

**ECONOMIC
FEASIBILITY**

5



5. CONCEPT ECONOMIC FEASIBILITY AND TIMING

5.1.1 COST ESTIMATES - STAGE 1

DISCLAIMER

This report has been prepared on the instructions of the stated party. The data, analysis and findings contained in this report are, therefore, not appropriate for use in any other circumstance. The report contains a series of projections and forecasts, which have been prepared on the basis of the best available information. Due to the dynamic nature of many of these issues and the number of variables involved, RPS can give no guarantee that these forecasts will be realised.

STAGE 1: 2011 - 2016

Stage	Project no./ref	Area		Notes	Construction Cost		Associated Realisation
					Estimates		
					\$ / unit	Total Estimated Cost	\$ / unit (NET)
1 priority 1	(2) Arrival Centre	1,000	m2	New building (NB1), train station, visitor arrival, ticketing, museum retail.	\$2,500	\$2,500,000	12,000 additional visitors/ \$62,000.00 regional expenditure
1 priority 1	(3) Arrival square	2,000	m2	Outdoor space upgrade, installation of relocated turntable and rail upgrades	\$500	\$1,000,000	51,000 additional visitors to new rail experiences; \$3,417,000 regional expenditure
1 priority 1	(5) New road link and parking	240	linear m	240m x 10m width, new road link	\$2,000	\$480,000	n/a (cost to council)
1 priority 1	(6) Heritage skills centre	5000	m2	Adaptive reuse of Part R3, R4, R5, R6, R7 sheds. Includes basic upgrade of sheds for workshops, training facilities (TAFE), artist studios, display areas and retail. Development of this facility may span over three stages. Internal fit out and equipment not included.	\$1,000	\$5,000,000	\$250,000/annum rental revenue
1 priority 2	(1) North Street improvements	300	linear m	This project is external to the study area. Likely to be a government funded initiative	n/a	n/a	n/a
1 priority 2	(4) Information centre	165	m2	This building is in good condition and can be used as is. Minor refitting costs may be incurred	n/a	n/a	n/a
1 priority 2	(7) Multi purpose exhibition hall	3,500	m2	Budget allowance for basic building renovation, requires further detailed costings	\$1,000	\$3,500,000	\$5000/event @50 events/year; \$250,000 revenue
1 priority 1	(8) Power House Museum	1,321	m2	Based on 2009 cost estimates obtained by Workshops Museum, building renovation work only, does not include museum fit out and display material.	\$2,233	\$2,950,000	22,000 visitors @ \$8/ticket; \$176,000.00 additional ticket revenue to Queensland Museum
1 priority 2	(9) Cycle and pedestrian link	250	linear m	This project is external to the study area.	n/a	n/a	n/a
1 priority 2	(10) Outdoor stage/events space	60	m2	Light weight stage structure	\$900	\$54,000.00	\$500/night x 40 events: \$20,000/yr revenue
1 priority 2	(11) Bremer riverfront upgrade	Unknown		Cost estimate not within the scope of this brief	n/a	n/a	n/a

5. ECONOMIC FEASIBILITY

5.1.2 COST ESTIMATES - STAGE 2

STAGE 2: 2017 - 2021

Stage	Project no./ref	Area (m2)		Notes	Construction Cost Estimates		Associated Realisation
					\$ / unit	Total Estimated Cost	\$ / unit
2 priority 1	(12) North Street commercial/retail	1,850	m2	Basic building refurbishment of existing structures for commercial, museum offices and retail. Excludes internal fit out and equipment.	\$1,500	\$2,775,000	1000m2 @ \$170/ m: 170,000/yr revenue
2 priority 1	(13) New car park	160 bays		Rail lines to be kept and protected from potential damage .	\$3,100/ bay	\$496,000	n/a
2 priority 1	(14) Museum extension	4,600	m2	This existing shed appears to be in condition. Rail lines to be maintained . Does not include internal fit out and museum displays etc.	\$800	\$3,680,000	additional 12,280 visitors @ \$16/ticket; \$196,480.00 revenue
2 priority 2	(17) New parking court	100 bays		Serves short stay accomm, sustainability centre etc.	\$3,100/ bay	\$310,000	n/a
2 priority 2	(15) Parkland entry	30	m2	New entry to the precinct from parkland. Covered entry / gateway.	\$1,200	\$36,000	n/a
2 priority 2	(16) Park Square and facilities	450	m2	Retail, visitor centre, coffee shop, display areas, ablutions etc.	\$1,200	\$540,000	\$180 for 200m2;
2 priority 2	(16) Park Square and facilities	1,800	m2	Landscaped areas, benches, gardens etc.	\$50	\$90,000	\$36,000/yr revenue
2 priority 2	(18) Sleeper carriages	32	luxury	Assumed that decommissioned coaches are available to be reused. Some fitout cost has been adopted to bring them to an appropriate standard for use.	\$12,000 per cabin	\$384,000	\$409,000.00/yr \$160/ night x 80 nights x 32
		100	room- ettes	Assumed that roomettes are available to be used. Some fitout cost has been adopted to be them to an appropriate standard for use.	\$6,000	\$600,000	\$375,000.00/yr \$25/night x 80 nights x 100
2 priority 2	(19) Sustainability education entre	700	m2	Assuming the lease of this facility.	\$1,900	\$1,330,000	\$60m2 :\$42,000.00/yr
2 priority 2	(20) Bremer upgrade	n/a	n/a	Not included within the scope of this project.			

5.1.3 COST ESTIMATES - STAGE 3

STAGE 3: 2022 - 2027

Stage	Project no./ref	Area		Notes	Construction Cost Estimates		Associated Realisation
					\$ / unit	Total Estimated Cost	\$ / unit
3 priority 1	(23) QR maintenance shed	4,000	m2	New industrial shed, for carriage maintenance	\$700	\$2,800,000	n/a
3 priority 2	(28) Esplanade road to Bremer parkland			External to study area	n/a	\$-	
3 priority 1	(21) Food court canteen	1,386	m2	Existing building R16, supply additional outdoor seating and food court with approx. 5 food and beverage suppliers	\$20,000 per food outlet	\$100,000	\$180, \$180,000/yr revenue
3 priority 2	(22) Health and recreation club	1,600	m2	upgrade of R9 (1000m2) and new build(600m2), gym, sports facility, bowling, laser quest, basic costs, does not include internal fitouts and equipment	\$1,688	\$2,700,000	\$120 (tbc) \$192,000/yr
3 priority 2	(24) Boutique hotel	60	unit	New build, GFA@ 3 - 6 storeys; 4000m2. This hotel would be developed by a private sector hotel operator.	n/a	n/a	\$190 room rate Independent operator
3 priority 2	(25) Conference centre	6,650	m2	Adaptive reuse of part R12, R11 sheds. Does not include internal fitout and equipment.	\$1,500	\$9,975,000	\$15,000 /event, assume 70% occupancy, \$3,000 000.00/yr
3 priority 2	(26) New parking area	300	bays	Linked to delivery of conference centre	\$3,100	\$930,000	n/a
3 priority 2	(27) Ferry stop	n/a	n/a	Cost estimate not within the scope of this brief	n/a	n/a	n/a

5. ECONOMIC FEASIBILITY

5.2 SOFT PROGRAMMING OPPORTUNITIES

Together with the provision of new facilities, a range of opportunities exist to increase the tourist attractions and experiences on offer at the rail yards. Extensive consultation highlighted the following visitor experiences as being appropriate and viable for inclusion at the rail yards precinct;

- Additional Museum displays (possible treasure house, 'working' displays etc.)
- Power House Museum (new museum facility)
- New rail experiences (dining, party carriages, steam train rides etc).
- Sound and light show
- Construction and innovation museum (potential private sector initiative, not investigated within the scope of this study).

The development and staging of these visitor programmes require further investigation. The following charts on pages 50 and 51 indicate the estimated potential visitor numbers and demographics for the key 'soft programmes' and the potential ticketing revenue that can be generated. (Existing ticket sales are not included in the charts).

AVERAGE TICKET PRICE AND POTENTIAL ANNUAL INCOME

MUSEUM & GENERAL ENTRY INCREASED TICKET SALES (annual)

12,000 X 25.95 (Average Ticket Sale Price) = \$311,400.00

adults	10%	\$19
concession	5%	\$16
children 3-15	30%	\$11
children under 3	20%	\$0
families	35%	\$57
Totals	100%	

POWER HOUSE MUSEUM

22,000 X \$8.00 (Current entry cost to The Workshops Museum) = \$176,000.00

adults	10%	\$12
concession	5%	\$10
children 3-15	25%	\$9
children under 3	15%	\$0
families	30%	\$40
schools	15%	\$8
Totals	100%	



NEW RAIL EXPERIENCE

15,000 tickets X \$54.45 = \$ 816,750.00

one way and half day ipswich (25% of ticket sales)			
Ticket Type	% Purchased	\$ Ticket Price	\$ Spend per ticket
adults	15%	\$32.00	\$4.80
concession	10%	\$27.00	\$2.70
children	45%	\$8.00	\$3.60
families	30%	\$74.00	\$22.20
Totals	100%	\$141.00	\$33.3

one way and full day Ipswich (25% of ticket sales)			
Ticket Type	% Purchased	\$ Ticket Price	\$ Average Spend per ticket
adults	15%	\$47.00	\$7.05
concession	10%	\$40.00	\$4.00
children	45%	\$23.00	\$10.35
families	30%	\$120.00	\$36.00
Totals	100%	\$230.00	\$57.40

devonshire tea (10% of ticket sales)			
Ticket Type	% Purchased	\$ Ticket Price	\$ Average Spend per ticket
adults	30%	\$38.00	\$11.40
concession	45%	\$19.00	\$8.55
children	15%	\$30.00	\$4.50
families	10%	\$77.00	\$7.70
Totals	100%	\$164.00	\$32.15

Dinner Train (40% of ticket sales)			
Ticket Type	% Purchased	\$ Ticket Price	\$ Spend per ticket
adults	70%	\$84.00	\$58.8
concession	0%	\$-	\$-
children	30%	\$42.00	\$12.60
families	0%	\$-	\$-
Totals	100%	\$126.00	\$71.40

GRAND TOTAL - NEW RAIL EXPERIENCE: \$816,750 \$54.45 = Average train ticket spend

AVERAGE TICKET PRICE

SOUND & LIGHT SHOW (20% of ticket sales)		12,600 X 12.63 = \$155,736.00	
Show Only			
Ticket Type	% Purchased	\$ Ticket Price	\$ Spend per ticket
adults	10%	\$49.50	\$4.95
concession	5%	\$39.60	\$1.98
children 0-5	30%	\$26.50	\$7.95
children 5-15	20%	\$-	\$-
families	35%	\$134.00	\$46.90
Totals	100%	\$249.60	\$61.78

Day Entry & Show (35% of ticket sales)

22,050 X 38.27 = \$843,853.00			
Ticket Type	% Purchased	\$ Ticket Price	\$ Spend per ticket
adults	10%	\$90.50	\$9.05
concession	5%	\$72.40	\$3.62
children 0-5	30%	\$45.20	\$13.56
children 5-15	20%	\$-	\$-
families	35%	\$237.50	\$83.13
Totals	100%	\$445.60	\$109.36

Dinner & Show (25% of ticket sales)

15,750 X 28.80 = \$453,600.00			
Ticket Type	% Purchased	\$ Ticket Price	\$ Spend per ticket
adults	10%	\$84.00	\$8.40
concession	5%	\$75.00	\$3.75
children 0-5	30%	\$46.00	\$13.80
children 5-15	20%	\$-	\$-
families	35%	\$255.00	\$89.25
Totals	100%	\$460.00	\$115.20

Day Entry, Dinner & Show (15% of ticket sales)

9,450 X 23.22 = \$219,429.00			
Ticket Type	% Purchased	\$ Ticket Price	\$ Spend per ticket
adults	10%	\$124.00	\$12.40
concession	5%	\$106.00	\$5.30
children 0-5	30%	\$65.00	\$19.50
children 5-15	20%	\$-	\$-
families	35%	\$336.00	\$117.60
Totals	100%	\$631.00	\$154.80

Accommodation, Day Entry, Dinner & Show (5% of ticket sales)

3,150 X 114.15 = \$35,957.00			
Ticket Type	% Purchased	\$ Ticket Price	\$ Spend per ticket
adults	10%	\$190.00	\$19.00
concession	5%	\$173.00	\$8.65
children 0-5	30%	\$80.00	\$24.00
children 5-15	20%	\$18.00	\$3.60
families	35%	\$499.00	\$174.65
Totals	100%	\$960.00	\$229.90

GRAND TOTAL - SOUND AND LIGHT SHOW

The *Blood on the Southern Cross* sound and light show in Ballarat operates 348 days/year and caters for approximately 180 attendees, attracting 63,000 visitors to this event each year.

NIGHT TOUR

33,000 X 22 = \$726,000.00 (90 visitors per night - 3 tours/30 persons per tour)			
adults	100%	\$22	\$22.00
			33,000 visitors per year
Totals	100%	\$22	\$22.00

The *Port Arthur Historic Site night tour* operates 364 days per year and with up to 15 tours of 30 people per tour.



The *Blood on the Southern Cross*



Port Arthur ghost tour

5. ECONOMIC FEASIBILITY

5.3 TIMING

IPSWICH RAIL YARDS REDEVELOPMENT PRELIMINARY DEVELOPMENT PROGRAM

CONSTRUCTION

STAGE 1: 2011 - 2016

Stage	Project no./ref	Priority	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1	2. Arrival Centre	1																	
1	3. Arrival square	1																	
1	5. new road link and parking	1																	
1	6. Heritage skills centre	1																	
1	1. North St improvements	2																	
1	4. Information Centre	2																	
1	7. Multi Exhibition purpose Hall	2																	
1	8. Power House	2																	
1	9. Cycle and pedestrian link	2																	
1	10. Outdoor Stage/events space	2																	
1	11. Bremer riverfront upgrade	2																	

STAGE 2: 2017 - 2021

Stage	Project no./ref	Priority	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2	12. North St commercial/retail	1																	
2	13. New Car park	1																	
2	14. Museum extension	1																	
2	17. New Parking Court	1																	
2	15. Parkland entry	2																	
2	16. Park Square and facilities	2																	
2	18. Sleeper Carriages	2																	
2	19. Sustainability Centre	2																	
2	20. Bremer upgrade	2																	

STAGE 3: 2022 - 2027

Stage	Project no./ref	Priority	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
3	23. QR maintenance shed	1																	
3	28. Esplanade road to Bremer parkland	1																	
3	21. Food court canteen	2																	
3	22. Health and recreation club	2																	
3	24. Boutique hotel	2																	
3	25. Conference and exhibition centre	2																	
3	26. New parking area	2																	
3	27. Ferry stop	2																	

For Tourism Market Assessment: Reffer to Appendix



K - Mill (R3)