REPORT TITLE: **CITY HALL ACTIVATION**

REPORT PROVIDED BY: Chief Executive Officer

1. Report Summary and Key Issue

1.1. The purpose of this report is to provide an overview of the current condition and performance of City Hall and, informed by recent strategic work, to recommend actions that will enable the Hall to become a more active, sustainable and vibrant civic and cultural asset.

1.2. City Hall is a highly valued heritage building with significant unrealised potential.

1.3. Despite its location within Hobart's civic and cultural heart, the Hall is currently underutilised, financially unsustainable, and constrained by ageing infrastructure, poor functionality and flood risk. Multiple strategic studies over the past five years have consistently identified the opportunity to reposition City Hall as a key element of a broader Civic and Cultural Precinct.

1.4. This report recommends that Council adopt a clear vision for City Hall, progress the identification of an anchor tenant or tenants through an Expressions of Interest process, and work collaboratively with key cultural institutions and other levels of government to unlock the Hall's long-term potential.

2. Recommendation

That:

1. The Council identify the region centred around City Hall, Theatre Royal/Hedberg, Tasmanian Museum and Art Gallery (TMAG), Federation Concert Hall, and potentially, Council Centre, Town Hall, Civic Square/Mawsons Place as a future cultural precinct.

2. The Council agree to work with the State Government as well as the Directors and Board of the Theatre Royal, The University of Tasmania, Tasmanian Museum and Art Gallery (TMAG), Tasmanian Symphony Orchestra (and Hotel Grand Chancellor) to develop a cultural precinct proposal and business case, (potentially) including Council Centre, Town Hall, Civic Square/Mawson's Place's role within the precinct, and which would identify and prioritise future initiatives and projects to deliver maximum benefits to the community.

3. The Council develop and undertake an Expressions of Interest process to identify an anchor tenant or tenants to assume the role of custodian, facilitator and manager of City Hall (excludes tenancy

of YouthARC) with a broad aim of achieving increased use and activation of City Hall together with reduced financial reliance on the Council for the operation of the Hall.

4. *The Council work with the anchor tenant/s to identify and implement short, medium and long-term upgrades to City Hall to enable it to meet operational and user needs.*

5. *The Council develop a concept plan for the redevelopment of Market Place as a civic square for City Hall, which would also cater for adjoining businesses and be designed to mitigate the impact of future flood events. This plan would also need to incorporate Dunn Place to enable the channelling of flood water directly out to the Cove.*

3. Discussion and Background

Introduction

3.1. City Hall ('the Hall') is a much-loved city asset mostly due to its memories and potential.

3.2. It is historically significant and is included on both State and City Heritage Listings and is subject to its own Conservation Plan adopted by the Council in March 2002.

3.3. As illustrated in Figure 1, the Hall is set over (2) levels with the ground floor providing the stage and hall with a floor area of 1,180m^2, lobby, amenities, storage, several tenancy spaces as well as a large area used for YouthARC. The second level includes an office tenancy, a dance studio tenancy, as well as disused office space and amenities.

3.4. The Hall has a total occupancy limit of 1,800 people. There is also a vacant caretaker flat on this level that runs along the Macquarie Street side of the building. Historically this was leased out as a residential premises until around 2016 when fire separation issues were identified which meant it could no longer be used as a residence. The premises is currently not habitable.

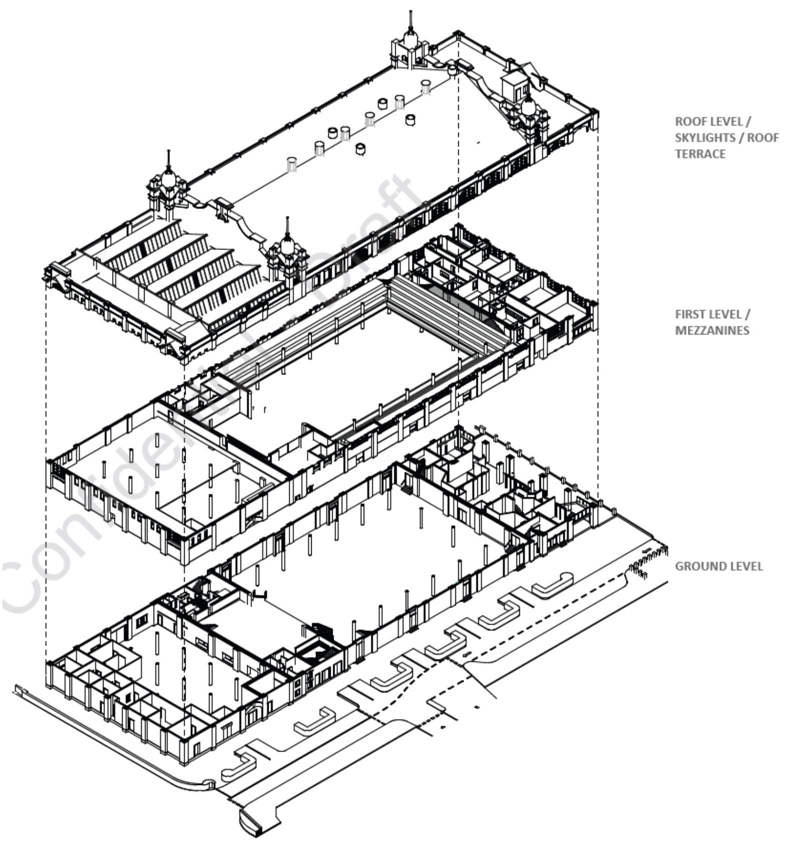


Figure 1: City Hall

3.5. Despite its proposed civic intention, the Hall suffers from an under-supply of toilets, poor quality back of house facilities (including lack of storage, wings and fly-tower), unsatisfactory sight lines, lack of an adequate heating system as well as poor acoustics and sound proofing.

3.6. Major repairs are required to the Hall along with significant upgrades and interventions in order to bring it up to standard. For instance, the building requires a loading area due to very limited storage capacity despite its vast size. This lack of storage means that the building does not provide for the necessary needs of a modern events venue as many user groups require furniture, stages, rostra, amplification equipment, projection screens, bar areas, toilets and the like.

3.7. All user groups generally agree that irrespective of its character or development issues, the Hall's space requires real sight lines, comfortable seating, warmth and insulation from noise.

3.8. The Hall stands on the original course and river mouth of the Hobart Rivulet which was directed away from the site in 1825 via the 'New Cut'. The site is low lying and is therefore prone to flooding, with flood events occurring in both the 1960's and 2018 when water up to a metre in depth surrounded the building. Current flood modelling indicates that in any one year, the site may be impacted by flood waters with a 2% chance that flooding may reach a depth of up to 1.7m. Such incidents cause not only physical damage, but also potentially restrict interest by longer term occupiers.

3.9. The Hall's site curtilage is also challenged by heavy traffic volumes, narrow footpaths and entries to the site having no thresholds or vestibule spaces from its busy surroundings.

3.10. Within this context, in recent years the Council has engaged in a number of studies and master planning processes aimed at identifying a future direction for the Hall which would increase the frequency and diversity of hall hire and maximising the community benefit that it is providing. However, there has been limited progress in achieving meaningful change in the operation of the Hall and the purpose of this report is to consider this strategic work and identify short, medium and long term actions to both reinvigorate and activate it as a valuable City asset.

<u>Current State</u>

3.11. The western portion of the Hall provides a home for the City's Youth Arts and Recreation Centre (YouthARC) which delivers youth programs. The YouthARC venue contains a range of facilities including an art studio, music studio, kitchen, versatile recreation space and a performance stage with a PA system. Some of the key features and considerations for the YouthARC space are as follows:

3.11.1. The space is used for cultural projects, fundraising, art, dance and music events as well as a place to celebrate birthdays (for 10 to 15 year olds only).

3.11.2. YouthARC is one of the only places in Hobart young people can access who don't necessarily have issues or complex behaviours they are looking to address. They come because this is a welcoming, inclusive space where they can relax and connect, outside of issues they may face.

3.11.3. Attendees can also discover arts and recreational activities designed to empower and offer opportunities for growth and discovery. YouthARC is focussed on civic and social participation, creativity, expression and identity formation. It offers a space for those not at the pointy end of socially aberrant behaviour and provides opportunities to ensure that young people at risk of disengagement and disenfranchisement are redirected through strength-based interventions.

3.11.4. YouthARC provides a vital space particularly during open access, catering for that period between finishing school and getting transport home across Greater Hobart and beyond.

3.11.5. Open Access was attended by young people from across Southern Tasmania over 4,000 times in 2025. Positive health and wellbeing outcomes are key deliverables for YouthARC.

3.11.6. Staff run outreach sessions in targeted schools to promote YouthARC as well as taster sessions during week days which target schools with students who may experience barriers to participation e.g young adult migrant English program and students with disabilities.

3.11.7. YouthARC also deliver school holiday programs in each holiday period and deliver a broad range of workshops and events. It is noted that in 2025 the team had delivered over 75 workshops and run over 23 events.

3.12. In addition to YouthARC, there are four (4) tenancies within the Hall including, Beaker Street, Phoenix Danze Hobart & Paul Johnston Architects on the upper level; as well as Nena Bookstore on the ground level fronting Macquarie Street.

3.13. The Hall area itself is managed by the City's Creative City Group, and, with a floor area of 1,180 m^2, it is marketed as a venue for exhibitions, balls, concerts, large meetings and cocktail functions.

3.14. However, the Hall currently receives a low level of use with between 20-25 events being held each year over the past five (5) years. Its highest level of use has been for:

- Concerts (between 3-9 events per year)

- Cultural events/festivals (between 3-6 events per year)

- Exhibitions (between 2-5 events per year)
- Dance Events (between 0-3 events per year)
- Boxing (between 1-2 events per year)
- Civic events (0-4 events per year)

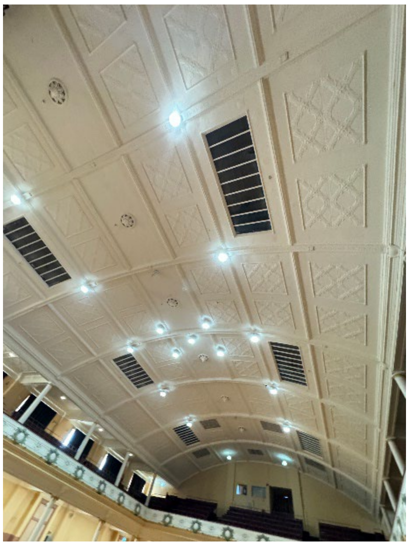
3.15. The highest earning bookings are concerts, however, the promotors of concerts advise that there is a need for these events to spill into Market Place in order to provide the necessary toilets and bar facilities, which adds to the cost of concert events and presents weather risks to the promotors. Therefore, the venue is not currently capable of hosting all concert events within its confines.

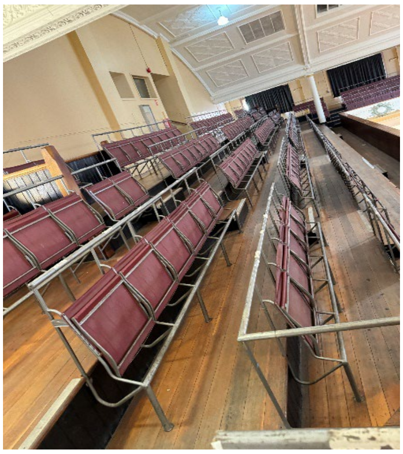
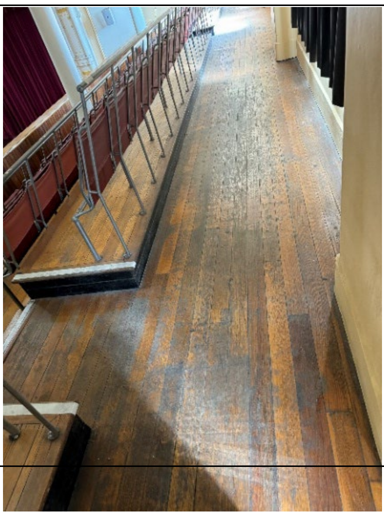
3.16. Financially, in 2024/25 the expenses for the Hall (excluding YouthARC) were approximately $273,038 (including depreciation) while the revenue received was $112,312. This demonstrates an operating loss of $160,736 for the financial year. The Hall has posted operating losses for each of the last five (5) years, which is illustrated in the 'Financial and Economic Considerations' section of this report.

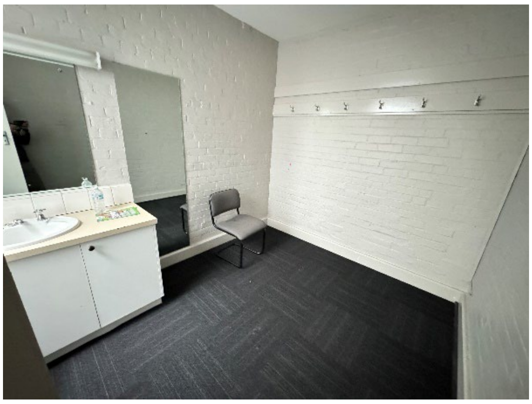
3.17. Over the last five years, the Council has committed little by way of capital expenditure on the Hall. In 2019/20 the *City Hall Renewal: Major Refurbishment project* was completed at a cost of $1.2M, which involved upgrades to the floor in the Hall, the public toilets, re-painting and the installation of fall protection infrastructure on the ceiling.

3.18. Despite the investment in 2019/20, there is a backlog of upgrade and renewal works that are currently required to support the Hall's functionality, safety, and heritage value. These works represent essential renewals which are important to ensure the Hall can continue to operate as a viable venue but also as one of the City's major Emergency Evacuation Centres. The key works are summarised in the following table:

Current Required Renewal Works	
Gutter and Downpipe Renewal This work involves replacing the ageing and damaged gutter and downpipe system. These components have deteriorated, leading to water leaks within the building and potential structural damage. The renewal will ensure effective water drainage, protect the building from weather-related damage, and maintain the facility's integrity for long-term use.	

High-Level Budget Estimate: $100,000	
Kitchen Renewal This work involves renewal of the outdated kitchen facilities by improving joinery, fixtures, and fittings. The renovation will enhance functionality, replace old appliances, and ensure compliance with safety standards. It will also improve the overall user experience for staff and visitors and support the hosting of community events. The Council needs to ensure that the Hall remains a welcoming and efficient space that serves the community's needs effectively. An operating kitchen would also be essential when the Hall is used as an evacuation centre. **High-Level Budget Estimate: $80,000**	
Audio and Lighting Upgrade (Proposed for 25/26 FY budget bids) Upgrade of current audio and lighting in the Hall to provide an improved level of service and experience. The current audio sound system and lighting does not meet the needs of the clients that hire the venue. The systems are outdated and past their lifespan. Replacement parts can no longer be sourced upon break down. Room acoustics are very poor, which make artists feel like their instruments/voice is not projected strong enough or unbalanced sound for themselves and the audience. This in turn creates an unbalanced sound across the venue. **High-Level Budget Estimate: $250,000**	

Stage Curtains and Rigging System The current stage curtains and rigging system do not meet the needs of the clients that hire the venue. The curtains and rigging system are past their life span and the curtains are no longer flame retardant due to age. Stage curtains and a rigging system are a dynamic and critical aspect of a venue being hired for live performances. The rigging system is used to secure lighting, curtains, audio equipment and/or other technical needs above the ground for live performances and events. **High-Level Budget Estimate: $80,000**	
Tiered Seating upgrade Upgrade of the current tiered seating to provide an improved level of service and experience for the audience. The current seating is past the end of its lifecycle and is in poor condition. Many of the seats are worn, ripped, and separated from their safety frames. The frames of the seating have deteriorated and are no longer safe to hold larger crowds. **High-Level Budget Estimate: $165,000**	
Upper-level timber floor renewal The upper-level timber flooring has aged, showing signs of wear, damage, and fading, which impacts both the aesthetic appeal and functionality of the space. Instead of a full replacement, the renewal will involve sanding and refinishing the existing floor to restore its appearance and longevity while preserving its original character. **High-Level Budget Estimate: $30,000**	

Reception counter renewal The work will involve redesigning and installing a modern, user-friendly reception counter that enhances the visitor experience while maintaining the building's heritage character. The upgrade will provide a more welcoming and professional environment for visitors and staff, ensuring the space remains functional and aligned with modern standards. It was the only thing mentioned in the Asset Management Plan regarding the Hall. **High-Level Budget Estimate: $25,000**	
Change rooms and toilets fit-out refurbishment The current facilities are outdated and in need of modernisation to meet the needs of employees and visitors. The refurbishment will focus on updating the layout, enhancing privacy, upgrading fixtures, and ensuring compliance with current accessibility standards. The project will create a more efficient and comfortable environment, fostering inclusivity and supporting the diverse needs of those using the facilities. **High-Level Budget Estimate: $400,000**	
Staircase renewal Renewing the Hall's staircases by installing new carpet tiles and modern stair nosing to improve both the aesthetics and functionality of the space. The existing staircase, which experiences high foot traffic, will benefit from the enhanced durability and appearance that carpet tiles provide, while the stair nosing will increase safety by offering a clearer, more durable edge on each step. **High-Level Budget Estimate: $20,000**	

Strategic Planning

3.19. As previously mentioned, the Council has been investigating potential future directions for the Hall for some time and has participated in three key pieces of strategic work:

- 2020 City Hall Masterplan by Partners Hill and Lovell Chan;

- 2020 Greater Hobart Cultural Venues Study by Inkhorn Projects; and

- 2022 Civic and Cultural Precinct by GHDWoodhead.

3.20. These strategic documents are summarised below:

City Hall Masterplan

3.21. In 2020, the Council engaged Partners Hill and Lovell Chen (PHLC) to develop a City Hall Masterplan. PHLC completed a great deal of work in investigating a range of options for the future development and use of the Hall. However, in doing this PHLC identified that any consideration of the Hall's future needs to take account of the following:

- YouthARCs need of a home, either at the site or in conjunction with an alternative centre dedicated to the welfare of the age group.

- The need for a reliable annual budget for maintenance and prevention of building fabric decay, meeting compliance needs, gradual improvement in acoustics and amenities.

- A management structure that treats the site as a whole, helps make hiring conducive and adapts a custodial position regarding the future.
- The need to provide some small improvements that would make differences including on-site furniture, AV equipment, meal management, heating, and

- Effort in raising the profile of the facility to increase its usage and actual cultural value.

3.22. PHLC proposed five (5) different options for the future of the Hall which are summarised in the following table, together with the assessment that was made by PHLC:

Option	**Partners Hill and Lovell Chan Assessment**
Option 1- Improved Business as Usual A preparation phase for future work, that lifts the profile of the facility in readiness. Uses and	The major issue of Option 1 is that although it does rate well on some criteria, many of the rating criteria cannot currently be met because of a lack of a commitment from Council for the capital works that are required to bring the building back to a certain standard.

tenancies (including Youth ARC) remain. Some simple adjustments are made to assist functionality.	If a Venue Manager was appointed, they could work towards achieving several of the rating criteria, but again this would require a commitment from Council for an annual operational budget to support both management and operations. Note: Many of the assumptions in this Option rely on there being a proper and comprehensive management and operational model in place and that there is a concerted effort to promote the Hall as a venue for hire. Some of the assumptions also rely on the development of some self-presented programs that will support achieving many of the criteria set down in each pillar; e.g. contributes to programs / services / activities for different community segments. **Preliminary 10 Year Capital investment estimate of $2.11M** This option was scored **98** out of a possible total of 160.
Option 2 - Rich Venue Major renovations and additions yield a fully functioning multi-purpose hall, tenancies and market/events building on the site. A 1,000 seat auditorium has 700 seat concert configuration, supported by a new service core. YouthARC occupies the Macquarie Rooms and Roof Terrace. Retail on Collins Street and Macquarie Street with restored facades.	Option 2 is very much an advance on option 1. By reconfiguring the rear of the building and reinstating the front of the building to its original design it will support the preservation of major heritage values of the building. By moving YouthARC to the front of the building, this option provides space at the rear of the building for storage and offices; currently the Hall has no storage facilities. This option rates well on many criteria, particularly the economic impact, however, because of a lack of a commitment from Council for the capital works that are required to bring the building back to a certain standard it remains problematic. At least with a CEO and Board, there would be a strong incentive to raise funds for the refurbishment and ongoing maintenance of the building. **Preliminary 10 Year Capital investment estimate of $13.3M** This option was scored **111** out of a possible total of 160.

Option 3 - Anchor Tenant - such as a musical headquarters An independently funded 'Anchor Tenant', such as an orchestra, is 'resident' at the site and becomes its custodian, facilitator and manager. While the orchestra often utilises the auditorium in a 'concert mode,' it remains available for public use in accord with its current function, but with improved amenity. The orchestra, its administration and its key rehearsal space are housed in new building works within the Old Market shell. Macquarie Rooms and Terrace are available for YouthARC.	From a business perspective, this option presents an exciting opportunity that would see the Hall become a permanent home for an 'Anchor Tenant.' In this option, an anchor tenant needs to be identified and then the Hall's refurbishment would in part be driven by its day-to-day working requirements. In the best of all possible worlds, Option 5 would be incorporated with this option, with the anchor tenant providing the funding for the building and Council providing the funding for the Civic Upgrade. **Preliminary 10 Year Capital investment estimate of $18.4M** This option was scored **125** out of a possible total of 160.
OPTION 4 – Youth Hub and Hall A 'Youth Hub' would consolidate many services already provided in disparate locations; Colony 47, Link Youth Health Services and YouthARC. Making an aggregate offer to youth at a single site has both common sense and well evidenced advantages. Since the Hall itself needs to remain publicly accessible, the bulk of accommodation would be provided in the Old Market; a less than ideal fit.	This option gives a major part of the Hall over to the Youth Hub concept. While this is laudable, it needs to be considered in relation to both the financial considerations of the refurbishment of the building to meet the needs of the Hub, it also needs to consider the numbers of youth who will potentially utilise the Hub. Currently, YouthARC only occupies a small part of the building, and their program is not a full-time program. Developing the Hall as a Youth Hub, apart from the physical requirements, would require a business plan to determine what the Hub would do and what its funding requirements would be. **Preliminary 10 Year Capital investment estimate of $7.9M** This option was scored **107** out of a possible total of 160.

OPTION 5 – Civic Upgrade Large venues typically need large spaces set in conjunction to marshal visitors and encourage secondary crowds. Market Place can be adapted for this purpose; it becomes the Public Hall's Public Square. Limited vehicle traffic is enabled; a scenario that has been tested previously. The Hall needs more profile, more significance and more amenity; giving it an 'urban skirt' helps**.**	This option presents an opportunity to improve the public amenity around the Hall and fulfils many of the requirements of the four pillars of sustainability. While this option does not focus on the building itself, it provides enhanced open space for both the general public, the YouthARC participants and visitors and audiences to the venue. In an ideal situation, this option would be implemented in conjunction with the one of the other options that support the refurbishment of the Hall. This option was scored **113** out of a possible total of 160.

3.23. Option 3 was the highest scoring option, which involved securing an anchor tenant such as a musical headquarters. This option also included civic upgrades around the Hall to improve public amenity based on the needs of the tenant.

3.24. However, despite it being the lowest scoring of the options, PHLC recommended the progression of option 1, which involved improved Business as Usual (BAU) with a focus on increasing activation and a curatorial model and YouthARC remaining.

3.25. The basis for this recommendation was that it is unlikely that a viable anchor tenant will have the capacity to be able to commit to such an investment within a period of 10 years and that the 'Youth Hub' model still may require a significant capital investment to achieve its preferred accommodation outcomes. PHLC also identified that the Council has no significant funds to invest itself into the Hall in the short to medium term.

3.26. The PHLC also recommended that an advisory committee or similar should be established to undertake the management of the venue which should be supported by the engagement of a Venue Manager/Creative Curator. It further recommended to facilitate cohabitation in the YouthARC end of the venue with a dance company to take on the residency of the dance studio. Finally, they recommended that capital improvements need to be progressed including flood protection, light wells and acoustic insulation in the main Hall.

3.27. Option 1, as illustrated in Figure 2 would involve minimal but meaningful soundproofing between Market Place and the Hall, installation of electric infrared heating, repairs of asset damaging items and installation of a temporary ‘Help Box’ for storage, bar/kitchen, equipment and trial of spatial arrangement.

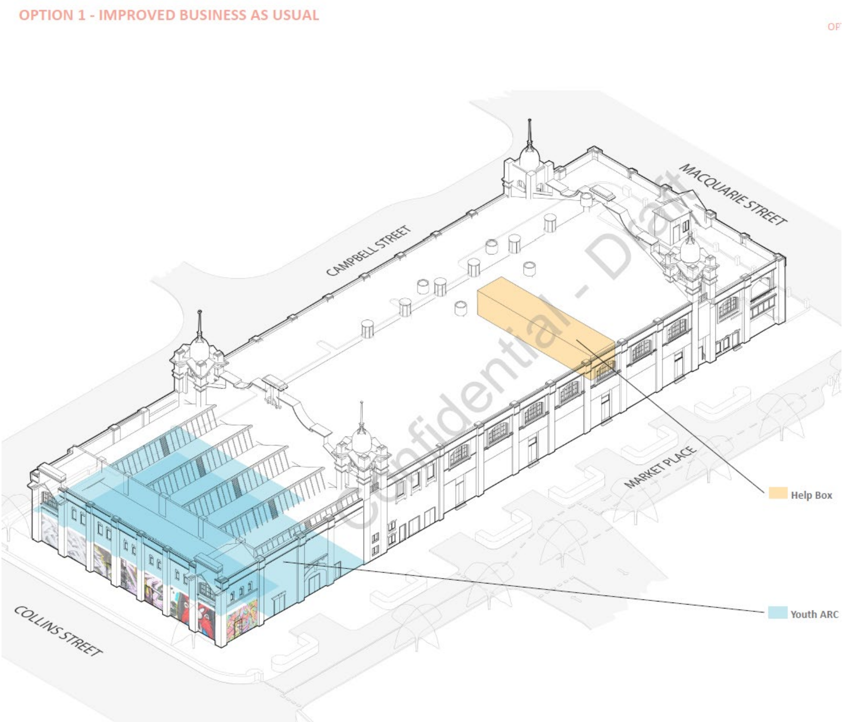


Figure 2: City Hall Masterplan Option 1

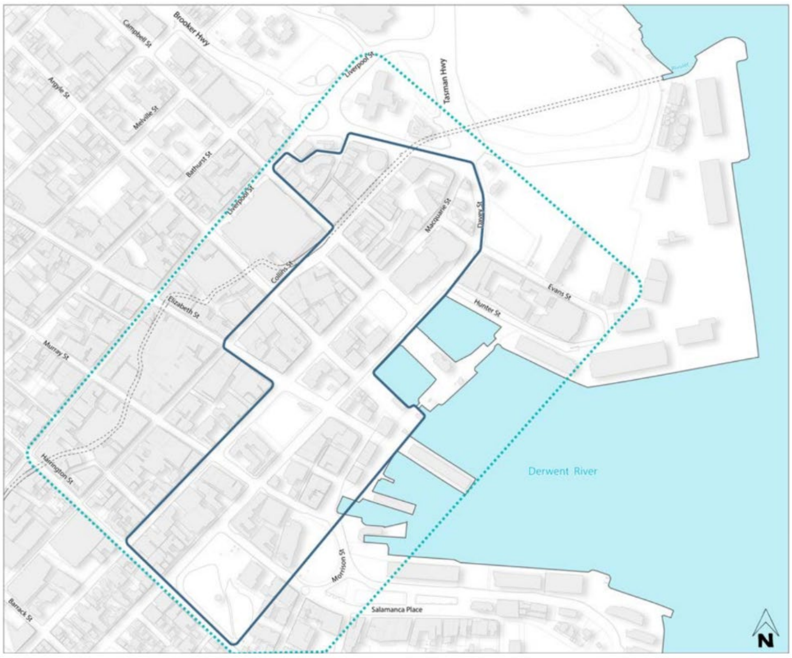
3.28. The Masterplan included an option (option 5), which proposed alterations to the urban environment around the Hall. This option could be implemented in conjunction with one of the other options that supports the refurbishment of the Hall. It was identified that large venues typically need large spaces set in conjunction to marshal visitors and encourage secondary crowds. It proposed that Market Place be adapted for this purpose by becoming the Hall’s Public Square. It was identified that the Hall needs more profile, more significance and more amenity and that giving it an ‘urban skirt’ would help.

3.29. As an urban space, rather than a converted street / footpath, civil works need to include accessibility adjustments to the entire Hall perimeter, as well as Market Place itself.

3.30. While Option 5 does not focus on the building itself, it provides enhanced open space for both the public, the YouthARC participants and visitors and audiences to the venue.

Civic and Cultural Precinct – GHDWoodhead

3.31. In 2022, the Council worked with the State Government to develop a Civic and Cultural Precinct proposal which would extend along Macquarie Ridge out to the Cove, with renowned cultural and arts venues, iconic civic landmarks, and a diverse range of activities and experiences (Refer Figure 3).



Map 01: Civic and Cultural Precinct boundary

LEGEND
Precinct boundary
Study area

Figure 3 – Civic and Cultural Precinct

3.32. At the heart of the precinct, with increased permeability to its Macquarie Street frontage, it was proposed that '*City Hall could become a connected, vibrant community and cultural hub, which would be activated day and night, with a diversity of experiences that honour City Hall's 100 year living legacy in the memories and lives of the people of Hobart*.'

3.33. Consultants GHDWoodhead completed the work on the precinct and in doing so explored the following:

- The use of the Hall, and key road and rivulet assets in the development of a new bus transit centre, and other significant projects;

- Strategic cultural opportunities within the Civic and Cultural Precinct; and

- Connectivity propositions (City to Cove and City to Macquarie Point), plus the treatment of lower Elizabeth Street, and its connection to Sullivans Cove.

3.34. Both the State Government and the City of Hobart have since ruled out the Hall becoming a bus transit centre, so this element of the plan will not progress.

3.35. However, while the precinct plan is based around the State Government transport hub model, it also articulates the importance and the opportunity to link a number of key strategic City owned sites, including: Franklin Square, Civic Square/Mawson Place, Town Hall (and the

Terroir proposal), Council Centre, Dunn Street and the City Hall – and the opportunity presented by the Elizabeth Street Vision Plan. The key site and opportunities are outlined below (and in Figure 4):

- Transform City Hall as a cultural hub and public transport centre;

- Consolidate the Tasmanian Museum & Arts Gallery (TMAG) on Dunn Place as a significant transformational project;

- Reimagine Civic Square as a public wintergarden, “tasting and sampling venue” and information hub for both tourists and locals;

- Pedestrianise the Treasury forecourt as a civic space with a multilayered landscape overlay that honours and/or differentiates both Palawa and non-indigenous cultural settings;

- Connect Brooke Street to the Treasury forecourt under Davey Street;

- Consider the reimagination and enhancement of the Town Hall Annexe and its potential to become a key space, connecting from Franklin Square to Civic Square or to TMAG; and

- Increase pedestrian amenity along Elizabeth Street (city to cove) and lower Collins Street (connecting to Macquarie Point).

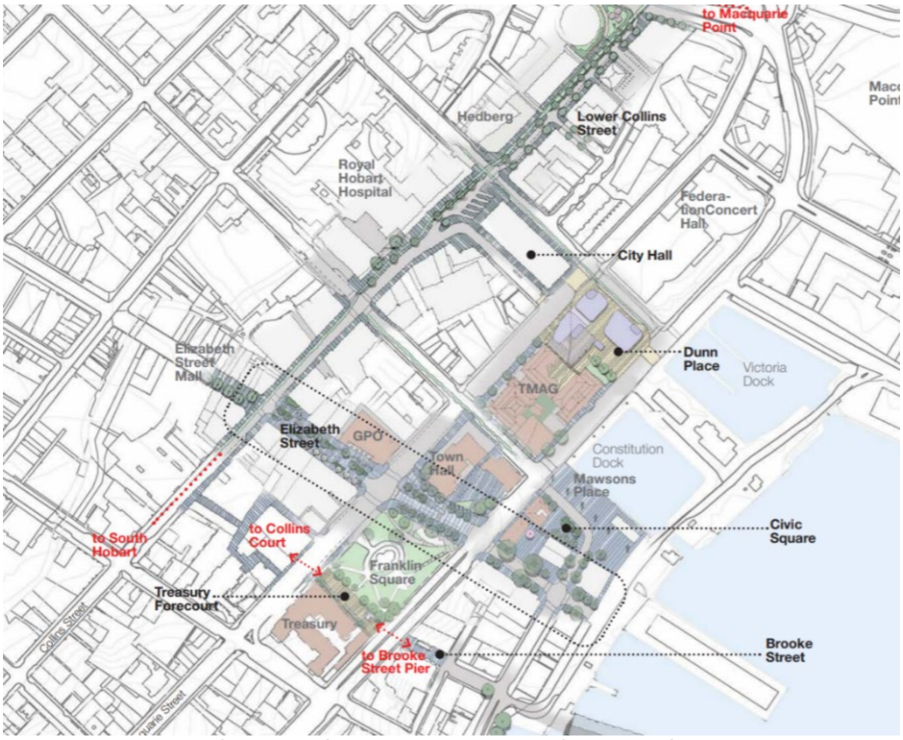


Figure 4 – Civic and Cultural Precinct: Key Sites and Opportunities

3.36. It’s important to note that the precinct plan proposed that the Tasmanian Museum & Art Gallery (TMAG) be redeveloped to occupy and “reimagine” the Dunn Place Carpark, which is adjacent to the Hall.

3.37. It is proposed that by expanding TMAG's offering to the Dunn Place site, it would ensure long-term sustainability of the state's most significant public cultural organisation and meet the local, national and global interest in Tasmania's unique and diverse cultural experience.

3.38. The precinct plan identified that TMAG's future expression on the Dunn Place site may ultimately accommodate or support a range of possibilities from a dedicated, Tasmanian Aboriginal owned and managed cultural and community facility to a federally funded Holocaust Education Centre.

3.39. Consolidation of TMAG on Dunn Place presents the unique potential to generate conditions that provide an exceptional cultural visitor experience that tells the stories of Tasmania.

3.40. With careful consideration and integration, the Dunn Place site would blend the necessary TMAG back-of-house requirements, with engaging landscapes and public interfaces, offering exemplary and commercially viable opportunities and forge TMAG's reputation as a museum and art gallery of international significance within the city's Civic and Cultural Precinct.

3.41. Given its proximity to the Hall, the redevelopment of TMAG offers the potential for the Hall to form part of a vibrant cultural experience which activates the precinct day and night.

3.42. Subsequent to the Civic and Cultural Precinct work by GHDWoodhead, the precinct was formally recognised in the Central Hobart Plan in 2023 as follows: "…the Civic and Cultural precinct Hobart's key civic buildings, such as the City Hall, Town Hall, Franklin Square and the Treasury building. Other notable buildings are cultural institutions, which include the Tasmanian Museum and Art Gallery, the Theatre Royal and the Maritime Museum of Tasmania…"

3.43. The Precinct Objectives are:

- Strengthen the identity of the area by reinforcing its role as the civic and cultural heart of the city.
- Transform pedestrian access from the waterfront area into Central Hobart, and encourage greater pedestrian movement into other neighbouring city precincts.
- Look to the future through the adaptive re-use of heritage buildings and key sites, and the creation of additional cultural and art venues.
- Talk to and be inspired by Tasmanian Aboriginal and other historical events through art, conservation, interpretation and other means.

Greater Hobart Cultural Venues Study by Inkhorn Projects

3.44. In 2020, Inkhorn Projects were engaged to complete a study of the cultural venues that exist in Greater Hobart.

3.45. One of the key threads in this study is the need to better facilitate existing resources, organisations and facilities to be “fit for purpose.” The study identified that in more recent times there has been a festivalisation of Hobart’s cultural life which has increasingly used the whole city as a stage which has created a highly decentralised model that has reduced the essential critical mass of the cultural sector. So, whereas once Salamanca and the waterfront may have been the cultural heart of the region, the last few years of arts happening everywhere has also fundamentally changed the way that arts and culture is visible as a part of everyday life.

3.46. The consultants felt that this shift has given rise to not only the potential to review the role and operation of the Salamanca waterfront, but provides the City the opportunity to consider the development of a new cultural hub in what is known as the Hobart Delta, focused around the Hall and harnessing and activating the potential of TMAG, Theatre Royal and The Hedberg as well as Federation Concert Hall. This supports the GHD Woodhouse Civic & Cultural Precinct proposal.

3.47. The study recommended that “*the City of Hobart considers formally identifying the region centred around the City Hall (with reference to the Theatre Royal/Hedberg, TMAG and TSO/Federation Concert Hall) as a cultural precinct if this can be proved to have the potential to deliver benefits to the community and sector.*”

3.48. This study noted:

- That almost all venues currently operating in the central region of Hobart need upgrading or support for general maintenance (over and above current operational funding) to make them more viable and usable. This is most acutely felt in the areas of patron and technical access, back of house functionality and general presentation.

- The sites championed have limitations due to their condition and significant backlog of maintenance requirements and are in the most need of redevelopment or reimagination.

- There is a demonstrable need for a flexible “contemporary” space to complement The Hedberg, providing performance and rehearsal spaces as well as a smaller “low risk” space for new works, dance, cabaret and live or hybrid arts practice.

- Ideally this facility would be located within the central city on a single site and complement existing facilities and activities, either through developing an existing site / sites or the conversion of an existing site. The intention would be to add to the overall capacity of the city's cultural ecology rather than shift or combine existing resources.

3.49. The study indicated that for this precinct to work, the effective "activation" of the Hall is necessary, providing a visual and programmatic connection between the Town Hall / Mercury Building / TMAG and Theatre Royal / Federation Concert Hall.

3.50. Outwardly, Hobart is equipped with a range of venues and sites that can support a wide array of performances and public activities. However, issues of appropriate and affordable venues for working, rehearsal and presentation dominate the needs of local producers and currently present the biggest gap in the venue ecology.

3.51. This, and the lack of any resident company in these venues, has also led to the overarching "venue for hire" approach for venue management in this region, with no local theatre maker or provider having an ongoing relationship with any one space. While this has allowed companies to utilise venues that are suitable (or affordable) for different works, it breaks significant connections between venues, audiences, companies, and content.

3.52. Greater Hobart is notable for the lack of an "artshouse" facility, one that acts as a home to the ambition and industry of the performing arts community that are without their own venue. These are facilities, like LaMama in Melbourne, Griffin Theatre in Sydney, The Blue Room or King Street Arts Centre in Perth, LaBoite in Brisbane and various musician clubs around the country, that help mitigate or support.

3.53. The study supported the creation of an "artshouse" facility in the City that could actively support the rehearsal and limited presentation needs for the cultural and creative community of the South. The "artshouse" concept borrows heavily from the European performing arts tradition and seeks to bring multi-discipline activities together under one roof and support the making and presentation of works.

3.54. The study identified that outside of issues of access, the Hall would be an immediate opportunity for the creation of an "artshouse" facility, especially given its location in context with TMAG, the Hedberg, Theatre Royal and Federation Concert Hall, and the opportunity to develop a greater sense of a "cultural precinct within the city which recognises that this facility is currently underutilised and requires "activation".

<u>Discussion</u>

3.55. It needs to be acknowledged that the Hall is currently underperforming in terms of both its level of use and financial results. This is not to say that the current tenants (and YouthARC) are not delivering value to the community, however, the Hall itself is underutilised and is failing to provide the level of activation and use that befits a building of such status and potential.

3.56. The City Hall Masterplan identified that the highest and best use for the Hall would be to secure an anchor tenant such as a musical headquarters. Under this option the tenant would become the Halls' custodian, facilitator and manager. It was further recommended that the Council commit to upgrading Market Place to create a Public Square to create a large event space to marshal visitors and encourage secondary crowds.

3.57. This direction from the Masterplan aligns strongly with the Greater Hobart Cultural Venues Study, which found that the Hall would be an immediate opportunity for the creation of an "artshouse" facility, especially given its location in context to TMAG, the Hedberg and Theatre Royal. It also accords with the Civic and Cultural precinct proposal that was recommended by GHDWoodhead in 2022. Further, the Venues Study recommended that the City of Hobart considers formally identifying the region centred around the Hall (with reference to the Theatre Royal/Hedberg, TMAG and Federation Concert Hall) as a cultural precinct, which is an idea of considerable merit.

3.58. Despite the strong confluence of themes and opportunities that were identified in this strategic work, the City Hall Masterplan opted to recommend the maintenance of the status quo, albeit with some identified service improvements. The basis for this recommendation was that the Council had no significant funds to invest in the Hall in the short to medium term and that an anchor tenant is unlikely to be identified with the capacity to make the financial investment envisaged in the Masterplan.

3.59. Since the development of the Masterplan, the Hall has continued to underperform over the last five years, receiving very low levels of use and deliver increasing financial losses to the Council.

3.60. Whilst it may be understandable that the Masterplan formed a conservative view in 2020, it is considered that the recommendations were based too heavily on pragmatism and untested opinions, which may or may not be accurate.

3.61. For instance, there have been several approaches to the Council over the past 18 months to manage the Hall. The Council has been approached by an independent events company to provide them with a lease of the Hall. The company indicated that it was prepared to invest in the Hall to address many of its current shortcomings for events, such as the provision of appropriate toilet facilities and bar facilities within the venue.

3.62. As has been previously discussed, in order for larger concerts to be held in the Hall, additional toilet and bar facilities need to be provided outside in Market Place. It is considered likely that an independent events company would market the venue more actively and effectively then the Council can, because it would be a core activity for the company, while it is not a core service for the Council.

3.63. There has also been interest from cultural institutions which accord with the “artshouse” proposal identified by the Masterplan.

3.64. In addition to the interest in managing the Hall, it needs to be clear that the Council has the financial means to invest in the renewal of the Hall as a vitally important asset. Further, the Council is more than prepared to work with the State and Federal Governments to fund future upgrades to the Hall and surrounds.

3.65. Accordingly, it is recommended that the Council seek to progress option 5 that was identified in the Masterplan and undertake an Expressions of Interest (EoI) process to identify a principal tenant or tenants for the Hall. However, it is recommended that YouthARC be retained as a standalone use within the Hall.

3.66. It is recommended that the EoI process be broad in nature in order to attract as wide a range of interested parties/proposals as is possible. The Council would have two key goals in the EoI process which would be to increase the use/activation of the Hall and to reduce the financial reliance on the Council for the operation of the Hall.

3.67. It is also recommended that following the EoI process the Council work with the anchor tenant/s to identify and implement short, medium and long-term upgrades to the Hall to enable it to meet operational and user needs.

3.68. Should it make a significant difference in being able to realise the potential of the Hall with a principal tenant or tenants, the Council could explore the possibility of relocating YouthARC to a purpose-built facility on the Mathers /Criterion House site in Bathurst Street in the medium to long term. There is a genuine opportunity to further develop this site, particularly the air rights, and there could be a “win:win” scenario whereby YouthARC is able to operate and provide services to the City from a central site within the CBD, while the Hall may be able to be operated more in accordance with its true potential by freeing up the space currently occupied by YouthARC.

Mathers/Criterion House in Bathurst Street, Hobart

3.69. There is little doubt that for the Hall to have a vibrant and active future, the Council must adopt a vision and ambition for the Hall and/or be committed to investing sufficiently in and around the Hall to realise this vision.

3.70. The vision for the Hall to become an important part of a vibrant Civic and Cultural Precinct would provide a ‘North Star’ which would focus efforts to activate this important city asset.

3.71. Indeed, the creation of a Civic and Cultural Precinct would present the opportunity for the Council to partner with a potential anchor tenant and the State Government to seek funding as part of the Federal Government’s Urban Precinct and Partnerships Program (uPPP) or similar funding program. This could involve redevelopment of any combination of the buildings including the Hall, TMAG and potentially the Council Centre or the Civic Square/Mawsons Place. Accordingly, this is a recommendation of this report.

3.72. The redevelopment option for the Hall that was developed by the Masterplan estimated a cost of $18.4M in 2020, so the cost is likely to be higher given the inflationary impacts on building costs in recent years. Equally however, a part of this uPPP application, it would also need to include the redevelopment of Market Place, including addressing the flooding risk that exist in this area of the city. It has been previously established that a flooding solution will need to utilise Market Place and Dunn Place to provide the necessary flow paths. Accordingly, the redevelopment of TMAG and the Hall ideally should be considered together.

3.73. Whilst the Hall is not suitable as an evacuation centre for flood-related emergencies, it will continue to serve as a centre to provide shelter during other emergencies such as bushfire, structural fires, pandemics and mass casualty incidents etc.

3.74. Therefore, the above redevelopment would need to include and benefit the ongoing use of the Hall as an Emergency Evacuation Centre, which is an important role that the Hall plays for the City which will need to be continued amid any refurbishment plans and/or tenancy agreements.

3.75. It has already been established that the Hall is located in an area which is subject to flooding and that flooding around the whole building reaches between 1m deep and 1.7m deep in a 1% (100 yar ARI) event and nearly as deep in a 2% (50year ARI) event (Figure 5).

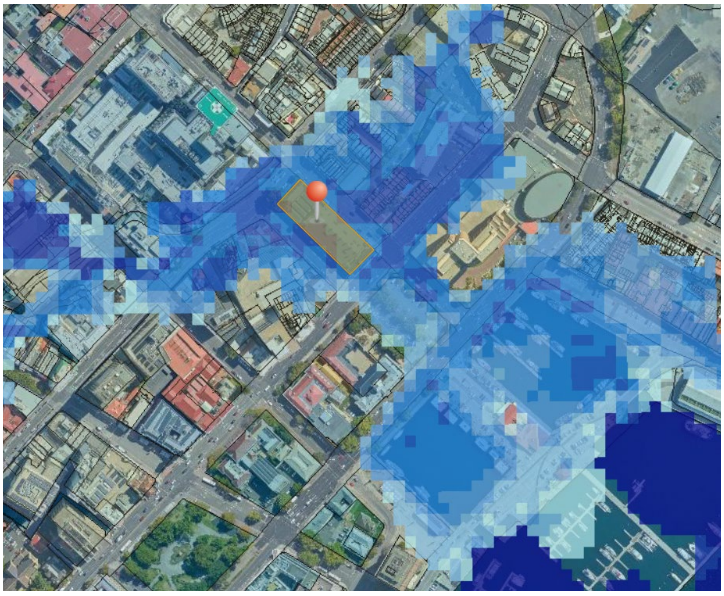


Figure 5 – City Hall Flood Map

3.76. It is noted that in the 2018 Southern Tasmania Extreme Weather Event (STEWE), the Hall and surrounding areas were significantly impacted by flooding. The ground level of the YouthARC facility was most seriously impacted with the entire internal facility having to be rebuilt. Most of this expenditure was subsequently recovered from the Federal Government using Disaster Recovery Funding.

3.77. The Council's Stormwater and Waterways Team have examined the Masterplan's flood mitigation proposal and believe that as the Hall is in the low point on the land, flood water cannot be effectively pushed from one side to another as proposed by flood barriers and gates.

3.78. The Team has identified that there are two (2) possible alternative options to manage flooding in this locality:

3.78.1. Provide flood protections into the building design itself, (i.e. flood doors and seal up vents), and/or

3.78.2. Manage the flooding in the whole area. This would be a much larger project and involve significant cost and design, however, it has the distinct advantage of also benefitting a large number of surrounding buildings.

3.79. Accordingly, it is recommended that the Council pursue the second option to explore whether the flooding in this locality can be managed through a redevelopment of Market Place and Dunn Place to enable the channelling of floodwater directly out to the Cove.

4. Legal, Risk and Legislative Considerations

4.1. In terms of the legal, risk and legislative considerations it will be important to ensure that the Expressions of Interest process is carried out in a legally compliant manner and the ensure this the Council's Legal and Governance Team will be included in the cross-organisational team to deliver that process.

4.2. The Hall itself is subject to several statutory requirements in terms of its use, in particular the *Building Act 2016* as it relates to the occupancy permit for the use of the venue. Any plans to redevelop and/or upgrade the Hall will need to ensure compliance with this legislation.

4.3. There is a known flood risk for the Hall and progression of the report's recommendations will commence a process to mitigate this risk over time.

5. Strategic Planning and Policy Considerations

5.1. The following sections of the *Capital City Strategic Plan 2025* are relevant to the proposal contained within this report:

- Hobart's cityscape reflects the heritage, culture and natural environment that make it special. (Outcome 1.2)
- Hobart is a creative and cultural capital where creativity is a way of life. (Outcome 3.1)
- Civic and heritage spaces support creativity, resulting in a vibrant public realm. (Outcome 3.4)
- Hobart's economy reflects its unique environment, culture and identity. (Outcome 4.1)
- Hobart's economy is strong, diverse and resilient. (Outcome 4.4)
- Infrastructure and services are planned, managed and maintained to provide for community wellbeing. (Outcome 7.3)

6. Financial Viability

Financial Considerations:

6.1. If the Council were to agree with the recommendations, there would need to be financial resources provided to deliver the recommendations. These would include:

6.1.1. The development of a Cultural Precinct proposal and business case, together with the development of a concept plan for the development of Market Place would require a Council commitment in the order of $150-$200K, which would need to be supported by contributions from the State Government entities within the precinct. There is significant flooding, traffic and operational needs to be considered as part of a proposal, which may be able to be partially funded through external grants.

6.1.2. An Expressions of Interest (EoI) process to identify an anchor tenant would be largely able to be completed within existing resources, however, some specialist support may be required. Accordingly, an amount of approximately $30,000 should be allocated.

6.1.3. Following the EoI process there would be a need for the Council to commit capital funding to the Hall, the quantum of which would need to be determined with the anchor tenant/s. As a guide, the key works that have currently been identified in this report total $1,162,000. However, the Masterplan identified some larger cost works that would need to be worked through with the proposed anchor tenant or tenants. Some of the larger works include:

Description	Cost
Acoustic and mechanical treatment throughout	$2,200,000
New back of stage areas including loading dock, goods lift, storage	$2,480,000
Install a permanent "Help Box" has retractable seating, wet bars, kitchen facilities	$1,110,000
Ground Floor - Old Market is restored for Booking Office, Foyer, Amenities, Rehearsal Space	$2,355,000
Fully restored fire escapes and toilets	$985,000

Financial and Operational Performance

6.2. The financial performance of theHall between 2020/21 and 2024/25 is provided in the following table.

City Hall 2020/21 to 2024/25 (excluding Youth Arc Operations)

	20/21	21/22	22/23	23/24	24/25
Expenses					
Labour Charges	$829	$860	$1,329	$0	$954
Water and sewerage charges	$27,496	$20,977	$19,213	$27,664	$28,595
Materials	$834	$0	$40	$180	$0
Stock Purchases	$115	$92	$0	$0	$0
Security - Council Buildings	$3,349	$340	$0	$0	$0
Energy Costs – Light, Power, Heat	$0	$130	$274	$0	$102
Energy Costs - Contestable Sites	$20,527	$20,817	$14,666	$11,191	$25,209
Maintenance Heating Ventilation & Air Conditioner	$1,407	$7,113	$5,880	$2,320	$1,614
Land Tax (City Hall excl Youth Arc)	$20,740	$20,728	$36,466	$36,468	$36,466
Contractors - Works	$17,801	$48,353	$24,322	$33,078	$29,058
Contractors - Electrical	$17,280	$12,429	$10,801	$14,239	$39,351
Contractors - Plumbing & Minor Works	$1,675	$11,422	$11,648	$2,399	$12,629
Contractors - Asbestos Removal	$0	$0	$0	$165	$0
Contractors - Hygienic Services	$0	$110	$0	$0	$0
Internal Charges	$0	$99	$0	$0	$0
Devine Management (4.5% of Rent Collected) Nena Bookstore /Paul Johnstone	$258	$258	$270	$297	$898
Provision for Lease Management					
TOTAL	**$112,311**	**$143,730**	**$124,910**	**$128,001**	**$174,876**
Revenue					
Fees and Charges - Hall hire (External)	$31,944	$92,097	$84,121	$73,839	$64,643
Fees and Charges - Hall hire (Internal) Waived Fees/In-Kind/Grants	$3,558	$1,000	$1,000	$4,963	$1,000
Reimbursement / Refund	$0	$0	$25	$0	$0
Rental	$23,543	$24,167	$23,944	$31,137	$46,669
TOTAL	**$59,044**	**$117,264**	**$109,090**	**$109,939**	**$112,312**
RESULT (excl. Depreciation)	**-$53,267**	**-$26,467**	**-$15,821**	**-$18,062**	**-$62,564**
Depn - Buildings (City Hall excl Youth Arc)	$44,537	$46,844	$58,076	$94,229	$98,172
RESULT (incl. Depreciation)	**-$97,804**	**-$73,311**	**-$73,897**	**-$112,291**	**-$160,736**
Number of Events	21	20	25	24	24
Nature of Events	Concert (3) Boxing (1) Cultural Fest (8) Exhibit (5) Rally (1) Dance event (3)	Concert (9) Public Meet (2) Cultural Event (1) Polling Cent (1) Boxing (2) Exhibition (2) Christmas Pageant O.flow (1)	Concert (7) Exhibition/Art Instillation (6) Dance event (3) Cultural Event (5) Wedding Rec (1) Boxing (1) Conference (1) Q & A Event (1)	Concert (6) Boxing (2) Cultural Event (7) Polling day (2) Exhibition (1) Dance event (3) Book Launch (1) Beaker St Fest (1) Cat Show (1)	Concert (6) Boxing (2) Cultural Event (7) Polling day (2) Exhibition (1) Dance event (3) Book Launch (1) Beaker St Fest (1) Cat Show (1)

City Economy Strategy:

6.3. This proposal aligns to the following strategic priorities listed in the City of Hobart City Economy Strategy 2023 – 2028:

- Plan for our collective social, economic and environmental prosperity, by:
    - Delivering initiatives that expand or enhance our night-time economy programs in the City; and

    - Partnering with government and business to develop programs that support local inventiveness and innovation.

- Position Hobart as an enviable place to visit, live and do business, by:
    - Partnering with Government stakeholders to grow the recognition of our competitive advantages.
    - Advocating for infrastructure which is strategically important to the city and the region including cultural, transport and community infrastructure, and
    - Delivering programs to foster night-time economy, cultural and creative activity that enhances the visitor experience and supports business in the city.

7. Climate and Sustainability Considerations

7.1. A major focus of the work proposed by this report will be the management flood water for the City. The Council's *2040 Climate Ready Hobart Strategy* indicates that climate change will lead to more frequent and intense rainfall events, increasing flood risks.

7.2. This report is consistent with the Strategy's priority to 'Improve planning of climate and disaster risk across Hobart's built environment, both municipal and private sectors.

8. Community and Business Engagement and Collaboration

8.1. There will be a need for a broader public engagement process which will need to be determined.

8.2. If the recommendations are supported by the Council, it is intended that the implementation would include:

8.2.1. Forming a cross-organisational team to develop and run an Expressions of Interest process to identify an anchor tenant for the Hall and to develop a plan for short, medium and long term upgrades to the Hall.

8.2.2. The CEO would form a working group of representatives from the State Government, Theatre Royal, UTAS, TMAG, Tasmanian Symphony Orchestra and Hotel Grand Chancellor to progress the development and project and funding of a cultural precinct proposal.

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.

Michael Stretton
CHIEF EXECUTIVE OFFICER

Date:	25 March 2026
File Reference:	F26/17135