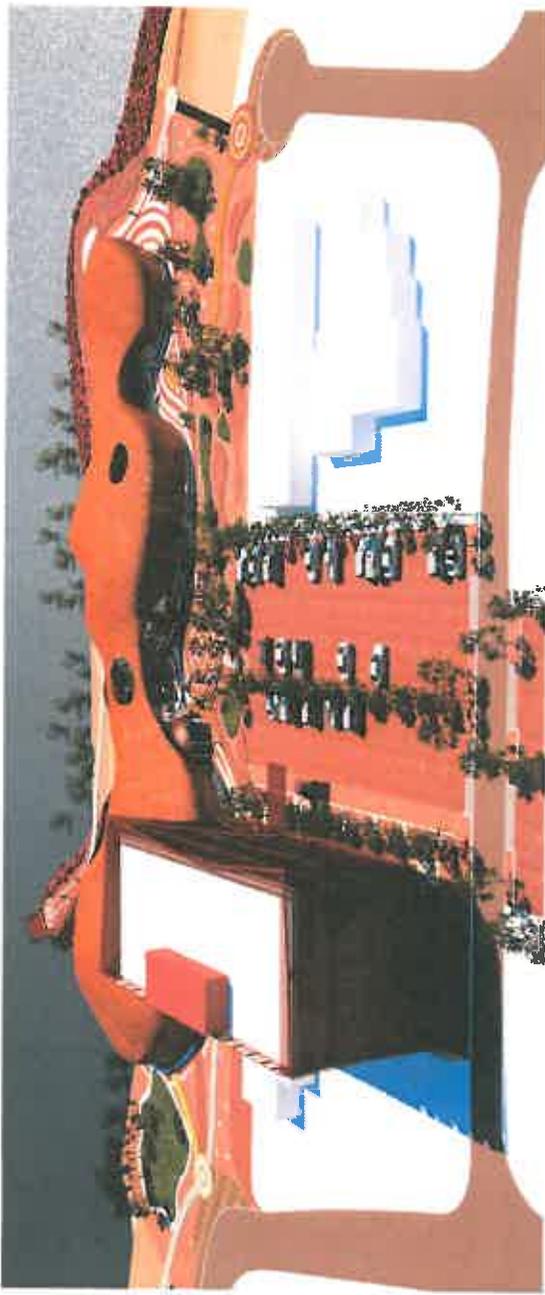
1. Provide a more resilient and well rounded economic environment by developing new infrastructure, services and public spaces which support cultural, social and commercial development and exchange;
2. Attract the talent needed to support the growing operations of the resource sector, particularly the highly skilled, global workforce;
3. Deliver an iconic destination that supports the growth of cultural tourism in Port Hedland;
4. Encourage greater social interaction amongst residents who will be able to enjoy a better work/life balance; and
5. Provide local, national and international market exposure of Western Australia's most promising creative talent.



DESIGN

Global architecture firm HASSELL has designed a conceptual scheme for the development, drawing influence from the organic topography of Port Hedland's iconic tidal formations. The cluster of buildings that comprise the cultural heart of the precinct is surrounded by a membrane structure made of Corten steel. By day, the structure protects and shades the buildings and spaces underneath, its perforated surface allowing light to filter through into the surrounding under crofts. By night, the internal light penetrates out through the building's exterior skin, transforming the precinct into a glowing beacon.

The fluid, organic form of the cultural facility is contrasted by the angular aesthetic of the commercial building located behind. The design of the commercial façade utilises layers of Corten screens, creating an interesting exterior articulation, whilst providing shelter from the sun and wind.



Positioned at the heart of the precinct is a large public plaza which functions as a gathering point and a location for special events. The working studios open out onto the plaza, adding an additional layer of interest and activation. A public promenade extends through this space to a viewing platform at the end of the pier and a foreshore boardwalk beyond.

With undisturbed views to the water and the round-the-clock activity of the port, the restaurant and upper level bar will be a popular drawcard for residents and visitors to the West End. It will also attract international attention through the sophisticated design that reflects the distinctiveness of the Pilbara.

The West End Commercial and Cultural precinct makes a bold statement. It gives a sense that it has emerged from the coastal landscape surrounding it, yet it will feel like walking into a work of art.



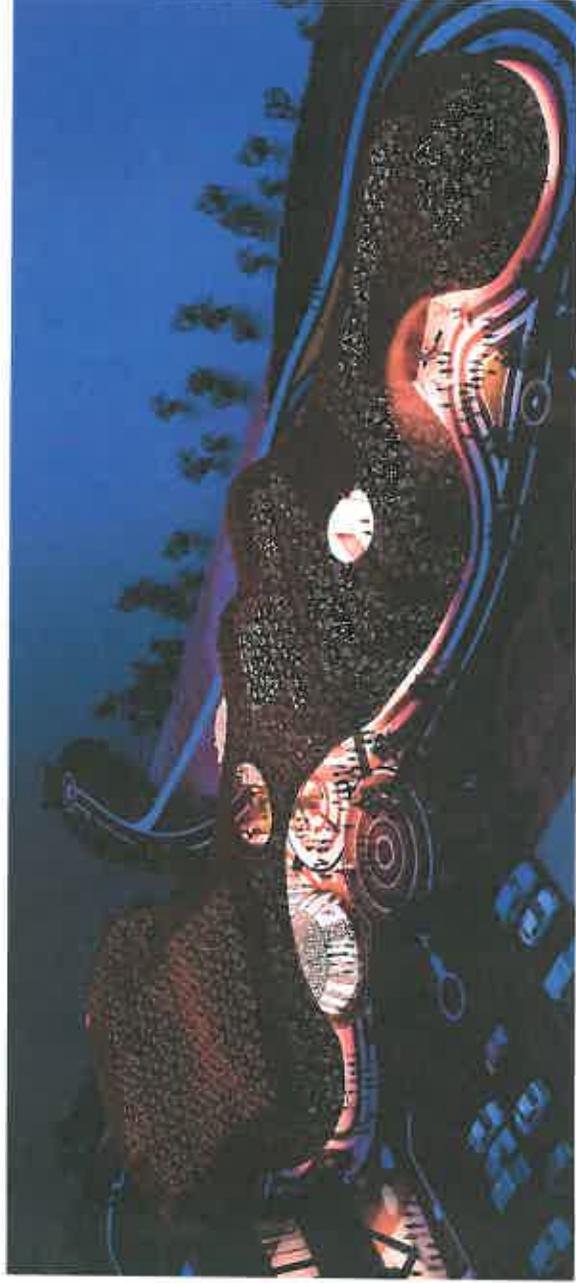
PARTNERING + FUNDING

A development of this scale has been identified for the West End in the Growth Plan. The Town of Port Hedland and BHP Billiton would need to contribute the land to enable the full development with a financial investment needed from BHP Billiton that would be matched by Royalties for Regions to cover the construction. An order of magnitude costing is being undertaken. The longer term management will be based on a model whereby the operating costs will be generated by the development.



Commercial leases over the office block, conference space and restaurant facilities will be factored into the business model.

The Gallery and its Pilbara location would be promoted into Asia with partnerships brokered in China, Japan, Korea and India with cultural and academic institutions wishing to explore joint programming and potential placements for research graduates. Initial discussions have been had with the University of Western Australia who have expressed a keen interest in establishing research placements in the Pilbara in several academic fields. The broadening of the cultural programming to explore strategic alliances with the major trading partners of State will also build a more cosmopolitan and outward looking community that is well placed within the region.



APPENDIX 3: ORDER OF PROBABLE COST



OPINION OF PROBABLE COST

**PORT HEDLAND
ENTERTAINMENT STUDY**

**PRACSYS
PETER HOBBS ARCHITECT**

31 JANUARY 2012

OPINION OF PROBABLE COST**SUMMARY**

1	Generic Cinema	\$ 4,900,000
1A	Cinema and Bowling Complex	\$ 11,680,000
2	Matt Dann Theatre Alterations	\$ 5,120,000
3	M Park Art Space	\$ 19,190,000
4	Amphitheatre	\$ 5,400,000

Exclusions

- GST
- Escalation
- As noted on detail sheets

1. GENERIC CINEMA

Site preparation	m ²	1,500	\$	50	\$	75,000
Cinema complex	m ²	560		6,200		3,472,000
Verandah	m ²	50		2,000		100,000
Loose furniture and equipment	Item					100,000
External works	Item					150,000
External services	Item					150,000
Contingency 10%	Item					410,000
Professional fees 10%	Item					443,000

TOTAL EXCLUDING GST

\$ 4,900,000

Exclusions

- Escalation
- Major earthworks
- Services upgrades
- At grade parking
- Retaining walls

1A. CINEMA and BOWLING COMPLEX

Site preparation	m ²	1,500	\$	50	\$	75,000
Bowling complex	m ²	785		3,600		2,826,000
Cinema complex	m ²	560		6,200		3,472,000
Commercial Tenancies	m ²	295		3,200		944,000
Verandah	m ²	270		1,800		486,000
Bowling fitout	No.	6		200,000		1,200,000
Loose furniture and equipment	Item					200,000
External works	Item					250,000
External services	Item					200,000
Contingency 10%	Item					965,000
Professional fees 10%	Item					1,062,000

TOTAL EXCLUDING GST**\$ 11,680,000**

Exclusions

- Escalation
- Major earthworks
- Services upgrades
- At grade parking
- Retaining walls
- Commercial tenancy fitout

2. MATT DANN THEATRE ALTERATIONS

Site preparation	m ²	700	\$	50	\$	35,000
Demolition	Item					50,000
Refurb theatre	m ²	418		1,500		627,000
Theatre lighting, etc	Item					650,000
New rehearsal room	m ²	134		3,000		402,000
Outdoor stage	m ²	43		1,200		51,600
Colonnade	m ²	64		1,800		115,200
Refurbish foyer, bars and toilets	m ²	300		2,000		600,000
Create separate entry, box office and admin	m ²	89		2,000		178,000
Fitout and equipment	Item					500,000
Upgrade entry	Item					200,000
Backstage store	m ²	53		1,700		90,100
Undercover prep	m ²	32		1,000		32,000
Theatre courtyard	Item					400,000
External works	Item					100,000
External services	Item					200,000
Contingency 10%	Item					420,000
Professional fees 10%	Item					469,100

TOTAL EXCLUDING GST**\$ 5,120,000**

Exclusions

- Escalation
- Services upgrades
- At grade parking

3. M PARK ART SPACE

Site preparation	m ²	4,200	\$	50	\$	210,000
Basement carpark	m ²	2,300		2,000		4,600,000
Exhibition etc	m ²	480		4,500		2,160,000
Offices and common	m ²	288		3,600		1,036,800
Kitchen/restaurant	m ²	330		4,500		1,485,000
Alfresco	m ²	305		1,800		549,000
Artist residence	m ²	145		4,000		580,000
Function	m ²	478		4,500		2,151,000
Terrace	m ²	235		1,800		423,000
Observation deck	m ²	132		2,000		264,000
Kitchen and bar fitout	Item					400,000
Furniture and equipment	Item					1,200,000
External works	Item					500,000
External services	Item					300,000
Contingency 10%	Item					1,585,000
Professional fees 10%	Item					1,746,200

TOTAL EXCLUDING GST**\$ 19,190,000**

Exclusions

- Escalation
- Major earthworks
- Services upgrades
- At grade parking
- Retaining walls

4. AMPHITHEATRE

Site preparation	m ²	7,500	\$	50	\$	375,000
Change/toilets	m ²	220		4,500		990,000
Café	m ²	45		5,000		225,000
Stage	m ²	250		2,000		500,000
Terrace seating	m ²	600		1,500		900,000
Roads and paving	m ²	1,000		125		125,000
Screen walls	Item					200,000
Canopy/shade structure	Item					350,000
Hard and soft landscaping	Item					400,000
External lighting	Item					200,000
External services	Item					200,000
Contingency 10%	Item					445,000
Professional fees 10%	Item					490,000

TOTAL EXCLUDING GST

\$ 5,400,000

Exclusions

- Escalation
- Major earthworks
- Services upgrades
- At grade parking
- Retaining walls
- Cafe fitout

