

Moreton Bay Indoor Sports Centre

Project Validation Report Summary

August 2024

Delivered by



Funded by





Australian Government

BUILDING AUSTRALIA

1 PROJECT OVERVIEW

1.1 Background

The Moreton Bay region is the third fastest-growing local government area in Queensland by total population increase, behind Gold Coast and Brisbane. The population within Moreton Bay is expected to increase by 54.3 per cent from 476,340 in 2021 to 734,943 in 2041¹.

In preparation for the Brisbane 2032 Olympic and Paralympic Games (the Games), the Queensland Government proposed the construction of the new Moreton Bay Indoor Sports Centre (MBISC) as a key Games venue, that will serve to address a growing need for indoor sports facilities in the Moreton Bay region.

There are only 10 indoor sports courts within the Moreton Bay region (five at the Morayfield Sport and Events Centre and five at the South Pine Sports Complex), and MBISC will seek to address the local deficit in these facilities.

The MBISC was nominated (through the International Olympic Committee (IOC) Future Host Commission Questionnaire Response) as a local government-owned community venue, capable of hosting Boxing events during the Games. The IOC Future Host Commission Questionnaire Response of May 2021 proposed a community sports facility with a legacy capacity of nine indoor courts and a Games-mode temporary seating capacity of 7000.

In February 2023, the Australian and Queensland governments signed an Intergovernmental Agreement (IGA) agreeing to jointly invest \$1.87 billion in new and upgraded venues collectively referred to as the Minor Venues Program. The MBISC is included in the Minor Venues Program.

1.2 Project Validation Report

A Project Validation Report (PVR) has been developed for the MBISC to support the Queensland and Australian governments' decision-making process, ensuring the project meets the approved budget and delivers on requirements for the Games and post-Games.

The PVR also considers IOC requirements for the project. The IOC reforms, known as 'The New Norm', aim to create a more flexible, cost-effective Games, aligned to long-term planning and legacy outcomes and require venues to have a focus on sustainability. The IOC Future Host Commission Questionnaire Response also included a focus on sustainability, accessibility, inclusion, and engagement with First Nations peoples, all of which will be considered during the delivery of Games-related infrastructure.

1.2.1 Independent Review of Venue Infrastructure

On 18 January 2024, the Queensland Premier, the Honourable Steven Miles announced a 60-day Independent Review of the Brisbane 2032 Olympic and Paralympic Venue Infrastructure (Sport Venue Review), led by former Brisbane Lord Mayor Graham Quirk. The review was informed by targeted consultation and relevant advice from a broad range of stakeholders and included consideration of the MBISC.

The Sport Venue Review recommended that the project progresses and that the size of the MBISC could be increased to a legacy capacity of 12 indoor courts and a Games-mode temporary seating capacity of 10,000, capable of hosting other events.

The Sport Venue Review indicated that these additional three courts will assist the City of Moreton Bay to meet demand for court sports now and into the future. It referenced that the growing Moreton Bay region has an existing need for 30 additional indoor sports courts that is expected to grow to 44 courts by 2041.

The Sport Venue Review indicated that increased the size of the facility will also allow for greater crowd capacity, increased flexibility of sports that could be allocated for the Games and attracting future events to the venue.

On 18 March 2024, the Minister for State Development and Infrastructure, Minister for Industrial Relations and Minister for Racing, the Honourable Grace Grace MP announced that the Queensland Government accepted the recommendation to consider expanding the MBISC from nine courts to 12 courts.

¹ Queensland's Population Future data visualisation | Queensland Government Statistician's Office, Queensland Treasury (qgso.qld.gov.au)

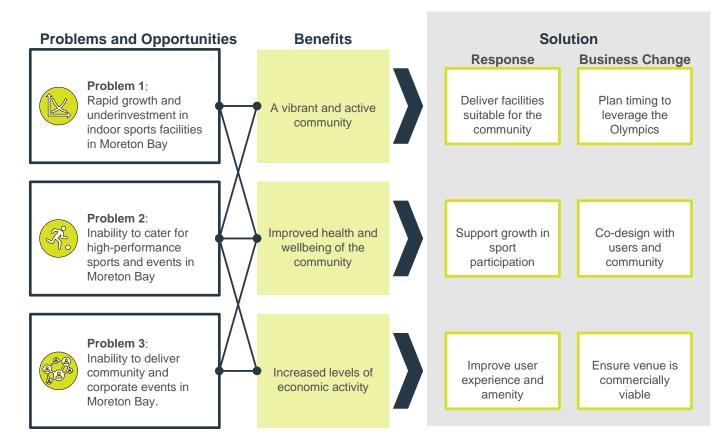
The PVR is therefore based on an expanded MBISC (rather than the specifications outlined in the IOC Future Host Commission Questionnaire Response).

1.3 Investment Logic Mapping

Investment Logic Mapping is an early-stage technique that assists in developing and documenting the case for a potential investment before a final investment decision is made.

Investment Logic Mapping was undertaken during the PVR to understand the opportunities and benefits of the new venue. A summary of the mapping outcomes is set out in Figure 1.

Figure 1: Investment Logic Mapping summary



1.4 Future use

The new MBISC will accommodate Games requirements and provide new facilities for ongoing community and event use. The MBISC will be a flexible multipurpose venue with capability to facilitate a wide range of community sports such as basketball, netball, volleyball, badminton, futsal, wheelchair rugby and pickleball. Additionally, it will be an important asset in attracting regional, state and national level competitions to the region along with a broad range of other events, concerts, presentations, conferences and trade shows, both pre-and post-Games.

2 MORETON BAY INDOOR SPORTS CENTRE

2.1 Overview

The MBISC's planned location is at The Mill precinct at Petrie, which the Queensland Government in 2016 declared as a Priority Development Area (PDA) for specific accelerated development with a focus on economic growth and community benefit.

Located on the site of the former Petrie Paper Mill, The Mill precinct consists of over 460 hectares of land, 200 hectares of which is owned by the City of Moreton Bay (regional council). This land is earmarked for specific accelerated development and is recognised as having potential to drive strong economic growth.

Of the 200 hectares of land, approximately 65 hectares is developable, and is made up of two development areas; Mill Central (35 hectares) and Mill Innovation (30 hectares). The remaining space will be reserved for civic spaces, parks and koala reservations.

Prior to the bid to host the Games, the City of Moreton Bay conducted a site selection process within the Mill Precinct, deciding on the Mill Central area.

A satellite image of the MBISC within Mill Central is provided in Figure 2.

Figure 2: Satellite image of Moreton Bay Indoor Sports Centre site within The Mill precinct



01 – MBISC site 02 – Petrie Station 03 – USC Foundation Building 04 – North Pine River 05 – Main Street

Due to the site's proximity to key transport links, including urban and regional rail networks, Brisbane Airport and the Bruce Highway, the City of Moreton Bay identified that the site has the potential to provide the region with a range of key development opportunities.

Key developments and facilities that are being sought as part of the precinct include high and medium density residential housing, commercial opportunities and retail, and wildlife conservation areas.

2.2 The options

The Moreton Bay Indoor Sports Centre PVR explored a broad range of reference design options including building siting, hall configuration and parking that would maximise pre-and post-Games opportunities and meet the requirements as a host venue for Olympic events.

The PVR process involved a multi-criteria assessment (MCA) to select a preferred reference design for further investigation. MCA is a tool that is used to compare investment proposals.

Three potential site orientations within Mill Central for a universally accessible venue that allows flexibility to accommodate a range of Olympic and Paralympic indoor sports during the Games were then shortlisted.

2.3 Options analysis

The MCA considered three options using the following criteria:

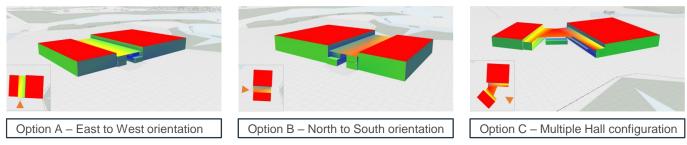
- » Constructability and affordability
- » Olympic fit-for-purpose
- » Alignment with legacy requirements
- » Environmental and sustainability.

An assessment of both the Mill Central and Mill Innovation precinct areas was concluded and the Mill Central area emerged as the preferred site location.

Three reference design options within the preferred site (Mill Central) considered include:

- » Option A Single Hall in an East to West orientation with on-grade parking
- » Option B Single Hall in a North to South orientation with on-grade parking
- » Option C Multiple Halls in a North-Western orientation with on-grade parking.

Figure 1: Reference Design Options (indicative)



2.4 Options assessment outcome

The MCA concluded that Option C (a multiple hall configuration in a North-Western orientation with on-grade parking) would be the best option to maximise the benefits sought from the new MBISC in the most cost-effective way. This was found in relation to other options considered, to provide:

- » greater flexibility in hosting concurrent sporting and non-sporting events through the separation of the multiple halls by the centralised circulation space
- » improved future expansion opportunities with either of the two halls being able to be expanded in an eastward direction to meet future demand
- w the splaying of the building and North-Western orientation provides superior responses to environmental impacts such as the sun and prevailing winds, and opens up favourably to the parkland, koala habitat and North Pine River. The parkland is vast in size and holds the unique ability for the space to be utilised for outdoor sports or events.

2.5 Moreton Bay Indoor Sports Centre key features

The key design features of the MBISC includes:

- » A fully accessible 12 multi-purpose playing courts (nine in Hall 1 and three in Hall 2) facility capable of accommodating sports such as basketball, netball, volleyball, badminton, futsal, wheelchair rugby and pickleball before and after the Games
- » 10,000 temporary seating capacity during the Games (Hall 1) and warm-up areas (Hall 2)
- » flexibility in Games mode if required to host Boxing events as outlined in the Games Master Plan, in addition to alternative sports including basketball, volleyball, handball, wheelchair rugby, wheelchair volleyball, wheelchair basketball, badminton, fencing, table tennis, taekwondo and gymnastics
- associated support facilities including change rooms, amenities, café, tenancies (e.g. sporting clubs/ associations), meeting rooms and staff office accommodation
- » opportunities for pre-Games and future beyond 2032 such as sporting and community uses, live entertainment and functions
- » best practice sustainability accommodated through the venue design targetting a 6-Star Green Star rating
- » 302 carparks on site
- » opportunities for further future expansion.

An artistic impression of the proposed MBISC is provided in Figure 2.

Figure 2: Artistic impression of the Moreton Bay Indoor Sports Centre



The ground floor plan, showing the nine indoor courts in Hall 1 and the three indoor courts in Hall 2 and the on-grade parking to the East and South of each hall, is provided in Figure 3 (page 7).





2.6 Transport linkages

The Mill precinct is in close proximity to key transport links, including urban and regional rail networks, Brisbane Airport and the Bruce Highway.

Much of the road network within The Mill, although planned for, has not yet been constructed however the future road connections will include vehicular, pedestrian and cycling infrastructure.

The Mill precinct is currently accessible via train services at Petrie Station, located approximately 720m west of the MBISC site. There is a pedestrian overpass at the station that connects Station Street (west of the station) and Bribie Circuit (east of the station). The station is serviced by the Caboolture/Sunshine Coast Line, the Ipswich/Rosewood Line, the Redcliffe Peninsula Line, and the Springfield Line.

The MBISC scope of works includes an on-grade carpark with a vehicle capacity of 302 spaces. There will ultimately be two road connections between the local arterial road network and the precinct. Within precinct the MBISC will be serviced by a network of existing and future collector and local roads.

A network of pedestrian paths and walkways and cycle lanes and bicycle awareness zones will be provided within The Mill precinct. The existing Moreton Bay Rail Cycleway provides external access for pedestrians and cyclists.

2.7 Key outcomes

The key economic outcomes and benefits of the MBISC are summarised within Table 1.

Table 1: Moreton Bay Indoor Sports Centre economic outcomes and benefits

	Employment	The project will generate short-and long-term employment opportunities. It is estimated that 178 full-time equivalent (FTE) jobs will be directly supported during the construction of the project, with further employment opportunities supported by the ongoing operations of the facility.
	Tourism	The MBISC will host state and regional events, with the ability to host international events, before and after the Games generating increased interstate and international tourism visitation and expenditure to the Moreton Bay region and Queensland.
\bigcirc	Health and wellbeing	The community health and wellbeing benefits of increased participation in sports at the MBISC include improved physical and mental health outcomes, and reduced strain on the health system within the region.
9000	Civic Pride	The project will support civic pride benefits related to the long-term community use of the facility and the use of the facility during the Games. Feelings of civic pride may lead to strong community attachment, a more active local population, improved social cohesion, a positive youth culture and an enhanced reputation for the City of Moreton Bay.
Ø	Amenity and placemaking	Construction of a new modern, fit-for-purpose indoor sports centre will increase amenity benefits for participants, spectators, staff and visitors, amenity benefits may include increased feelings of physical comfort, improved provision of safety and security and enhanced convenience. The new facility also has the potential to attract further investment in allied sport and health services.
	Local investment	Closely related to placemaking benefits is induced local investment. This is based on the premise that a anchor facility could encourage or induce local investment for a sporting precinct where there may be opportunities to invest in supporting facilities such as gyms and fitness centres, medical facilities and health and well-being practices.

2.8 Indicative Program

The construction timeline and indicative milestones identified in Figure 4 have been programmed on the basis that the MBISC will be procured through the following processes:

- » single package encompassing all scope of works (early works and construction)
- » two-stage managing contractor delivery model.

The procurement approach has been developed in accordance with the Queensland Procurement Policy, Best Practice Principles and Building Policy Framework.

Figure 4: Key milestones (indicative)



3 SOCIAL AND ECONOMIC IMPACTS AND BENEFITS

The MBISC provides the opportunity to create a contemporary, suitable, accessible and fit-for-purpose indoor sports, community and event centre that will provide a lasting legacy for the community that delivers the capacity and facility standards that will both deliver legacy outcomes and benefits and meet the Games requirements.

A Social Impact Evaluation (SIE) provided a robust methodology to evaluate the project. The purpose of the SIE and associated economic analysis was to identify economic and social impacts resulting from the project. These impacts have been quantitatively and qualitatively assessed below.

3.1 Social Impact Evaluation

Overall, the SIE identified social impacts anticipated by the delivery of the MBISC. The positive impacts of delivering the new facility include:

- » improved health and wellbeing (including mental health) outcomes for residents within the region via the promotion of indoor sport and lifestyle opportunities for the community, sporting groups and associations
- » additional training and competition facilities for sporting groups and associations
- » opportunity to host national and state events and sporting competitions
- » increased employment during the construction and opportunities for ongoing employment

3.2 Economic analysis

The MBISC is expected to provide a positive economic impact to the Moreton Bay economy as well as the broader South-East Queensland region. In addition to the economic uplift, such as employment generation and tourism, its benefits include increased community health and wellbeing through increased participation in sport, an increased sense of civic pride and increased amenity benefits for sports participants, spectators, staff and visitors that has the potential to lead to further local investment.

The economic analysis for the MBISC comprised:

- » Quantitative analysis based on an estimate of full-time equivalent jobs directly supported by construction of the project.
- » Qualitative analysis based on the socio-economic benefits achieved by the project, informed by the Investment Logic Mapping and SIE process, aligned with broader benefit assessment of the Games.

3.2.1 Employment benefits

Queensland Treasury guidelines were used to quantify employment benefits. During construction, proposed from 2026-2028, the MBISC is expected to directly support 178 full-time equivalent jobs. There would also be new operational jobs resulting from the facility's ongoing operations and maintenance.

3.2.2 Civic pride and destination branding

Based on the findings in the SIE, Moreton Bay residents are likely to place a civic pride value on the new facility which may lead to strong community attachment, a more active local population, improved social cohesion, a positive youth culture and an enhanced reputation for Moreton Bay region. This report does not quantify and monetise this impact, however, it is expected that there will be increased tourism resulting from the new facility and recognition after the Games.

3.2.3 Operational and environmental impacts

The MBISC is planned to be constructed as a sustainable venue and will target a 6-Star Green Star building rating with the Green Building Council of Australia, which aligns with the IOC's sustainability and legacy agenda. The project will be designed to maximise sustainability outcomes, reducing construction operations carbon footprint and using green materials and other technologies for construction.

An environmental assessment was undertaken as part of the PVR process, which identified the potential risks on fauna corridors, fauna habitat, to inform the project design.

The Queensland Government has strict rules and regulations for development in koala habitat areas and specialists that provide specific advice and guidance on how to reduce the impact of infrastructure projects on koalas and their habitat. Projects are required to avoid, mitigate and offset impacts to koala habitat, consider the safe movement of koalas and implement sensitive design.

GVLDA will work with specialists in the Department of Environment, Science and Innovation and the Department of Housing, Local Government, Planning and Public Works, stakeholders including environmental and community groups to ensure it delivers the project in line with the legislative framework and that the koala habitat is maintained.

3.2.4 Other benefits

The MBISC will deliver social benefits relating to increased amenity benefits for participants, spectators, staff and visitors of the facility that include increased feelings of physical comfort, improved provision of safety and security and enhanced convenience.

Closely related to improved amenity and placemaking benefits is induced local investment. This is based on the premise that a landmark facility such as the MBISC could encourage or induce local investment in the development of facilities such as gyms and fitness centres, allied sport and health facilities and health and well-being practices within The Mill precinct.

4 COST, RISK AND FINANCIAL ANALYSIS

4.1 Financial assessment methodology

A financial assessment methodology was developed incorporating all relevant state and national guidelines. The methodology was tailored to consider project complexities, stakeholder landscape, timing, and the objectives of the PVR. Figure 5 provides an overview of the financial analysis methodology.



4.2 Analysis summary

A financial and affordability analysis considered the financial implications of the project for the Australian and Queensland governments, incorporating revenue and costs over an evaluation period of 25 years

The MBISC will be funded within a \$205.5 million budget envelope funded as part of the Minor Venues Program under the Intergovernmental Agreement (IGA) between the Queensland and Australian governments.

A cost advisor developed capital, maintenance and lifecycle costs, along with risk adjustments and escalation values to inform the modelling of both the non-risk adjusted and risk adjusted costs in FY2024 real, nominal, and present value terms. Ongoing costs associated with the operation of the venue, to be funded by the City of Moreton Bay Council, such as lifecycle and maintenance costs, utilities, staffing, security, insurance and event-related costs were included in an affordability analysis.

4.3 Risk assessment methodology

Risk is an inherent part of any project and can be categorised into the following groups:

- » Planned risks: Risks that the cost of construction and operation differ from base estimates, such as likely variances in quantity and unit rate, or price, for the construction and operating phases.
- » **Unplanned risks**: Risks that relate to potential changes in the project's intended development, procurement, implementation, financing and operations.

As part of the PVR, risks were identified for the project through multiple risk workshops, with the unplanned and contingent risks and inherent and planned risks confirmed by the PVR team.

During the design and construct phases of the project, risk will be actively managed through a collaborative process aligned the Queensland Government's Risk Management Framework.

5 MARKET CONSIDERATIONS

5.1 Current market overview

Australia is currently experiencing an unprecedented boom in infrastructure investment. In the past 12 months, Queensland's pipeline of major public infrastructure projects has continued to grow, including various investment initiatives from the Queensland Health and Hospitals Plan², the Queensland Energy and Jobs Plan2³ and the Homes for Queenslanders Plan⁴. As a result, the construction market is experiencing capacity constraints, which could lead to resource constraints and limited availability of skilled labour during the delivery phase of the project. Market availability and resource pressures will be considered as the project moves into the delivery phase.

5.2 Market sounding

An external market sounding process was initially undertaken for the whole Minor Venues Program to be funded under the IGA. This led to targeted sessions to inform the delivery model assessment. A targeted engagement approach was adopted to ensure relevant and informed responses were received from market sounding participants while protecting the confidentiality of project-related information.

Feedback was sought from construction contractors and consultants (engineers and architects) on the delivery models shortlisted, as well as packaging options, procurement and construction program, risk allocation and market appetite. It was noted that participation in the market sounding process has no influence on any future procurement process for the project, but participants were given the opportunity to raise questions and provide comment. This feedback has been used to support the selection of a project delivery model and development of the cost estimate.

6 DELIVERY AND OPERATING STRATEGY

6.1 Delivery model assessment methodology

An important component of the MBISC PVR was identifying and confirming the preferred delivery model to procure and deliver the project. The market sounding and delivery model assessment methodology was aligned with relevant state and national guidelines. The delivery model assessment involved a series of collaborative workshops with representatives from the Queensland Government, the City of Moreton Bay and the Australian Government. A procurement evaluation workshop was held to:

- » discuss factors that may influence the procurement strategy
- » discuss the project in the context of a wider program of Games projects
- » agree to the key objectives and constraints of the preliminary procurement strategy
- » evaluate the MBISC scope, components and characteristics
- » evaluate and identify the preferred packaging of the asset procurement
- » evaluate and identify the preferred delivery model for the asset procurement.

² Source: The Queensland Health and Hospitals Plan, <u>The Queensland Health and Hospitals Plan</u>

³ Source: Queensland Energy and Jobs Plan <u>https://www.epw.qld.gov.au/energyandjobsplan</u>

⁴ Source: <u>Homes for Queenslanders (housing.qld.gov.au)</u>

6.2 Assessment outcomes

The delivery model analysis determined that a single package encompassing the entire scope of works (early works and construction) was preferable as it would support bidding from a wider range of construction market participants and enable efficient management of interface risks, while presenting greater opportunity for early discovery and remediation of latent site conditions, and acceleration of the overall construction program.

The managing contractor delivery model was the preferred approach as it meets Queensland Government and project-specific requirements and has been successfully used to deliver projects of a similar nature and scale. The MBISC managing contractor delivery model is a two-stage variant that sees the Managing Contractor incorporate a team of design consultants. This delivery model is well suited as it:

- » optimises the opportunity for early contractor involvement
- » provides an opportunity for acceleration of the project program, potentially resulting in escalation cost savings
- » leverages the benefits of both the traditional Design & Construct and Managing Contractor models
- » provides a high degree of flexibility and creates opportunities for incentivisation to encourage innovation and improved performance.

6.3 Operating strategy

The MBISC will be operated by the City of Moreton Bay. The facility will operate to provide a diverse mixture of open community sport access, major event exclusive access, commercial hire and subsidised community hire. The City of Moreton Bay will manage access to the venue to ensure that equitable access is maintained, and that the facility delivers legacy benefits to the community by hosting state and regional sport championships in addition to events such as concerts, conferences and trade shows before and after the Games.

7 PROJECT GOVERNANCE AND ASSURANCE

7.1 Project governance

The PVR was developed within the governance arrangements established by the Queensland Government, and consistent with the IGA, to ensure the successful planning and delivery of infrastructure projects related to the Games. The governance arrangements for delivery of the Games are set out in Figure 6.

Figure 6: Governance

Governance Portolio

Strategic coordination and oversight of the projects, programs and activities required to deliver the Games Program Governance Coordination and oversight of Games related projects

and / or activities

Project Governance

Direction and management of individual projects and project-related activities

7.2 Project assurance

The PVR was developed in accordance with various frameworks including the Queensland Government's Project Assessment Framework, Business Case Development Framework, Infrastructure Governance Framework, Infrastructure Proposal Assurance Framework, and Infrastructure Australia's Assessment Framework. An assurance plan was developed which sets out the assurance activities and identified how they would be integrated into the design of the governance arrangements, project resourcing strategy, program timeframe and budget. Figure 7 summarises the process for establishing assurance activities.

Figure 7: Process for establishing assurance activities



8 IMPLEMENTATION PLANNING

8.1 Overview

The Games Venue and Legacy Delivery Authority is the program sponsor and will lead the procurement, and program governance and coordination for the planning and delivery of the MBISC.

8.2 Procurement Planning

A procurement strategy was prepared as part of the PVR and incorporates:

- an investigation of preliminary procurement strategies that could achieve the best procurement outcomes, taking into consideration project and program objectives and market knowledge
- » appropriate identification and management of risks
- » determination of the most appropriate methodology for the formal market approach
- » development of procurement planning activities.

Procurement is to be planned in accordance with the Queensland Procurement Policy, Best Practice Principles, Building Policy Framework.

Additionally, as agreed between the Australian and Queensland governments in the Minor Venues Program, the Queensland Government will:

- » source at least 30 per cent of procurement from Queensland 'small and medium enterprises' and maximise opportunities for Australian businesses more generally
- » target opportunities for Indigenous participation and employment, including three per cent of 'addressable spend' being with Aboriginal and/or Torres Strait Islander businesses
- » target a minimum of 10 per cent, for projects valued between \$10 million and \$100 million, and 15 per cent, for projects valued over \$100 million, of total labour hours to be undertaken by apprentices and trainees or through other workforce training
- » prepare Gender Equality Action Plans to ensure a minimum of six per cent of apprentice and trainee labour hours, and a minimum of 4 per cent of trade apprentice and trainee labour hours, are undertaken by women.

8.3 Stakeholder engagement

As part of the PVR, consultation was undertaken with stakeholders including accessibility groups. A Communications and Stakeholder Management Plan will be used to engage with project stakeholders through the delivery phase of the project.

The outcomes of stakeholder engagement undertaken during the PVR development indicates a high level of enthusiasm and interest in the long-term use and broader benefits of the facility to the Moreton Bay Region. The stakeholder engagement process identified specific future uses and facility requirements across a broad range of government, sporting association, community and precinct stakeholders.

8.4 First Nations engagement

The Games presents a unique platform to highlight to a global audience the significant contribution of Aboriginal and Torres Strait Islander peoples. A Connecting with Country Strategy will inform the design and delivery of venues and villages and serve as a critical framework for new and upgraded venues being used for the Games. It will set a precedent for incorporating the principles of connecting with Country and engaging with Traditional Custodians in the design process within Queensland. The Queensland Government is committed to engaging First Nations peoples throughout planning and delivery of Games venues, including for the MBISC.

8.5 Accessibility and inclusion

The Queensland Government is committed to making Games venues fully accessible. An Accessibility and Inclusion Strategy will be used to inform the design of the venues and villages and outline best practice inclusive design principles.