

Extract of Ordinary Council Minutes 18 July 2016

9.2.4 Whitehorse Centre

FILE NUMBER: 15/180178
ATTACHMENTS

SUMMARY

The Whitehorse Centre Community Opinion and Research Report documents the research, consultation and findings from the community consultation conducted by JWS Research on the three options proposed for the future of the Whitehorse Centre. The three options are:

Option A Redevelopment of the Whitehorse Centre based upon the 2015 Whitehorse Centre Business Case

Option B Undertake essential works (approx. an indexed \$7m+) to the existing centre to continue its operation for another 8 -10 years before a potential closure of the centre

Option C Closure and demolition of the existing centre within the next 2 years

This report recommends releasing the JWS Research Report – The Future of the Whitehorse Centre Community Opinion and Research Report to the public. The JWS Research Report found extensive community support for the provision of art and cultural services offered through the Whitehorse Centre and this report recommends the retention of the Whitehorse Centre and dismisses the option of closure and demolition (Option C). This report also acknowledges that the JWS Report found a majority quantitative support for the complete redevelopment of the Whitehorse Centre (Option A).

The report recommends the preparation of detailed assessments to ensure that the newly elected Council will have current building and precinct information to make an informed decision between Options A & B for the future of the Whitehorse Centre. The detailed assessments include:

- Facility Asset and Services Condition Assessment*
- Site Assessment of the Civic Precinct*
- Car Parking Review/Analysis Report for the civic, library and Walker Park precincts*

The report for the newly elected Council will establish a project plan, governance structure, stakeholder management requirements and timeline for both options by April 2017. This report also details urgent repair works to the centre to be undertaken immediately. The newly elected Council will consider the future of the Whitehorse Centre.

COUNCIL RESOLUTION

Moved by Cr Stennett, Seconded by Cr Carr.

That Council:

- 1. Make public the JWS Research Report – The Future of The Whitehorse Centre Community Opinion and Research Report***
- 2. Endorse the JWS Community Opinion and Research Report findings that show extensive community support for the retention of the Whitehorse Centre and its arts and cultural service provision and dismisses Option C, that being the closure and demolition of the Whitehorse Centre (Option C)***
- 3. Acknowledge the JWS Community Opinion and Research Report findings that identify a minority quantitative support to undertake essential works to the existing centre with a potential closure in 8-10 years (Option B)***

9.2.4

(cont)

- 4. Acknowledge the JWS Community Opinion and Research Report findings that identify a majority quantitative support by those who participated in the 600 person telephone survey and the 1292 responses received via the hardcopy /on-line survey to support the redevelopment of the Whitehorse Centre (Option A)**
- 5. Authorise the Chief Executive Officer to undertake a detailed facility and site assessment for the purpose of providing a final report to Council by April 2017 for both Option A and Option B including the following information:**
 - a) Facility Asset and Services Condition Assessment**
 - b) Car Parking Review/Analysis Report for the civic, library and Walker Park precincts**
 - c) Site Assessment of the Precinct**
 - d) Manage urgent repair works to be undertaken to the roof and fire services at the Whitehorse Centre**
 - e) Establish a project plan, governance structure, stakeholder management requirements and timeline for both options for inclusion**
 - f) In a final report for the newly elected Council by April 2017.**

CARRIED UNANIMOUSLY

The Whitehorse Centre, located on the Nunawading Civic Precinct, is Council's performing arts facility. This Centre provides performing arts opportunities and professional function services to the Whitehorse community and beyond. A feature of the centre is its capacity to host Council's major festival events. Within the natural amphitheatre of the precinct the Whitehorse Centre soundshell has provided an ideal setting for a capacity audience to come together and celebrate important civic events.

2016 CONSULTATION AND RESEARCH FINDINGS

Council contracted JWS Research to consult the community on three options proposed for the future of the Whitehorse Centre. The three options are:

Option A Redevelopment of the Whitehorse Centre based upon the 2015 Whitehorse Centre Business Case

Option B Undertake essential works (approx. an indexed \$7m+) to the existing centre to continue its operation for another 8 -10 years before a potential closure of the centre

Option C Closure and demolition of the existing centre within the next 2 years

9.2.4

(cont)

Communications Plan

The community consultation period on the future of the Whitehorse Centre was undertaken during March/April 2016. The following communication plan was implemented to engage with the community:

- Three Mayoral letters were issued to the stakeholders of the Whitehorse Centre including clients, residents in a 300 metre radius of the centre, patrons and arts organisations – approximately 5000 letters were issued on each occasion
- Whitehorse News ran feature articles in the February, March and April 2016 editions
- Council updates ran in the Whitehorse Leader following the Council resolution from late December 2015 until mid-April 2016
- Media releases were issued on the Whitehorse Centre Business Case and consultation
- Enews notifications were issued from the Whitehorse Centre, Whitehorse Artspace and the Box Hill Community Arts Centre – issued to approx. 3500 people
- An article on the Whitehorse Centre featured in the Aqualink Magazine – issued to approximately 2500 people
- On hold messages advising of the consultation ran on the Council phone system from February to April 2016
- The Whitehorse Centre Business Case, associated reports and information on how to contribute to the consultation were available on Council and the Whitehorse Centre websites.

Research Methodology

Council contracted JWS Research to consult with the community and analyse the response to the proposed three options. JWS Research is an independent organisation that conducts research for federal, state and local Government as well as the private sector. The comprehensive research findings implemented by JWS Research involved many varying aspects that sought to take into account the breadth of views across the Whitehorse community. Councillors met with JWS Research on two occasions prior to the finalisation of the research methodology. While the research methods that were adopted were wide ranging, the research findings from this consultation presented relatively consistent results. JWS Research managed and conducted the following:

- Qualitative research: six focus group sessions were conducted with a representative mix of Whitehorse residents to understand opinions and attitudes towards the three options. In two of the sessions regular users and those who live within 300 metres of the centre were randomly selected for consultation.
- Quantitative research: a telephone survey of randomly selected 600 Whitehorse residents was conducted to understand the opinions and attitudes towards the three options
- Quantitative research: an on-line and hardcopy survey was available during the consultation period for anyone to complete and submit to understand the opinions and attitudes towards the three options
- Qualitative research: public submissions were received as feedback to understand the opinions and attitudes towards the three options
- Qualitative research: ten interviews with a random selection of Whitehorse Centre clients were undertaken to understand opinions and attitudes towards the three options

9.2.4
(cont)

Research Profile

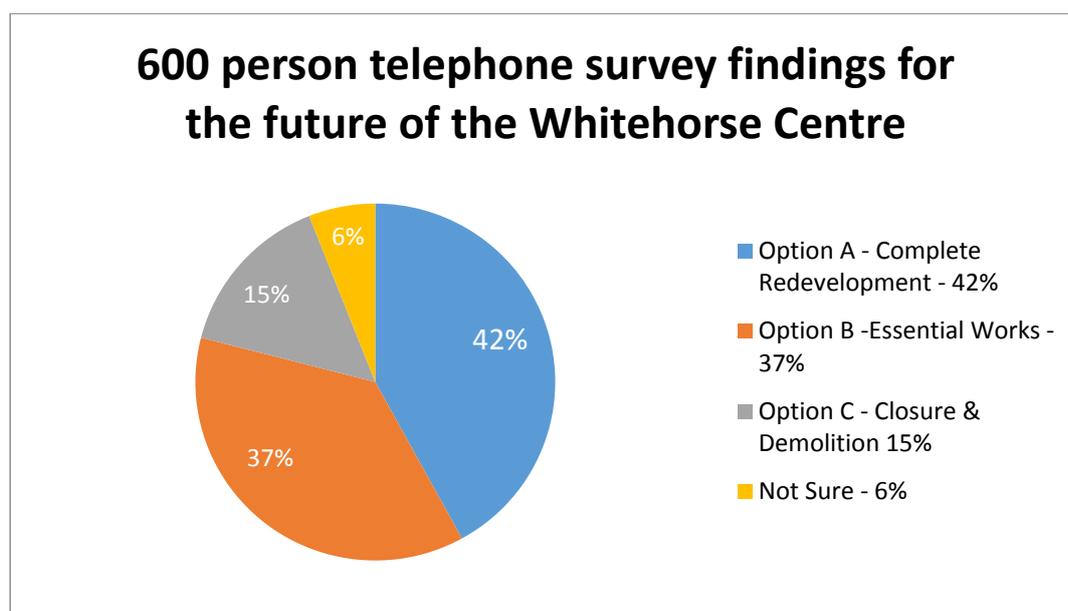
The findings from the JWS Research are produced from the following participation statistics:

- JWS Research conducted a telephone interview/survey of 600 randomly selected Whitehorse residents. Of the 600 Whitehorse residents:
 - 85% owned their property (Whitehorse ratepayer)
 - 73% had lived in Whitehorse for longer than 10 years
 - 7 out of 10 people (or a member of their household) had been to the Whitehorse Centre and/or festival held on the precinct
 - 52% women and 48% men
- JWS Research received 1292 submissions (807 online and 495 hardcopy) of the same survey that was completed by the 600 telephone respondents. Of these 1292 submissions:
 - 1142 responses (88%) identified as Whitehorse residents
 - 93% owned their property (Whitehorse ratepayer)
 - 88% had lived in Whitehorse for longer than 10 years
 - 9 out of 10 people (or a member of their household) had been to the Whitehorse Centre and/or festival held on the precinct
 - 39% women and 61% men
- JWS Research analysed the 123 written hardcopy submissions received from business, centre attendees and the general community.
- JWS Research conducted ten in-depth interviews with Whitehorse Centre theatre and function clients
- JWS Research conducted six focus group sessions with approximately with 8 to 9 people approximately in each group

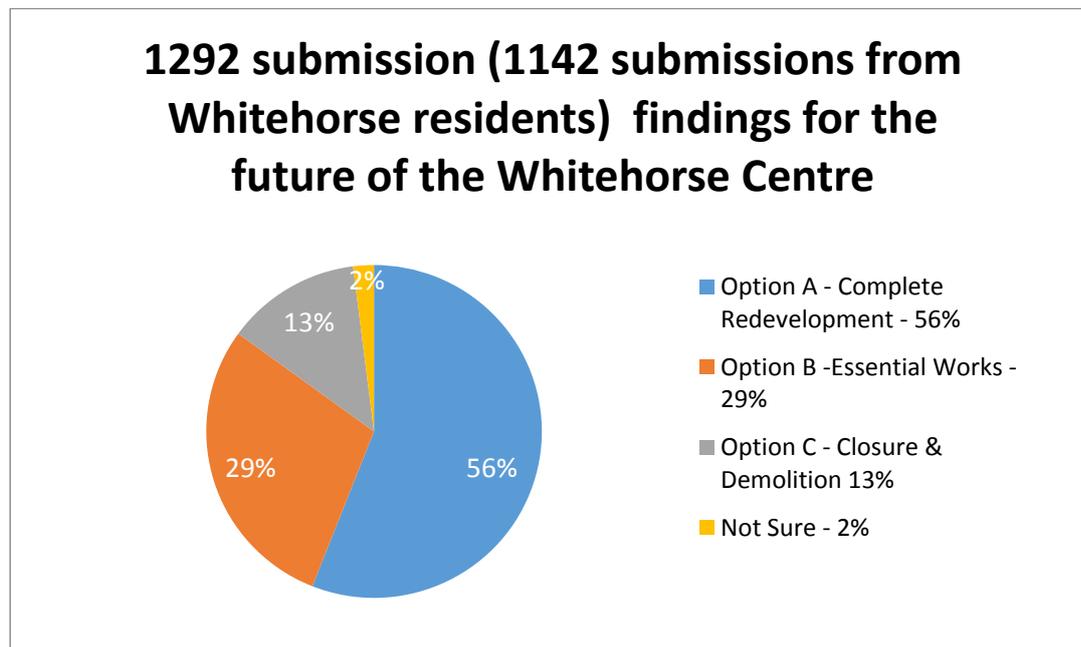
Key Findings

Quantitative Statistical Findings

Results shown are 'considered preferences' after consideration of arguments for/against redevelopment.



9.2.4
(cont)



Qualitative Findings

Those in support of Option A see the potential widespread benefits that a redeveloped centre holds and this is a major factor driving their support for Option A. These benefits include:

- Community Benefit
- Cultural Benefits
- Societal Benefits
- Quality of Life Benefits

Those in support of Option B view things largely through an economic lens making project cost a major factor when considering their preferred option that lead to the perspective that the project cost is too big for the number of future users (with future users viewed as the same as current rather than a broader group). Respondents believed the cost of the deck car park is excessive.

With a lack of support for Option C, preferences for Option A or Option B are split and are generally dependent on how stakeholders use the Whitehorse Centre. From a client perspective it was identified that theatre users are more in favour of Option A and function and event users Option B.

JWS Consultation Research Outcomes

There is little community support identified in the research for Option C, thus it is recommended this option is dismissed. This leads to a decision between Option A and Option B:

- Opinions are somewhat divided with more overall support towards Option A in the telephone and self-select survey (hardcopy/online).
- Centre clients and written submissions are evenly split in their preference between Option A and option B.

9.2.4

(cont)

Those in support of Option A:

- Appreciate the range of benefits the redevelopment will bring to the broader community
- Display some concern around the proposed cost especially the deck car park

Those in support of Option B:

- See the cost of Option A, particularly those surrounding the proposed car park, is seen as so large it is not justifiable.
- Are looking to be convinced that the benefits of the project will outweigh the cost, and that there is a real community need for the project.

JWS Research identified there are solid grounds to move forward with Option A. However, given the divide in opinion between Option A and Option B there is potential for some community concern regardless of which option is chosen. A focus of this concern is the cost of the car parking.

The JWS Whitehorse Centre Community Opinion and Research Report and its companion Report of Detailed Findings Research are attached. **(Attachment 6A and 6B)**

ADDITIONAL ON-GRADE CAR PARKING ASSESSMENT - JUNE 2016

The JWS Research Report identified that the cost of a three level deck car park was of significant concern by respondents in the community research, irrespective of their preference for Options A and B. In response to this in June 2016 Council contracted a traffic management company, Salt3, to conduct additional work for an on-grade car parking solution for the site. This work is a high-level conceptual plan offering an alternate option. **(Attachment 6c)**

This concept plan looked at utilising the existing paved area east of Humphreys Avenue, as well as the area to the west of the Police Station, whilst retaining the existing open space north of the current car park configuration providing a net increase of car spaces (48 of those spaces located in Walker Park). Salt3 have advised the following assessment of the plan:

Benefits of concept

- Improved pedestrian connection and visibility between the Whitehorse Centre and Walker Park
- Improved circulation within the site and encouraging the use of signals
- Retention of existing open space north of the car park
- Opportunity for large loading vehicles to access and circulate through the site
- Removes existing 'round-a-bout' along Humphreys Avenue and provides a more straightforward arrangement

Considerations with concept

- Increase in parking provision is likely to result in an increase in traffic movements at the site access

The estimated cost of this concept parking layout is \$2m. Council notes further additional work would be required to examine parking, traffic and pedestrian management for the Civic and Walker Park Precincts and assess with the increased car parking capacity the traffic flow implications for access and egress to site.

9.2.4

(cont)

PROPOSED FACILITY AND SITE ASSESSMENT SERVICES

The JWS Research Report identified the positive community support for the services undertaken through the Whitehorse Centre and the value the community places on its retention. If the closure and demolition of the centre is dismissed as an option it indicates the service provision offered by the centre should be retained irrespective of Council's final decision on the potential redevelopment of the centre. It is recommended to conduct facility and site assessments coordinated by a Project Manager in the primary areas of:

- Facility Asset and Services Condition Assessment
- Site Assessment of the Civic Precinct
- Car Parking Review/Analysis Report for the Civic, Library and Walker Park Precincts

In considering the full cost implications of Options A and B the following detailed facility asset, services condition and site assessment is required:

- Detailed Facility Asset and Services Condition Assessment.
Approximate cost \$200K. (Option A - cost \$50-100k)
- Car Parking Review/Analysis and Report.
Approximate cost \$50-100k (required for both options and includes the civic, library and Walker Park precincts)
- Site Assessment.
Approximate cost \$75-125k (required for both options)
- Preparation of Project Plan
Approximate cost \$100k (required for both options)

The total cost is \$425-525k for assessment of both Option A and Option B
Please find attached for the full scope of works for both options. **(Attachment 6d)**

URGENT MAINTENANCE WORKS

If the intent is to retain the services of the Whitehorse Centre until the final Council resolution of Option A or B there are immediate works that must be undertaken in the current financial year to ensure the centre remains in operation. These include:

- Renew turret cladding on all sides and turret roof cladding – currently experiencing significant leaking onto stage posing health and safety risks. (Estimated cost \$300K)
- Renewal of facility fire services lines and reposition hydrant – have recently experienced flooding in facility due to old fire service line breakage. (Estimated cost \$50k)

Work is also required to coordinate the project plan including project timelines, stakeholder management and governance arrangements to ensure Council are informed to consider the final outcome on the future development of the Whitehorse Centre by April 2017.

9.2.4

(cont)

FINANCIAL IMPLICATIONS

Officers recommend that further detailed assessment of Option A and Option B be undertaken at a cost of \$425-525k. This will enable the newly elected Council to assess the cost implications of both options and proceed to a preferred option, allowing funds to be allocated in the 2017/2018 budget cycle.

The urgent maintenance works required in the 2016/2017 to be completed are estimated to be approximately \$350K+GST.

The funds for these works will be sourced from Council reserves.

WHITEHORSE CENTRE BUSINESS CASE ENQUIRIES

Council made the Whitehorse Centre Business Case and associated reports publicly available from the 14 December 2015 and invited enquiries. In total 21 people made enquiries and a response was provided by either the authors of the Business Case, Williams Ross Architect Consortium or Council Officers. A copy of the enquiries and responses are attached. A full copy of the comprehensive Whitehorse Centre Business Case is listed on Council's website under the 14 December 2015 Council meeting minutes and attachments. <http://www.whitehorse.vic.gov.au/Agendas-Minutes-2015.html> (**Attachment 6e**)

9.2.4
 (cont)

WHITEHORSE CENTRE RESEARCH HISTORY 2016 - 2010

Council has been investigating the future of the Whitehorse Centre since 2010. The following identifies the research history overview from 2016 to 2010 when the project commenced:

2016	Community consultation conducted by JWS Research
2015	<p>A comprehensive Business Case of the Whitehorse Centre was completed by Williams Ross Architect Consortium and released to the public after community consultation was completed earlier in the same year</p> <p>With the release of the Whitehorse Centre Business Case in December Council engaged JWS Research to consult with the community on three possible options for the future of the Whitehorse Centre</p> <ul style="list-style-type: none"> - Complete redevelopment - Essential Works - Closure and demolition of the existing Centre
2014-2013	Williams Ross Architect Consortium conducted a market analysis to determine a comprehensive business case and concept plan design for a redevelopment on the Whitehorse Centre. Williams Ross Architect Consortium briefed Council at regular intervals for the duration of this period.
2012	<p>In March Council noted the SGL Whitehorse Centre Feasibility Study Report and deferred endorsing the facility components pending a meeting with Councillors and Officers</p> <p>In April Council noted the outcomes of a meeting on the Whitehorse Centre redevelopment options and approved the SGL Whitehorse Centre Feasibility Study Report. It further allocated a sum to develop a concept plan and business case for the future of the centre</p> <p>In December Council appointed the Williams Ross Architect Consortium to develop a business case and concept plans for the future of the Whitehorse Centre</p>
2011	<p>In July Council resolved to note the draft Whitehorse Centre Feasibility Study and defer endorsement until undertaking a further study on the feasibility of a regional facility and seek interest from the Eastern Regional Councils</p> <p>In September the Mayor issued a letter to the Eastern Region Council seeking their in-principle support to request federal funding for a regional facility. Two of the then nine Councils supported this funding proposal.</p> <p>In November the Melbourne Eastern Regional Development Association released a Report recommending the preferred location for a large scale events facility in Melbourne's east is in the Yarra Valley</p>
2010	In August Council contracted the SGL Group and Outside the Square Consulting to conduct a feasibility study on the Whitehorse Centre and complete the Whitehorse Arts & Cultural Strategy

9.2.4
 (cont)

WHITEHORSE CENTRE FUTURE OPTIONS

On the release of the comprehensive Business Case for a redeveloped Whitehorse Centre two other potential options were identified for its future and these three options are outlined in this section of the report.

In 2016 an independent company, JWS Research, undertook community consultation on the three options:

OPTION A: REDEVELOPMENT BASED UPON THE 2015 BUSINESS CASE

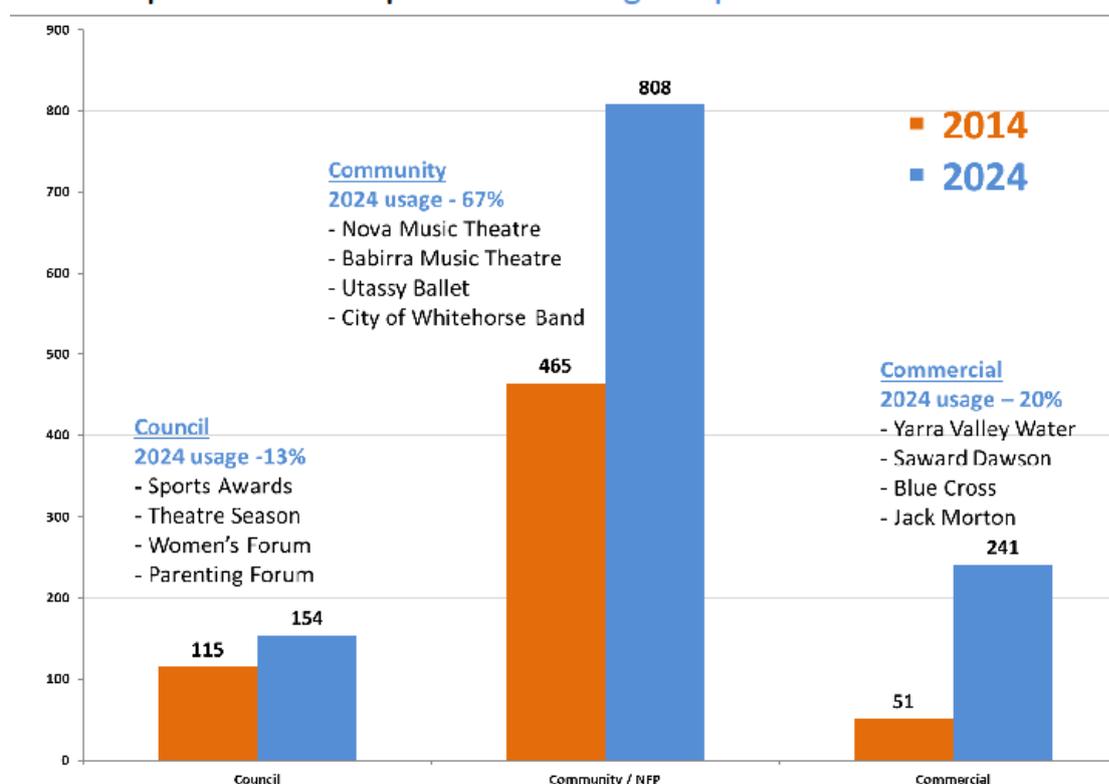
A proposed redevelopment of the centre is based upon the market research outcomes by the SGL Group Feasibility Study and the market testing and research outcomes of the Williams Ross Architects Consortium Whitehorse Centre Business Case. Both of these independently commissioned and conducted studies concluded consistent outcomes for functional space requirements (facility size and capacity needs) for Council’s performing arts and function services.

Booking Comparison

If the centre is to be redeveloped a booking comparison has been undertaken to compare the existing venue usage to that of a redeveloped facility. The result is an increase to Community, Council and Commercial bookings. The greatest growth is seen in community bookings for the centre. The projected usage in 2024 is:

- 67% Community use – theatre, classes, function bookings
- 13% Council use – including the public community programs
- 20% Commercial use – assisting to offset subsidised community use

Proposed Redevelopment – booking comparison 2014 to 2024

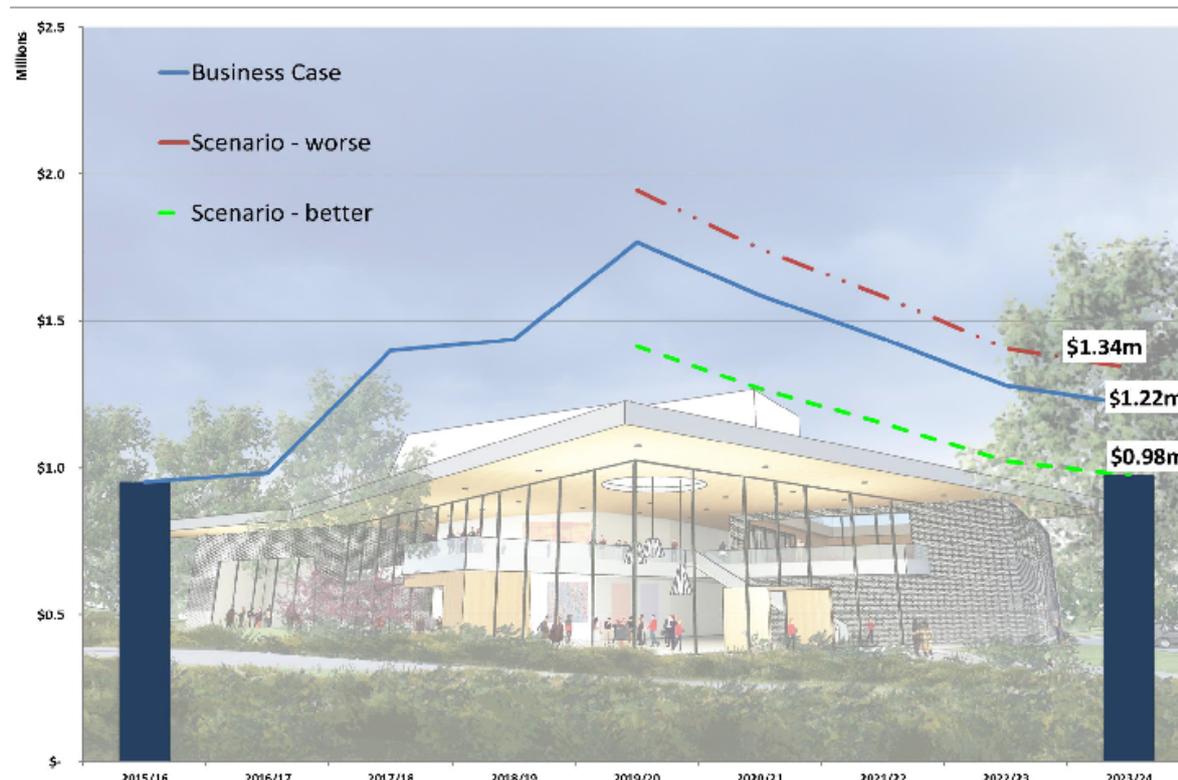


9.2.4
 (cont)

Council Annual Operating Subsidy for the Whitehorse Centre

Council has also examined a best and worst case operational scenarios in the graph below based upon the commissioned business case. The Business Case provided a fiscally responsible conservative projection for the Whitehorse Centre. Based on this conservative outlook Council has projected a 10% worst case scenario and a 20% best case scenario to indicate alternate scenarios in 2023/2024.

Council Annual Subsidy – Redevelopment (EXCLUDING DEPRECIATION)



The annual operating subsidy scenario graph indicates that once the redeveloped centre has re-established itself in the fifth year of operation the annual subsidy is similar to the 2015/2016 operating subsidy for the Whitehorse Centre but has an increased booking usage as identified in the previous booking comparison graph. The outcome shown in the better scenario option (green line) is an operational subsidy reduction to the Business Case projection and a reduction to the current budgeted 2015/16 annual operating subsidy.

To understand the Council subsidy of the centre it is important to note that the Whitehorse Centre hire charges for Not-For-Profit Organisations are subsidised by Council to assist community use and access to the centre. Additionally Whitehorse community groups who fulfil Council's Discount Support Grants Program criteria also have access to further subsidised support by Council.

The patron ticket prices for the theatre and music season and midweek matinee program is also subsidised by Council to provide arts and cultural opportunities in the local area.

9.2.4

(cont)

Redevelopment Funding

Preliminary long-term financial modelling was undertaken during preparation of the 2015/16 Budget. This was based on a scenario of Council proceeding with the Nunawading Community Hub project and the Whitehorse Centre Option A - complete redevelopment. The funding model of these two projects would approximately assume:

- 46% would be drawn from existing reserves and realise funds from asset sales
- 31% from long-term loans
- 21% over a five year period from rates surplus
- 2% would be sought through as yet unidentified grants or other income sources.

This modelling demonstrated a capacity to fund the Whitehorse Centre Redevelopment Business Case.

OPTION B: ESSENTIAL WORKS TO EXISTING CENTRE TO REMAIN OPEN FOR 8-10 YEARS

There comes a point in the life of a building when it either needs a major redevelopment or closure. Investing more community funds in keeping an ageing, no-longer adequate facility operating may be a poor use of funds.¹

Further work has been undertaken recently on the existing building and its capacity to meet the functional needs of the theatre and function services. These works have included:

- Understanding the useful working life of the centre
- The ability of the centre to provide appropriate service levels for performing arts and function services

Any additional building work outlined in this option does not improve the size or capacity of the centre; it will not resolve the issues around accessibility and access to areas of the centre. Any works to improve access would require major structural changes to the centre and professional advice has indicated this would require the entire centre to be compliant to current day Building Code of Australia. The objective of the essential works within this option is to keep the centre operational to a standard that currently exists for users of the centre.

As an asset, the building degradation condition is currently identified as poor. It has been assessed that if \$5.8 million dollars is spent over the next five years (indexed to approximately \$7m+ during the course of the works) it would extend the useful life of the building for another 8 -10 years. At that point (40 years old) the building may no longer effectively meet the needs of centre users, provide appropriate working conditions or be competitive to other performing arts and function centres and Council would most likely need to consider the likely closure of the centre, alter the services available and continue to increase the operating subsidy.

A structural analysis of the centre was completed in September 2015. The report concludes there were elements of the building fabric including external cladding, roof sheets and gutters/downpipes all showing wear after 30 years. These elements must be addressed if the centre is to remain open. The report concludes that the existing structural condition is generally sound in its current form.

¹ Whitehorse Centre Business Case – Project Overview

9.2.4

(cont)

Significant concern surrounds the condition of the roof which is judged as poor and needs a full replacement within the next two years. If this is not to occur and there is a major leak the centre would be immediately closed. The roof sheet throughout has deteriorated with age. The roof sheet currently:

- Shows general deterioration following years of exposure to weather elements
- A number of penetrations through the roof sheet and 'retrofit' flashing
- Generally appears to be near the end of service life
- The roof fall was very flat in some areas and does not assist roof drainage to the main roof and the assumption is water ponding due to the presence of mould on the roof sheet.²

Limited Upgrade Potential

In October 2015 Marshall Day Entertech, technical performing art specialist and part of the Williams Ross consulting consortium, also provided additional information on the technical infrastructure of the existing facility. Marshall Day Entertech identify changes to industry standards for performance equipment and systems since the initial opening have not served the building well and a number of elements including cabling infrastructure, structural rigging loads and backstage amenities require attention. The report notes the centre requires maintenance and infrastructure upgrades to operate effectively and to comply with current building code and legislative requirements if changes were implemented.

A technical upgrade will go part of the way to addressing technical equipment deficiency with the existing centre although it is unable to resolve many of the functional limitations and constraints inherent in the design and capacity of the centre and the expectation of what a performing arts centre should provide now and into the future.

Due to structural requirements, operational impact or functional relations with other spaces, substantial elements of a refurbishment of the centre would be very challenging to address in any partial or staged refurbishment. These include:

- Any increases to the theatre audience capacity or changes to sightlines
- Changes to the proscenium height and width
- Improvements to the stage and stage wing size
- Increases in the fly tower structural loading
- Increases to the fly tower height and counterweight fly system drift
- Improvements to the orchestra pit size and access and lid system
- Replacement of the ageing technical cabling infrastructure
- Code compliance with Universal Access requirements
- Code compliance in the lighting bridge headroom
- Provision of access to fly tower
- Improvement in internal and external sound insulation
- Control of building services noise and vibration in the theatre
- Control of rain noise in the theatre.³

² Kersulting Engineers and Managers – Project Advice Notice

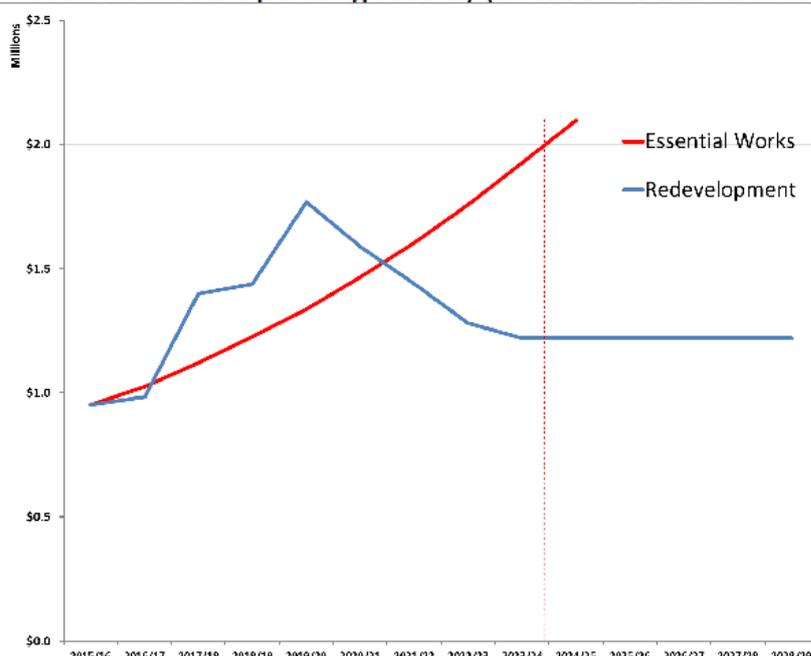
³ Marshall Day Entertech – Whitehorse Centre Venue Infrastructure and Design Report

9.2.4
 (cont)

If the essential works can only maintain the existing building without improvement there is a projected decline in usage over the next 8-10 years. It is forecast there would be an increasing cost to operate the centre during this period. The operational subsidy is compared in the graph below with a redeveloped centre. In the next graph:

- **Option A** - the blue line is a redeveloped centre sees an initial increase to subsidy during building works and the establishment period of a redeveloped centre. After this point the subsidy would decline and be similar to the existing centre's subsidy but with increased usage of the facility.
- **Option B** - the red line is the existing centre sees an increasing subsidy as the building ages and becomes less functional for users until its potential closure

Council Annual Operating Subsidy (EXCLUDING DEPRECIATION)



OPTION C: CLOSURE OF THE WHITEHORSE CENTRE WITHIN 2 YEARS

This option of 'doing nothing' will lead to the closure of the Whitehorse Centre within the next 2 years.

The Whitehorse Centre is large and complex facility and as such requires a broad range of maintenance activities annually to ensure that the facility is safe and functional. As a 30 year old building it has never undergone major works and has reached a time where maintenance activities at the centre are resulting in increased annual expenditure. A portion of the annual maintenance expenditure at the Whitehorse Centre is a result of completing legislative maintenance visits such as building essential safety measure maintenance and air conditioning plant maintenance. In addition to legislative maintenance, Council performs regular asset maintenance such as pest control and security/CCTV systems maintenance. The centre has approximately 75 Legislative Essential Fire Services Systems Checks annually and a series of both planned and reactive maintenance works each year. In the period of May 2015-2016 there were 150 visits.

A substantial investment of millions of dollars as outlined in Option B will extend the working life of the existing building for 8-10 years with continuing constraints with accessibility, no improvements to capacity and functionality before its closure.

9.2.4

(cont)

If Council chose not to continue re-investing capital and maintenance funds into an ageing centre there will be critical failures that would immediately close the centre. For example, it has been determined the roof should be replaced within the next two years as there is a risk of increasing and unmanageable leaks. The cladding to the theatre turret may dislodge in an extreme weather event and the centre would be immediately closed. The air conditioning unit is nearing the end of working its life and its failure would close the centre as it could not operate without a working ventilation system. With no building improvements the centre will no longer provide clients the assurance their booking would proceed under this option.

This option presents the costs to Council of the demolition of the existing building and returning the site to parkland. The costs of these works are estimated to be \$2+ million.

With this closure, alternate arrangements for Council's festivals program that currently runs from the Whitehorse Centre would increase operational costs to these events.

Previous Project History

This following section of the report outlines in further detail the history of the Whitehorse Centre project from the most recent three options being considered for the future of the centre to the inception of the project back in 2010.

December 2015:

At the 14 December Ordinary Council Meeting, the Council resolution was:

That Council:

1. ***Make publicly available the Whitehorse Centre Business Case.***
2. ***Release the quarantined funds allocated in the 2015/16 budget for Whitehorse Centre project works. Appoint JWS Research to undertake a research project to consult with the community between late February and May 2016 on the following three options:***
 - a) ***A redevelopment of the Whitehorse Centre based upon the Whitehorse Centre business Case;***
 - b) ***Undertake essential works to the existing centre (approx. \$7m+) to continue its operation for another 8-10 years before a potential closure of the centre;***
 - c) ***Closure of the existing centre within the next 2 years.***
3. ***The research will assess specifically the following:***
 - ***Awareness, attendance and community support of the current centre***
 - ***Perceived values and benefits of a new performing arts centre***
 - ***Questions, concerns and hesitations to a new performing arts centre***
 - ***Level of support for a new performing arts centre and reasons for this***
 - ***Profile of the most receptive to and opposed to the development***
 - ***Information needs and expectations of the community to the new centre***
 - ***Community response in support or opposition to the closure of the centre***
4. ***Receive the JWS Research Report on the findings of the consultation in mid - 2016 for Council consideration.***

9.2.4

(cont)

May 2015: the draft findings and concepts designs developed for a potential redevelopment of the Whitehorse Centre were released to the community for public consultation.

From Monday 4 May to Friday 29 May 2015 findings of the project were released for public consultation. The consultation plan included;

- A twelve page brochure outlining the project which could also be downloaded from Council and the Whitehorse Centre websites
- 5096 letters to patrons, clients, stakeholders and local residents within a 300m radius of the Whitehorse Centre
- 1027 electronic E-news emailed to patrons
- *Leader* advertisement (Council Update) for the 4 weeks during consultation period
- On-hold phone messages during May on Council's phone system
- Distribution of project brochure collateral to key Council sites
- Displays on the Council and Whitehorse Centre websites (with advice on translation services)
- Advertised consultation in the *Asian Press*
- Two drop-in information sessions
- Large scale plans displayed in the Council building (civic centre foyer)
- Hardcopy surveys which were also available in Chinese

The survey findings from the May 2015 consultation identified the following feedback for the proposed redevelopment:

- A total of 619 people directly provided feedback during the consultation process. This included 559 on-line/hard copy surveys and submissions or letters directly to Council. In addition, a petition with 106 signatures requesting an alternative plan for the car park was received
- Of the 559 survey responses the key findings include:
 - Over 73% of respondents either strongly agreed or agreed that the Council has an important role in providing cultural facilities and that the Whitehorse Centre is a valued asset.
 - Over 50% strongly agreed or agreed that the centre required redevelopment and 37% of respondents disagreed or strongly disagreed that the centre requires redevelopment.
 - 78% of the survey respondents are residents of the City of Whitehorse.
 - 26% highly supported the redevelopment as currently proposed, 18% supported the proposal and 10% somewhat supported the proposal. 45% do not support the proposal. Less than 1% had no opinion.
 - 56% of respondents indicated that the redevelopment was an important project for the City of Whitehorse.
 - 35% of respondents had attended an event at the Whitehorse Centre.

The deck car park located directly opposite the Whitehorse Centre was identified by local residents to be a serious concern due to its proximity to residential properties. In June 2015, as an immediate response to these concerns a letter from the Mayor was issued to residents in a 300 metre radius of the centre to remove the deck car parking option near the northern boundary fence line. The alternate car park position at the rear of the Nunawading Police Station remains an option and further car parking investigation would be undertaken.

9.2.4

(cont)

2013-2014 Whitehorse Centre Business Case - Williams Ross Architects

Williams Ross Architects Consortium was engaged by Council to conduct the following works:

- Complete market testing and needs analysis for performing arts and function services for the Whitehorse Centre
- Identify the ability of the existing centre to provide these appropriate service levels for performing arts and function services
- Produce a Business Case for a redeveloped centre
- Determine the capital and recurrent costs of a redeveloped facility
- Develop concept designs of a redeveloped facility

Williams Ross Architects Consortium Consultation:

Williams Ross Architect Consortium reviewed previous documentation, conducted building and site analysis and consulted with user stakeholders, to determine the needs of users and respond with a suite of building components to meet the identified need. Consultation included:

- 59 surveys of existing hirers, local arts and cultural groups and local business
- 37 interviews with local and Melbourne based arts groups, commercial artists, entertainment producers, event organisers, Arts Victoria, Performing Arts Centre Managers, Councillors and Council Officers

Existing Centre

Since opening in 1986 the Whitehorse Centre has had regular maintenance and minor refurbishments and improvements undertaken to enable a level of service delivery to the community.

The Whitehorse Centre was built in an era when energy efficiency, environmental sustainability and universal design were not as developed as current standards. The centre lacks basic disability access to areas and does not meet current disability access standards, is ageing and will cost increasingly more to maintain. Investigation has shown that it is not practical or cost-effective to upgrade and extend the existing centre based on the future business planning needs.

Building standards and community expectations have changed so much that many aspects of the centre would not comply if today's codes were applied. Examples of building limitations⁴:

- The Waratah Room has no natural day light, and no external outlook. Its poor condition compared to other centres means it is not attracting as many users. Its capacity is relatively small, so larger events go elsewhere.
- The foyer is exceptionally small for larger events. The theatre, functions and rehearsal rooms all open off the one small space. By today's standards the existing foyer of 162 square metres should be increased to 506 square metres to accommodate the users of the theatre and adjacent rooms.
- The centre lacks disability access in many places including toilet facilities not complying, administration offices (inadequate workstations, circulation), door circulation spaces, all backstage areas, orchestra pit, technical areas, and insufficient accessible seating positions and locations.

⁴ Whitehorse Centre Business Case – Project Overview

9.2.4

(cont)

- There are insufficient toilet facilities for the number of patrons and the accessible toilets do not meet current standards.
- The poor condition of the soundshell makes it less than satisfactory for functions or events. It has limited natural daylight and does not have disability access. Its height is less than desirable for the sort of events it holds and has limited capacity and limitations for festivals. The scale of current day events was not conceived during its design 30 years ago.
- Backstage facilities are inadequate, especially for large community groups. For instance, there are only two dressing rooms, neither having disability access. Existing facilities are 312 square metres versus recommend 732 square metres.
- The centre needs repairs to some deteriorating building fabric and plant, which are at the end of their working life. Estimated costs for the next five years are projected to be approximately \$7 million+ (indexed cost). These costs are purely for maintenance and renewal works and will have marginal impact of the centre's hiring potential. These works will also not increase capacity, improve functionality or improve disability access of the centre.
- When compared with the recommended facilities needed to serve the demonstrated future use as identified in the Business Case, the existing centre is only 38% of the recommended facility area (existing 2390m² versus recommended 6365m²).

These conditions have been confirmed by a physical access audit that was completed in 2012 and a Building Code of Australia audit was completed in 2007.

Key Benefits

The outcome of the research and consultation identified that the centre is well regarded by the community. The Whitehorse Centre Business Case identified benefits of an enhanced facility/range of facilities that include:

- 1) A demonstrated demand for a larger seating capacity (circa 580-600 seats) for the main auditorium (and increased stage size) that will make it more economic for hirers
- 2) A studio theatre (circa 200 seats) would enable smaller scale works to be staged. It would support local organisations who prefer a more intimate and lower cost theatre and also provide an excellent space for youth activities
- 3) Multiple activities would occur simultaneously improving access and utilisation on current levels
- 4) The ability to cater for larger functions was seen as an important aspect of a redevelopment to broaden the use for community and local businesses
- 5) Retain and improve the soundshell capability to meet the needs of the community festival season
- 6) The activity mix of a redeveloped centre remains a high proportion of community use and is projected to be 67%.

9.2.4

(cont)

Key Findings

Key findings were consistent across both consultant reports, the former SGL Report & the Williams Ross Architects Business Case. The functional space findings include:

Functional Spaces

- 1) Main Theatre – seating capacity of 580-600 seats & increased stage size
- 2) Studio Theatre – a 200 seat (approx.) black box theatre space
- 3) Function Room - capacity of 300 dinner style seating and divisible into 3 spaces
- 4) Soundshell -integrated into the centre enabling an effective and efficient festival site
- 5) Foyer space – size critical to the success of venue
- 6) Studio space - demand shown for increased studio space

Car Parking

- Existing total of on-site car parks – 378 spaces
- Additional parking required – 175-200 spaces approximately
- New site total approx. – 553-578 spaces approximately

Municipal Performing Arts Centre

A Municipal Performing Arts Centre is usually the “peak” performing arts facility in its area providing:

- The highest level of technical capability
- A higher level of functionality and amenity
- Provides a professional theatre experience for participants

Comparison between a municipal performing arts centre and school theatres is a case of ‘apples and oranges’ as:

- A school theatre is usually just one theatre and not always with full capability
- A school theatre does not provide the full range of necessary support facilities as they use adjacent classrooms

The proposed Whitehorse Centre includes five facilities / support facilities:

1. Main theatre
 2. Studio theatre
 3. Sound shell
 4. Studio space
 5. Function room
- * as well as car parking provision⁵

Retention of Existing Building

To meet the function space requirements of the proposed centre the consultants reviewed the existing centre in engineering, theatrical and functional terms and determined:

- Little of the existing building could be retained without substantial alteration or reconstruction due to required Building Code upgrades
- The building services and theatrical infrastructure would have to be entirely replaced
- Many existing spaces are functionally compromised and several required spaces are simply not provided.

⁵ Whitehorse Centre Business Case – Part C

9.2.4

(cont)

16 April 2012: at the Ordinary Council Meeting, the Whitehorse Centre Feasibility Study Report was presented to Council. The resolution was:

That Council:

- 1. Note the outcomes of the meeting held on the 28 March 2012 comprising the Mayor Cr. Lane, Cr. Daw, Cr. Pemberton, CEO and relevant staff, as per the Council resolution on the 19 March 2012, to discuss the Whitehorse Centre facility redevelopment options and;**
 - a) Approve the SGL Whitehorse Centre Feasibility Study report and allocate a sum of \$150,000 to the 2012/13 Budget to further develop a concept plan for the Whitehorse Centre and in addition;**
 - b) Develop a Business Case for an expanded Whitehorse Centre Performing Arts/Function Centre at the Civic Precinct to determine the needs and financial costs of a theatre (of around 600 seats with the capability of future expansion, if required) that may be additional to the existing theatre, and expanded convention capability. The brief for the business case to include (but not be limited to) the matters below and as further detailed in the specification for the brief:**
 - Number, size and type of performing/audience spaces**
 - Function and conferencing size, seating, break-out capacity**
 - Required car parking and associated infrastructure for scale of redevelopment**
 - Impact on the site, precinct and residential amenity**
 - Financial analysis of options and staging**
 - Impact on centre business financial operations**
 - Impact on capital and recurrent budgets**
 - Risk management**
 - c) Establish a working group of Councillors comprising the Mayor, Cr Pemberton and Cr Daw, the CEO and relevant staff to develop the Business Case Brief**
 - d) Approve a 2012/2013 budget allocation of \$100,000 towards implementing and completing the business case and report to Council**

19 March 2012: at the Ordinary Council Meeting, the Whitehorse Centre Feasibility Study Progress Report was presented to Council. The resolution was:

That Council:

- 1. Note the Draft Whitehorse Centre Study Progress Report presented to Council in July 2011.**
- 2. Defer considering endorsing the Whitehorse Centre facility components as outlined in the July report until a meeting of the Councillor Lane (Mayor), Councillors Daw and Pemberton, Whitehorse Chief Executive Officer and relevant staff be convened to determine how a staged approach to developing and constructing an expanded Whitehorse Centre could be implemented.**
- 3. That this matter comes up for discussion at the next Council meeting (16 April 2012).**

9.2.4

(cont)

November 2011: the Melbourne East Regional Development Association released the report. "An audit and market assessment of arts, cultural and meeting venues in eastern Melbourne". The report recommends "that the preferred location for a large scale (particularly events and functions) facility in Melbourne's east is the Yarra Valley".

29 September 2011: a letter from the Mayor was issued to the then Eastern Region Councils seeking their in-principle support to request federal funding. Two of the then nine Councils supported this funding proposal.

18 July 2011: at the Ordinary Council Meeting, the Draft Whitehorse Centre Feasibility Study Progress Report was presented to Council. The resolution was:

That Council:

1. ***Note and commend the work to date on the draft Whitehorse Feasibility Study***
2. ***Defer endorsement and approval to proceed to the next stage until:***
 - a) ***Council undertakes a further study on the feasibility study of a regional facility as per the details in the report under "Regional Facility Study and Indicative Costing", subject to seeking, with RDA Melbourne East support, federal funding of \$162,000 to undertake the further study***
 - b) ***Eastern Region Councils and Regional Development Australia Melbourne East have been consulted seeking their interest on a joint cooperative venture for a Regional Performing Arts Facility and Convention Centre in the City of Whitehorse, based on a regional approach***
3. ***Further seek opportunities for joint Local Government, Federal RDA, and State Government funding for building the facility and operating/maintaining***
4. ***Establish a Council steering group for this project comprising Crs Daw and Pemberton and relevant Council officers***

August 2010: Council contracted consultants, the SGL Group and Outside the Square Consulting to conduct the Whitehorse Arts and Cultural Strategy and the Whitehorse Centre Feasibility Study. The feasibility study identified the future requirements and development opportunities for the Whitehorse Centre.

The consultation undertaken by SGL Group and Outside the Square Consulting included:

- 500 person, randomly selected and independent of Council telephone survey
- 200 Whitehorse Centre user surveys
- 22 arts and cultural group surveys
- 18 focus group sessions
- 11 stakeholder interviews
- Demographic review / operation review of the centre / facility bench marking

9.2.4

(cont)

In 2011 the SGL Feasibility Study identified the following outcomes⁷:

- The Whitehorse Centre is a highly valued community asset and is integral to the provision of performing arts within the City of Whitehorse.
- The architectural review of the precinct and the centre identified that the precinct lacks a sense of identity for the municipality's performing arts centrepiece.
- The structural review of the facility confirmed that the building is generally of sound structural condition. The extensive market research and consultation however identified that the facility is functionally and design-wise out-dated and 'tired'. It is in need of redevelopment and expansion to meet the ongoing demands of a municipal performance and function venue.
- The facility at 28 years is reaching its optimum lifecycle capacity in terms of both its efficiency and effectiveness and current benchmarks for facilities of this type. The functionality of a number of key areas within the facility is poor, impacting on the programming opportunities, visitor experience and ongoing sustainability of the centre.
- Based on market testing the functional spaces required for a redeveloped centre are:
 1. Main Theatre – seating capacity of 580-600 seats & increased stage size
 2. Studio Area – 3 to 4 rehearsal/presentation spaces
 3. Function Room - capacity of 470-600 persons and divisible into 3 spaces
 4. Soundshell -integrated into the centre enabling an effective and efficient festival site
 5. Foyer space – size critical to the success of venue
- Given the significant refurbishment required there may be the "tipping point" between refurbishment and total rebuild of a purpose built performing arts and functions facility to meet the needs of the Whitehorse community for the next thirty years and beyond. 8

CONSULTATION 2010 TO PRESENT DAY

From 2010-2015 Council commissioned two research and consultation projects on the proposed Whitehorse Centre redevelopment with two independent consultants both concluding similar project recommendations. In 2016 Council commissioned JWS Research to consult with the community on the three options considered for the future of the Whitehorse Centre.

Well over *3500 people* have contributed over the past six years to the consultation and this does not include the hundreds of people represented by specific users groups.

POLICY IMPLICATIONS

The provision of a performing arts centre and its possible redevelopment supports Council's Vision (2013-2023), Council Plan (2015-2019) and Arts & Cultural Strategy (2014-2022).

⁷ The Draft Whitehorse Centre Feasibility Study 2011

⁸ The Draft Whitehorse Centre Feasibility Study 2011