



Sunshine Coast Indoor Sports Centre

Project Validation Report Summary

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Delivered by

GVLDA | GAMES VENUE AND LEGACY
DELIVERY AUTHORITY

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1 PROJECT OVERVIEW

1.1 Background

To meet the needs of a growing population and increased demand for indoor courts facilities in the Sunshine Coast region, there is a need to develop an indoor sports centre capable holding community sport and staging significant sport, recreational and entertainment events.

The Sunshine Coast Indoor Sports Centre (SCISC) aligns with the Master Plan for the Kawana Sports Precinct, which is earmarked as a hub of community and high-performance sport on the Sunshine Coast.

The International Olympic Committee (IOC) Future Host Commission Questionnaire Response for the Brisbane 2032 Olympic and Paralympic Games proposed the site to host Olympic basketball preliminary matches which are anticipated to bring significant crowd sizes and global recognition for the Sunshine Coast.

The project is considered to be a much-needed venue that would benefit the Sunshine Coast and Queensland communities, in addition to meeting host requirements for the Games.

In February 2023, the Australian and Queensland governments signed an Intergovernmental Agreement (IGA) to jointly invest \$1.87 billion in new and upgraded venues, collectively referred to as the Minor Venues Program. The indoor sports centre project is a new venue under the Minor Venues Program.

International Olympic Committee 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 Project Validation Report

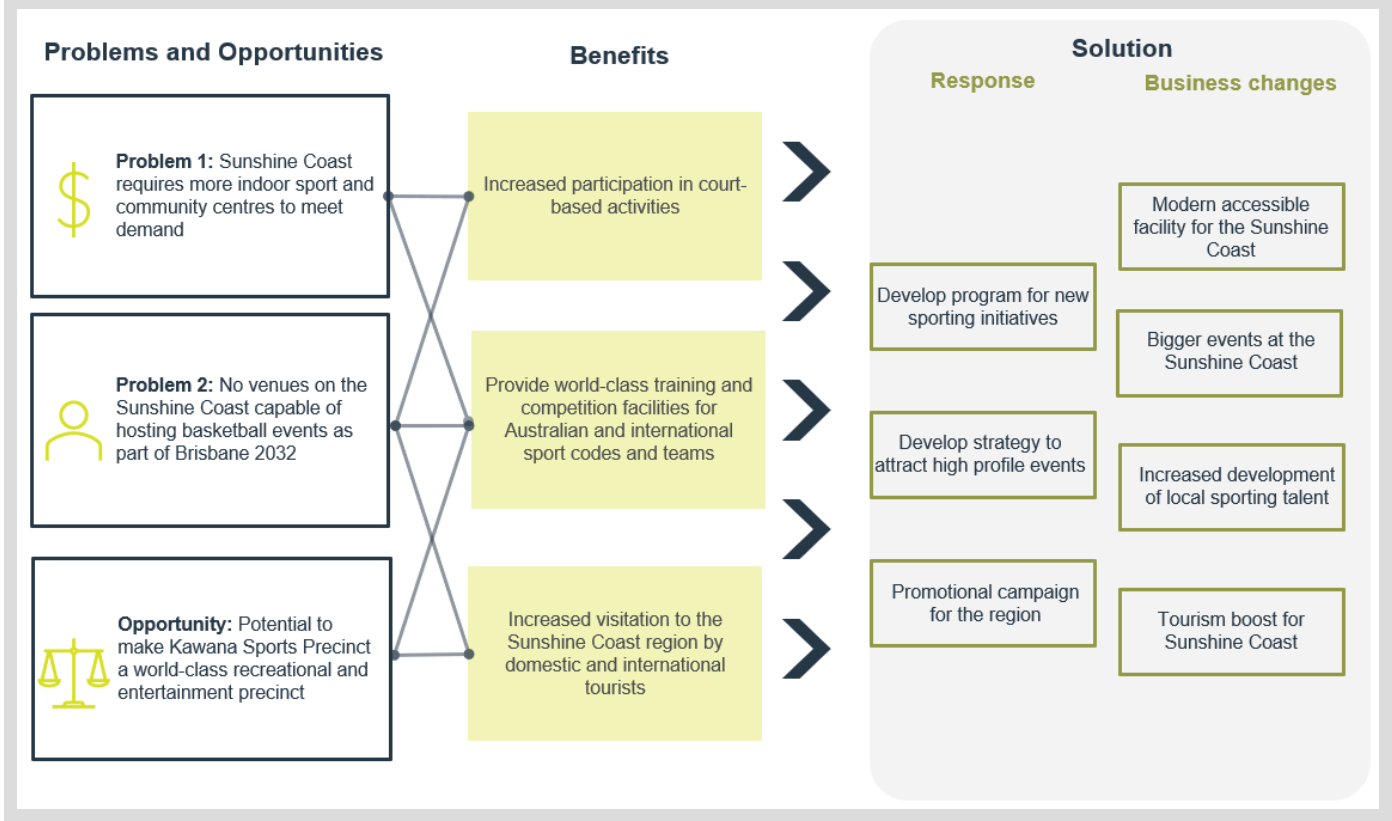
A Project Validation Report (PVR) has been developed for the SCISC to support the Queensland and Australian Governments' decision-making process and ensure the project meets the approved budget and delivers on requirements for the Games and post-Games. This summary includes key findings from the PVR and the commercial analysis that has been undertaken.

1.3 Investment Logic Mapping

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

An Investment Logic Mapping process was undertaken during the Sunshine Coast Indoor Sports Centre PVR to understand the opportunities and benefits associated with the project. A summary of the Investment Logic Mapping outcomes is set out in Figure 1 (page 3).

Figure 1: Investment Logic Mapping summary



1.4 Future use

Analysis was undertaken with Sunshine Coast Council and other key stakeholders during the Sunshine Coast Indoor Sports Centre PVR process. As well as catering for the extensive needs and growing demand for local sport and recreation activities, the assessment found it was reasonable to expect the project would attract a broad range of small to large scale events, including National Club Futsal Championships, Basketball Queensland State Championships and Queensland Volleyball State Championships.

2 SUNSHINE COAST INDOOR SPORTS CENTRE

2.1 Overview

The proposed site for the new indoor sports centre is situated to the north-east of the Sunshine Coast Stadium within the Kawana Sports Precinct. Also located within the precinct is the Kawana Aquatic Centre and Kawana Waters Police Station, which are positioned to the south and south-east, respectively. The Kawana Waters State College is located south of the Aquatic Centre and has several sports fields within the precinct.

The project, in conjunction with the adjacent proposed Sunshine Coast Stadium upgrade, presents a key strategic opportunity with the potential for additional international and major sporting events, creating a network of experiences across the Sunshine Coast region, and supporting the growing demand for a high calibre sporting venue to benefit the local community and economy.

The proposed site lends itself to developing a contemporary standard sporting facility that will support commercial opportunities beyond the Games, delivering economic benefits and a greater social return on investment for government. Development of the new indoor sports centre will create a regional and national sporting asset to support the Games and provide long-term, sustainability and legacy benefits for the community.

The location of the Project is shown in Figure 2 (page 4).

Figure 2: Location of the Sunshine Coast Indoor Sports Centre



2.2 The options

The Sunshine Coast Indoor Sports Centre PVR explored two potential locations for a venue capable of hosting a range of Olympic and Paralympic indoor sports during the Games – the Kawana Sports Precinct (site 1) and Maroochydore City Centre (site 2).

2.3 Options analysis

The two locations were assessed against the following criteria:

- » Program timing – planning approvals, design, site works and enabling infrastructure and construction
- » Olympic overlay – spatial allocations, security, transport (existing/planned), and community impact
- » Destination appeal – destination visibility and exposure
- » Budget – capital costs (including design), operational costs (Games mode), and operational costs (legacy mode)
- » Legacy value – to sport and the economy.

2.4 Options assessment outcome

Despite being a desirable location for the development of the planned Sunshine Coast Exhibition and Convention Centre, site 2 at the Maroochydore City Centre was found to be unsuitable for development as a venue to host a range of Olympic and Paralympic indoor sports.

Site constraints meant it would not be possible to build multiple courts and meet ongoing operational requirements to effectively cater for growing regional demand for indoor sporting facilities.

Further, site 2 would not satisfy the requirements of an Olympic overlay, particularly in the available space (approximately 18,000m² is required excluding field of play) and there were challenges with security. Other significant risks associated with this site included program timing and costs, which reflected the complex design requirements to accommodate the project on the site.

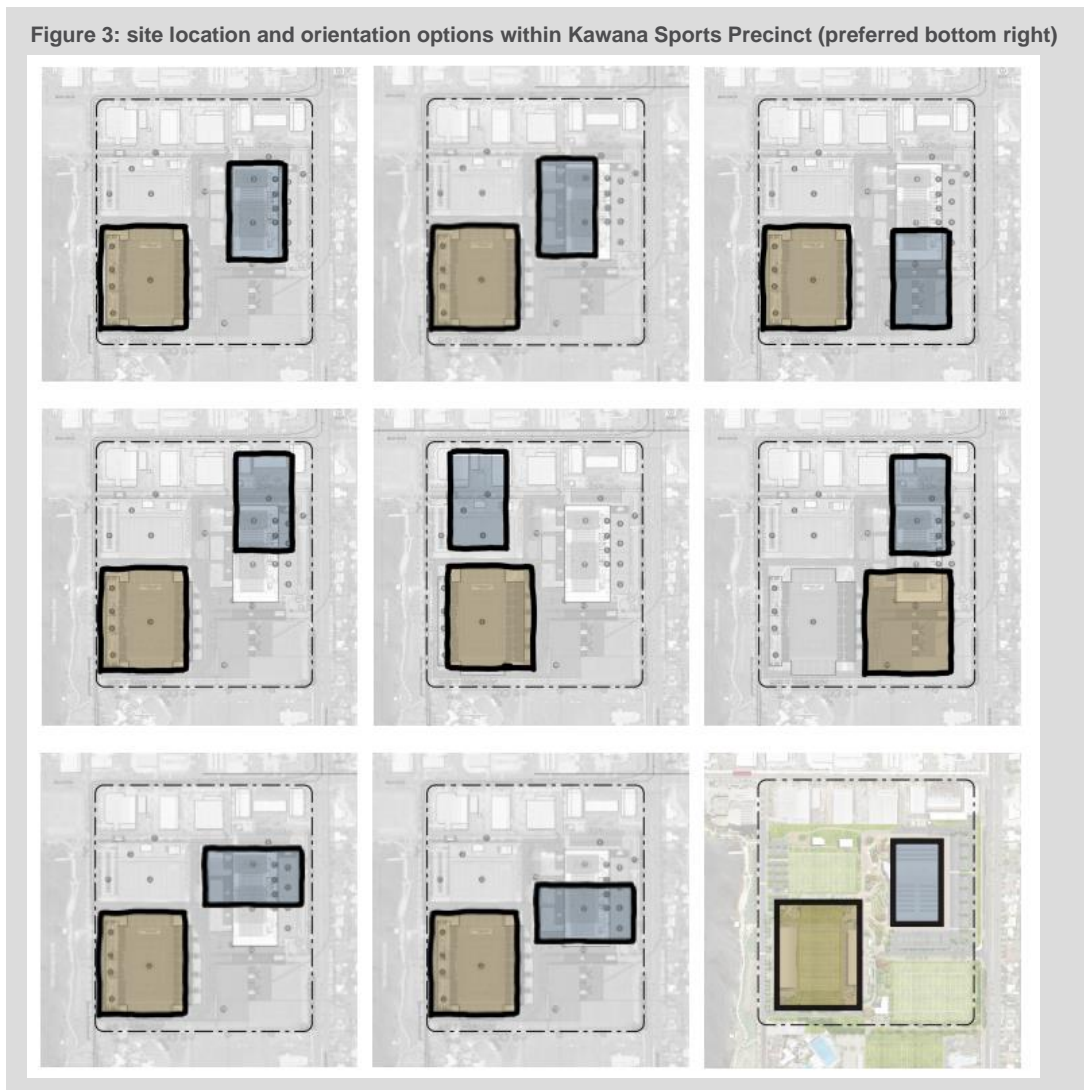
Due to the additional space available, the assessment confirmed site 1 at the Kawana Sports Precinct as the preferred location to construct an indoor sports facility that would meet the expectations and requirements for hosting a range of Olympic and Paralympic indoor sports and enhance the Kawana Sports Precinct as a hub for community and high-performance sport more broadly.

Building the SCISC at the Kawana Sports Precinct, in conjunction with expansion of the adjacent Sunshine Coast Stadium, will not only support the Games, but creates a regional and national sporting and entertainment venue providing long-lasting legacy benefits for the community.

Site location and orientation within the Kawana Sports Precinct

A range of potential locations and orientations for the project was considered within available space at the Kawana Sports Precinct, as illustrated in Figure 3. (Note: brown shading refers to the Sunshine Coast Stadium and blue shading refers to the indoor sports centre).

Figure 3: site location and orientation options within Kawana Sports Precinct (preferred bottom right)



After considering the possibilities, the optimal location for the project was found to be at the site's northeast, with a north-south orientation, as it would provide ample space for both the new indoor sports complex and existing site facilities, including Sunshine Coast Stadium. By maximising the space on either side of each venue, each facility would be able to independently host large events with a large open space serving as a spectator plaza.

The north-south orientation was chosen due to the ample space it provides between the Sunshine Coast Stadium and Nicklin Way to the east of the project. This orientation would minimise intrusion into the required 100 metre exclusion zone from Nicklin Way that is required for security, and allows the building to be located as far as possible from adjacent residences, with a 10-metre buffer to minimise acoustic impacts. Additionally, this space would ensure significant room for additional car parking accessible from Nicklin Way.

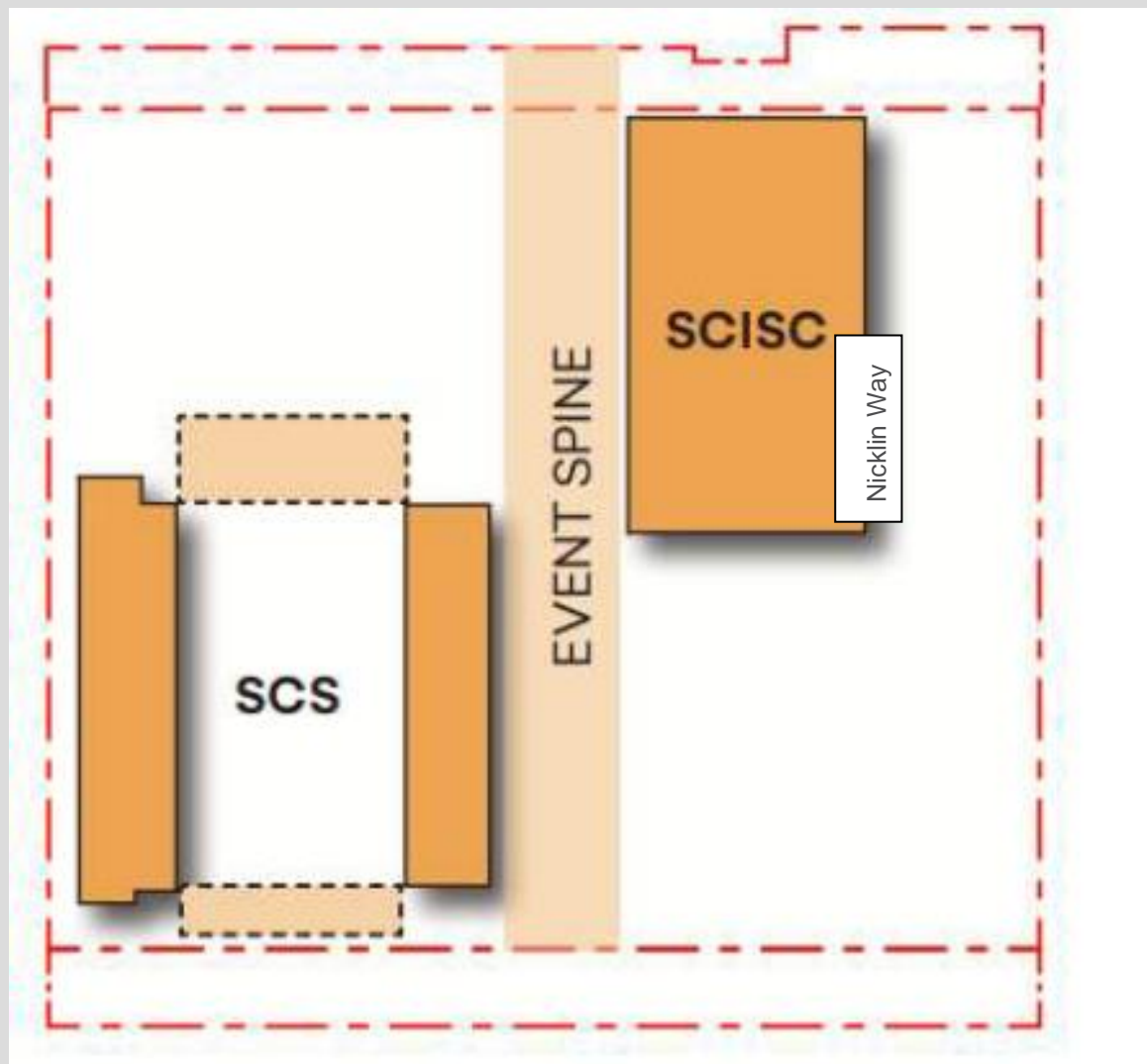
Other benefits of a north-south orientation include:

- » Entry with access from Nicklin Way all the way through to Lake Kawana
- » Improved wayfinding for users
- » Better ventilation for the playing hall.

Figure 4 displays the north-south orientation of the project within the Kawana Sports Precinct, bordered by Nicklin Way to the east and Lake Kawana to the west.

New footpaths to assist pedestrian movement within the Kawana Sports Precinct would be constructed along the event spine separating the project from Sunshine Coast Stadium.

Figure 4: Preferred orientation within Kawana Sports Precinct



2.5 Key features

The planned SCISC, as depicted in Figure 5, offers a fit-for-purpose facility that meets Olympic hosting requirements, with the ability to support professional sports before and after the Games. It features:

- » at-grade construction of the facility to minimise costs and simplify opportunities to improve accessibility
- » a two-hall configuration, with 11 multi-sport courts (seven in the main hall and four in the smaller hall)
- » split hall configuration allowing for multiple events to run concurrently with a central concourse providing acoustic separation, operational flexibility and improved movement flow
- » fully accessible sports complex
- » parking for up to 400 vehicles
- » functional areas and supporting gross floor area, including:
 - health and fitness
 - player facilities
 - amenities
 - storage
 - administration
 - function space.

Figure 5: Sunshine Coast Indoor Sports Centre (legacy mode)



2.6 Transport linkages

The Kawana Sports Precinct is close to activity centres in Maroochydore and Caloundra, with connecting bus routes such as the 611, 600, 602 available to service the proposed venue. Bus routes from Maroochydore also connect to the rail network at Nambour, which provides services to and from Brisbane.

There is vehicle access to the site from Nicklin Way (arterial road) and Sportsmans Parade (neighbourhood collector street), with four access points currently provided to the site.

Traffic and transport planning for the Kawana Sports Precinct operations has been considered as part of the design process. Under the proposed site master plan, access arrangements for the Kawana Sports Precinct will generally be maintained as per existing conditions, with the main access from Nicklin Way and minor accesses via Trade Lane and Sportsmans Parade.

A Sunshine Coast Venues Transport Working Group has been established, with representation from all levels of government, which is focused on transport planning and operations to support the Games.

2.7 Key outcomes

Table 1 describes the objectives and benefits of the SCISC development.

Table 1: Objectives and key outcomes of the Sunshine Coast Indoor Sports Centre

Objectives	Key outcome and benefits
Amenity and placemaking	<ul style="list-style-type: none"> » Activates a sporting precinct at Kawana that enhances the amenity of the Sunshine Coast region and helps to attract future funding from both public and private sources » Addresses the shortage of high-quality indoor sports venues on the Sunshine Coast with a modern facility capable of hosting major indoor sporting events
Health benefits	<ul style="list-style-type: none"> » Provides a community asset enabling people to participate in sport and increasing the overall level of physical activity for individuals and the community
Employment	<ul style="list-style-type: none"> » Expected to generate 488 short-term jobs during construction and increase the number of long-term venue-related full-time equivalent jobs » Creates employment opportunities for local residents
Civic pride and community	<ul style="list-style-type: none"> » Increases community pride, improves community outcomes including role model development and the promotion of greater social inclusion » Caters for the needs of high-performance sporting clubs and mass events with large audiences and attract professional sports teams as a viable location for a home base.

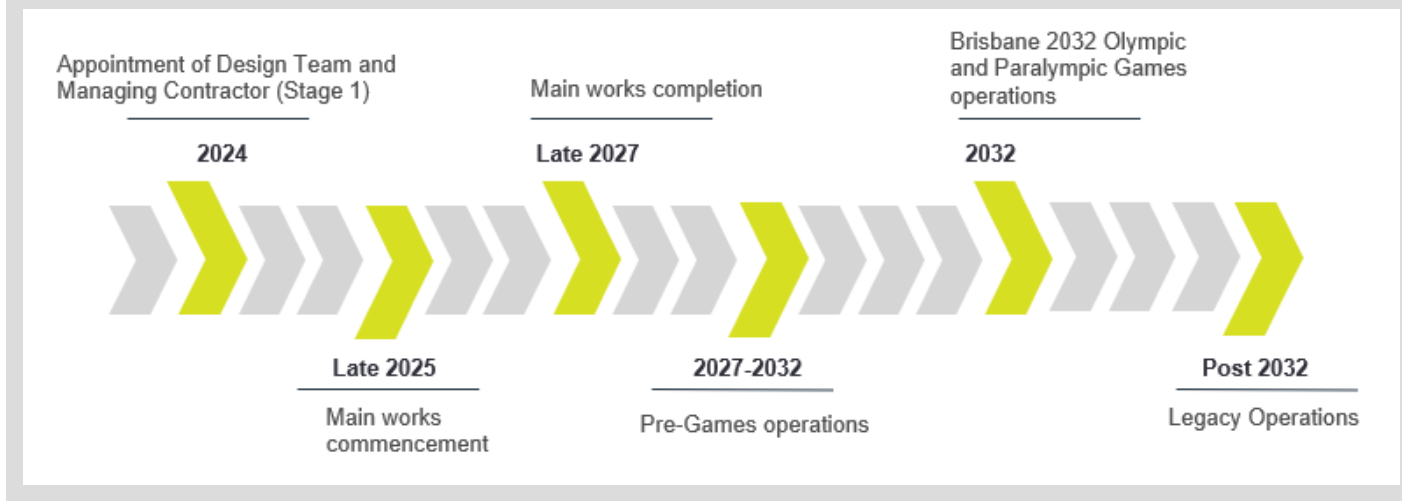
2.8 Indicative program

The construction timeline has been programmed on the basis that the indoor sports centre project would be procured through the following processes. Indicative milestones are identified in Figure 6 (page 9):

- » single package encompassing all scope of works (early works, construction of the venue and fit-out)
- » two-stage Managing Contractor delivery model.

The Department of State Development and Infrastructure has also developed a procurement approach in accordance with the Queensland Procurement Policy, Best Practice Principles and Building Policy Framework.

Figure 6: Key milestones (indicative)



3 SOCIAL AND ECONOMIC IMPACTS AND BENEFITS

The indoor sports centre project provides the opportunity to increase the amount of sporting facilities available for the regional community, improve access for users with disability, increase revenue streams from major sporting and community events, and contribute to improved community pride, health and wellbeing.

A Social Impact Evaluation (SIE) identified the changes stakeholders were likely to experience as an outcome of the project and provided a robust methodology for project evaluation.

The purpose of the SIE and associated economic analysis was to identify economic and social impacts likely to result from the development. These impacts were quantitatively and qualitatively assessed as described below. A baseline has been established comparing the social, environmental and economic impacts of the project against a scenario in which the project does not proceed.

3.1 Social Impact Evaluation

The SIE identified social impacts that could be anticipated by the delivery of the project.

The benefits included improved accessibility for users with disability, improved mental wellbeing, diversified revenue from major sporting and community events and more opportunities for community sport.

Mitigation strategies were identified to reduce impacts to visual amenity, loss of public field access and potential increases in noise, local traffic and/or parked cars in the vicinity of the venue.

3.2 Economic analysis

Benefits of the project are expected to flow beyond standard economic benefits categories, such as employment generation and tourism opportunities, to include a notional sense of 'value' related to personal and community wellbeing fostered through an increased participation in sport.

The economic analysis for the project comprised:

- » Quantitative analysis – based on an estimate of full-time equivalent jobs that would be 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, and aligned with broader benefit assessments of the Games.

3.2.1 Employment benefits

Queensland Treasury guidelines were used to quantify employment benefits. During development, the project is expected to support an annual average of 488 full-time equivalent jobs across five years of planning, design and construction. Once the centre opens, there would be an increase in operational jobs to cater for increased patronage resulting from the facility's expanded capacity and ability to host more events.

3.2.2 Civic pride and community benefits

Based on economic analysis undertaken as part of the Sunshine Coast Indoor Sports Centre PVR, it is anticipated that the project would enhance community pride and improve social outcomes in the region. Significant research¹ suggests that sporting events and sporting infrastructure can foster a sense of community pride, particularly at high-performance sporting levels.

The PVR determined that the project would help stimulate community pride, before and after the Games, by:

- » uniting community members for a common cause e.g. supporting a local or national sports team playing matches at the centre
- » providing high quality facilities, which community members would be proud to use as a place to congregate to support their club, team and local athletes performing at a high-performance level.

3.2.3 Operational and environmental impacts

It is intended that the project would be designed using innovative and sustainable operating technologies and would meet flood mitigation requirements.

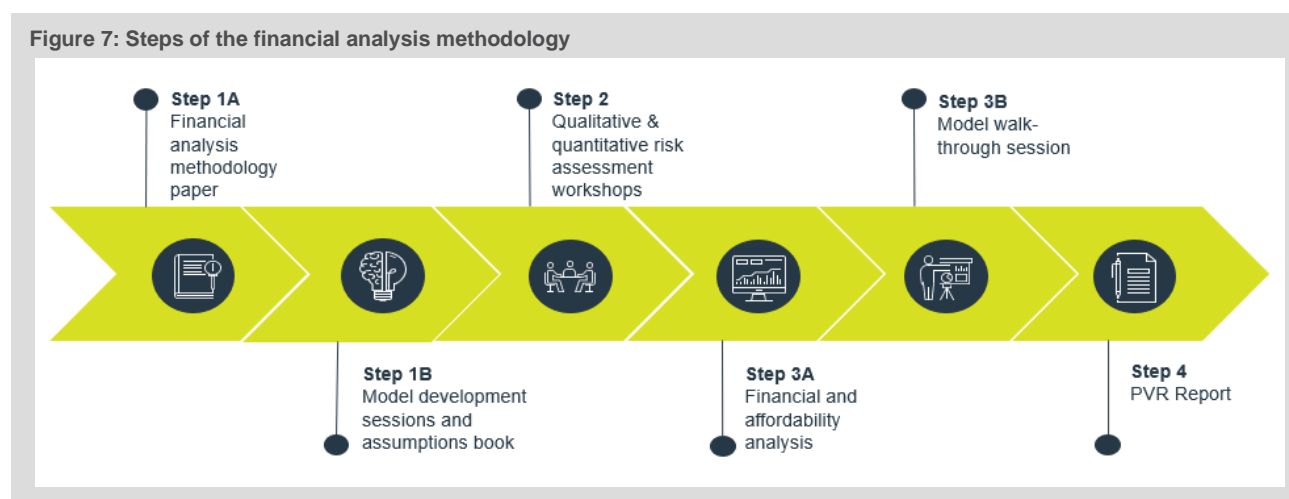
Additionally, to align with the International Olympic Committee's New Norm, the new venue is expected to be constructed as a sustainable venue targeting a 6-Star Green Star Building rating from the Green Building Council of Australia.

This would be achieved through a host of initiatives including the reuse of materials where possible, reduced construction operations carbon footprint, use of green materials for construction, and the incorporation of other technologies used during construction and operations to maximise sustainability outcomes.

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 take into account project complexities, stakeholder landscape, timing, and the objectives of the Sunshine Coast Indoor Sports Centre PVR. Figure 7 provides an overview of the financial analysis methodology.



¹ KPMG, (2018). The Value of Community Sport Infrastructure. <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2018/value-community-sport-infrastructure-australia.pdf>

4.2 Analysis summary

The financial and affordability analysis reviewed the financial implications of the project for the Australian and Queensland governments. The assessment took into account revenue and costs over an evaluation period of 25 years and compared those costs to a scenario in which the development did not progress and the facility continued to host the same events.

The project would be funded within a \$142.3 million budget envelope established by the Intergovernmental Agreement 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 non-risk adjusted and risk adjusted costs in FY2023 real, nominal, and present value terms.

Ongoing costs associated with the operation of the project, such as lifecycle and maintenance costs, utilities, staffing, security, insurance and event-related costs, were included in an affordability analysis and would be the ongoing responsibility of Sunshine Coast Council.

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. This may include risks related to inclement weather, unexpected site and/or geotechnical conditions, and hyperinflation.

As part of the Sunshine Coast Indoor Sports Centre PVR, risk was identified for the project through multiple risk workshops.

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 from various investment initiatives from the Queensland Health and Hospitals Plan², the Queensland Energy and Jobs Plan³ 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 implementation and delivery.

5.2 Market sounding

An external market sounding process was undertaken to inform the delivery model assessment for the project. A targeted engagement approach was adopted to ensure relevant and informed responses were received from the market sounding participants, while protecting the confidentiality of project-related information.

Feedback was sought from construction contractors, consultants (engineers and architects) and financiers 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 was used to support the selection of a project delivery model and development of the cost estimate.

² Source: The Queensland Health and Hospitals Plan, [The Queensland Health and Hospitals Plan](#)

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

⁴ Source: [Homes for Queenslanders \(housing.qld.gov.au\)](#)

6 DELIVERY AND OPERATING STRATEGY

6.1 Delivery model assessment methodology

An important component of the Sunshine Coast Indoor Sports Centre PVR was to identify and confirm the preferred model to procure and deliver the project. The market sounding and delivery model assessment methodology is consistent with relevant state and national guidelines. The delivery model assessment involved a series of collaborative workshops with key representatives from Queensland Government, Sunshine Coast Council 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 the wider program of Games projects
- » agree on the key objectives and constraints of the preliminary procurement strategy
- » evaluate the project scope, components and characteristics
- » evaluate and identify the preferred packages for asset procurement across the Precinct
- » evaluate and identify the preferred delivery models for asset procurement for each package.

6.2 Assessment outcomes

Due to market constraints, the delivery model analysis determined that it would be preferable to take the project to market on its own, rather than in a combined package with other Sunshine Coast projects (Sunshine Coast Stadium and Sunshine Coast Mountain Bike Centre)⁵.

It was also determined that a single package encompassing all scope of works (early works, construction of the venue, and fit-out) would be preferable because it would support bidding from a wider range of construction market participants and enable an efficient management of interface risks, while presenting greater opportunity for early commencement of construction and the re-use of materials.

A two-stage managing contractor delivery model was the recommended approach, as it met Queensland Government and project-specific requirements and has previously been used to successfully deliver projects of a similar nature and scale.

6.3 Operating strategy

Post-delivery, the SCISC would be transferred to the Sunshine Coast Council, which will operate and maintain the facility as well as retaining demand and operational risk.

This is consistent with the existing arrangement for the broader Kawana Sports Precinct.

⁵ These venues are included in the Intergovernmental Agreement signed by the Queensland and Australian Governments [Intergovernmental Agreement on the Brisbane 2032 Olympic and Paralympic Games between the Commonwealth of Australia and the Queensland Government | Federation](#)

7 PROJECT GOVERNANCE AND OVERSIGHT

7.1 Project governance

The Sunshine Coast Indoor Sports Centre PVR was developed within the governance arrangements established by the Queensland Government to ensure the successful planning and delivery of infrastructure projects related to the 2032 Games.

The governance arrangements are set out in Figure 8.

Figure 8: Governance



7.2 Project assurance

The Sunshine Coast Indoor Sports Centre PVR was developed in accordance with various frameworks including the Queensland Government's Project Assessment Framework and the Business Case Development Framework, as well as the 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 identifies how they will be integrated into the design of governance arrangements, project resourcing strategy, program timeframe and budget. Figure 9 sets out the process for establishing assurance activities.

Figure 9: Process for establishing assurance activities



The Sunshine Coast Indoor Sports Centre PVR underwent two reviews by an independent panel. The purpose of the reviews included:

- » assessing whether the proposed approach would deliver the project's objectives and benefits
- » determining whether the project was ready to invite proposals or tenders from the market
- » providing assurance that the selected delivery approach was appropriate for the project.

The reviews highlighted the strength of analysis underpinning the Sunshine Coast Indoor Sports Centre PVR and found that the delivery approach was both informed by current market conditions and appropriate to the risk profile of the project.

8 IMPLEMENTATION PLANNING

8.1 Overview

The Games Venue and Legacy Delivery Authority is the project sponsor and will provide program governance and coordinate planning and delivery of the project.

8.2 Procurement approach

A procurement strategy was prepared as part of the Sunshine Coast Indoor Sports Centre PVR and provides:

- » 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 procurement planning activities.

Procurement is to be planned in accordance with the Queensland Procurement Policy, Best Practice Principles and 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 (employment), including 3 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 being directed to apprentices and/or trainees and other workforce training
- » prepare Gender Equality Action Plans and to ensure a minimum of 6 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 management

As part of the Sunshine Coast Indoor Sports Centre PVR, the Queensland Government oversaw consultation with stakeholders including accessibility groups and potential venue users, including the Sunshine Coast Phoenix, Sunshine Coast Lightning, Kawana Waters State College and Sunshine Coast School Sport.

A Communications and Stakeholder Management Plan for the delivery phase of the SCISC is being developed and will be used to engage with project stakeholders.

8.4 First Nations engagement

The Brisbane 2032 Olympic and Paralympic Games presents a unique opportunity to highlight the significant contributions of Aboriginal and Torres Strait Islander people on a global platform.

The Queensland Government is developing a Connecting with Country Strategy to inform design and delivery of venues and villages which serves as a critical framework and policy for new and upgraded venues being used for the Games. It will set a new precedent for incorporating connecting with Country and engaging Traditional Custodians in the design process.

The Queensland Government has committed to engaging First Nations peoples throughout planning and delivery of venues, including the SCISC.

8.5 Accessibility and Inclusion

The Queensland Government has committed to making Games venues fully accessible, including the Sunshine Coast Indoor Sports Centre.

In collaboration with Games partners, the government is developing an Accessibility and Inclusion Strategy to incorporate best practice inclusive design principles.

8.6 Project integration

The Kawana Sports Precinct covers an area of approximately 5.3 hectares bounded to the east by Nicklin Way and to the west by Sportsmans Parade adjoining Lake Kawana. The northern boundary is defined by row of industrial buildings along Main Drive.

The indoor sports complex project will enhance the existing hub of community and high-performance sport at the Kawana Sports Precinct and more broadly across the region.

Figure 10: Kawana Sports Precinct Master Plan

