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Sent: Monday, 4 December 2017 12:53 PM
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Subject: Riverina Con of Music

Alex: As discussed, Don Murray and I went to Wagga last week to look at the proposal for the relocation of Riverina Con that was put forward as a bid through the unsolicited bid process. Here are our early observations.

Background

- There are approximately 7 regional conservatoriums of music across regional NSW
- Most have a close relationship with the Department of Education (DoE) including the provision of access to facilities
- The Riverina Con and the Albury Con are different in that they are Not for Profit organisations who exist outside of DoE
- The Riverina Con does however have an ongoing relationship with DoE through an MOU where DoE pays an annual operating allowance of \$500K to support the Con.
- The Con also delivers services into DoE public schools through online means and is negotiating with another University to provide tertiary level services
- CSU is currently providing a facility at peppercorn, back office services including maintenance
- Site includes office space, teaching rooms for individuals and groups, an early childhood area and a small performance space
- CSU has sold the site that the Con is located on and they will need to move in 2019
- The current site has lots of off street parking which is well utilised via the over 40 staff and people attending for lessons
- The Cons regularly uses facilities in the town precinct (churches and public facilities – civic hall and CSU performing arts centre for larger performances). The Con argues that this is part of the core business of education.
- The Ask is to gift an existing facility (old RMS site) and spend \$25-28M to create a facility which includes 3 parts (a refurb on existing main building to accommodate office and teaching functions, a new building for early childhood functions and commercial use to create revenue stream and a new performance hall. \$25 million includes acquisition of the existing Simmons St facility.

Suggestions/Observations

- The site identified does seem fit for purpose and there are no obvious other alternatives
- The site is valued at \$3-3.5M and, while like sites in the precinct are having trouble attracting commercial tenants, the site is valuable and should be retained by Govt
- The starting premise for Govt consideration of finding a suitable home for the Con should be a staged approach with the first stage offering a “like for like” solution
- It would appear that this could be achieved by refurbishing the main RMS building on Simmons St, retaining the onsite carpark space and liaising with Council and CSU around ensuring access to their facilities at an affordable rate for major performances
- A QS would need to be engaged around costing this up
- Consideration might be given to carving out a section of the site that has the old labs and offering this to the market for commercial use (though this would obviously trigger a number of issues).
- The Con could be offered a peppercorn rent for the refurbished site (again like for like)
- DoE could be considered as the new owner of the site given they have a campus across the road and they do make other facilities across regional NSW available for this purpose
- As far as funding goes the funding pool identified will need to be cognisant of the fact that the project will not achieve a BCR of 1. The funds could potentially come from DoE TAM and their Rebuild budget topped up

in return or could come from sectioned a portion of 2nd round culture fund which is booked in the Confund stream (\$25M extra becomes free from 1 July 2018)

Happy to discuss and take your advice on next steps. Haven't had a chance to brief Tim on this yet.

Gary



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