HISTORY TRUST OF SOUTH AUSTRALIA

Government of South Australia

# Adelaide Museum of South Australia's History

# Business Case

History Trust of South Australia

**January 2022**

# Contents


**CONTENTS ..... 1**

**1. EXECUTIVE SUMMARY ..... 4**

**2. PROPOSAL CONTEXT ..... 8**

2.1 Proposed Investment ..... 8

2.2 Strategic position ..... 8

2.3 Government involvement ..... 12

2.4 Proposal governance ..... 12

2.5 Stakeholder engagement and input ..... 13

**3. CASE FOR CHANGE (PROBLEM IDENTIFICATION/OPPORTUNITY) ..... 15**

3.1 Current state ..... 15

3.2 Benchmarking ..... 15

3.3 Demand situation ..... 17

3.4 Market Research ..... 18

3.5 Investment need ..... 19

3.6 Inaction consequences ..... 20

**4. OUTCOMES SOUGHT ..... 21**

4.1 The AMoSAH proposal ..... 22

4.2 Objectives and outcomes ..... 23

4.3 Benefits ..... 24

4.4 Visitation projections ..... 24

4.5 Strategic alignment ..... 27

4.6 Integration ..... 27

4.7 Other initiatives ..... 27

4.8 Critical success factors ..... 28

**5. OPTIONS DEVELOPMENT ..... 30**

5.1 Base case definition ..... 30

5.2 Options definition ..... 31

5.2.1 Online only ..... 31

5.2.2 Change scope of existing HTSA museums ..... 31

5.2.3 Expand existing HTSA museums ..... 32

5.2.4 Space within another cultural institution ..... 32

5.2.5 Ayers House ..... 32
5.2.6 New build ..... 32
5.2.7 Adapt existing building ..... 33
5.2.8 Freemasons Hall – joint venture ..... 33
5.3 Options analysis ..... 34
5.4 Shortlist ..... 34

**6. OPTIONS ASSESSMENT ..... 35**
6.1 Financial evaluation ..... 35
6.2 Socioeconomic evaluation ..... 43
6.3 Cost benefit analysis ..... 45
6.4 Economic impact assessment ..... 53
6.5 Economic evaluation ..... 57
6.6 Social assessment ..... 59
6.7 Environmental assessment ..... 62
6.8 Sensitivity analysis ..... 64
6.9 Options analysis and recommendation ..... 67

**7. SOLUTION FUNDING ..... 70**
7.1 Funding strategy ..... 70
7.2 Budget request ..... 71

**8. DELIVERY STRATEGY ..... 72**
8.1 Delivery strategy ..... 72
8.2 Procurement model ..... 72

**9. PROJECT MANAGEMENT ..... 73**
9.1 Approach ..... 73
9.2 Project governance ..... 73
9.3 Schedule and milestones ..... 75
9.4 Outcomes and benefits realisation ..... 76
9.5 Change management ..... 76
9.6 Risk management ..... 77
9.7 Stakeholder management ..... 77
9.8 Disruption management ..... 78
9.9 Environment and sustainability ..... 78

**10. PROJECT PROGRESSION ..... 79**

10.1 Progress to next gate ..... 79

10.2 Stakeholder endorsement ..... 79

10.3 Decision to proceed ..... 79

**ATTACHMENTS ..... 80**

A) Indicative Project Schedule ..... 81

B) Stakeholder Management Plan ..... 85

C) Risk Management Plan ..... 88

D) Outcomes / Benefits Register ..... 89

E) Risk Register ..... 92

F) Benchmarking Report ..... 96

G) Market Research Summary Report ..... 104

H) Teacher Survey Responses ..... 105

I) AMoSAH Design Brief ..... 108

J) AMoSAH Concept Design – New Build ..... 109

K) AMoSAH Concept Design – Freemasons Hall ..... 115

# 1. Executive Summary

## The Proposal

This business case proposes Government investment in the creation of the Adelaide Museum of South Australia's History (AMoSAH) – a museum dedicated to the rich and broad social history of South Australia and its people. South Australia's history is distinctive and varied. Many of our endeavours have had impact across the world. A museum presenting the breadth of South Australia's history is a missing piece in the state's cultural offering.

AMoSAH would build understanding of our state's identity. Its public programs and education offerings would lead to an improved sense of pride and social cohesion among South Australians. For visitors to South Australia, AMoSAH would serve as a drawcard and orientation point, improving tourist dispersal to other offerings and regions across the state.

AMoSAH would be managed by the History Trust of South Australia (History Trust), the South Australian Government statutory authority responsible for collecting, interpreting and presenting the state's history. The primary content within AMoSAH would be sourced from the State History Collection – a State Government asset comprising nearly 35,000 objects held under the custodianship of the History Trust.

## Background

The creation of a dedicated social history museum was a concurrent recommendation in the report[1] that led to the establishment of the History Trust in 1981. In the 40 years since, various explorations of how this museum could be realised have been undertaken.

In May 2021 the Minister for Education announced the allocation of funding to develop a business case to test the feasibility of AMoSAH. This document is the outcome of that work.

Development of this business case has been assisted by the following consultancies:

- Baukultur (architects) – functional requirements and preliminary concepts
- SGS Economics and Planning – benchmarking, market research, financial and economic assessment
- Rider Levett Bucknall – construction cost estimates

Content in the business case has also been informed by the History Trust's consultation with Infrastructure SA, Renewal SA, Department of Treasury and Finance, Crown Solicitor's Office and other major cultural institutions.

## The Need

The primary demand underpinning the AMOSAH proposal is the state's untapped potential for cultural sector visitation. Analysis in this business case estimates that AMoSAH would attract visitation of 607,500 in its first full year of operation, with an average repeat visitation of 3.3 visits every 5 years. Discussions with the state's other major cultural institutions confirmed a consensus view that the AMoSAH proposal would complement their offerings and deliver visitation uplift across the sector (i.e. increased visitation, not transferred visitation).

AMoSAH would contribute to the successful delivery of Government strategies such as:

- 20 Year State Infrastructure Strategy
- Arts and Culture Plan South Australia 2019-2024
- South Australian Visitor Economy Sector Plan 2030
- Arts and Cultural Tourism Strategy 2025

[1] *Museum Policy and Development in South Australia – Final Report*, Robert Edwards June 1981

## Outcomes and Benefits

Section 4 of this business case presents the outcomes and benefits that would flow from the expansion of South Australia's cultural offering through AMoSAH. Its presentation of the stories of South Australia - its unique peoples, achievement and culture – will lead to **an improved sense of identity, pride, social cohesion and liveability**. The **improved attractiveness of South Australia's cultural offer** will support tourism and AMoSAH's content and visitor engagement methods will aim to **improve dispersal of tourist visitation, and expenditure, across the state**.

The breadth of content to be presented in AMoSAH underpins its connection and attraction to a broad audience. Coupled with AMoSAH's use of various contemporary visitor engagement methods, this will result in an estimated **annual visitation of 607,500** (a 344% increase on the History Trust's current on-site visitation). AMoSAH's exhibits and programs will provide opportunities for **increased collaboration and partnerships** across the cultural and tourism sectors. AMoSAH will also **increase the History Trust's capacity to earn income** through direct revenue, sponsorships and donations.

In addition, AMoSAH's content will have a broader alignment with the Australian Education Curriculum, resulting in an estimated **48% increase in school student visits** to History Trust museums.

## Critical success factors

Successful delivery of the benefits and outcomes (operational and economic) presented in this business case, is dependent on the following critical success factors:

- Dedicated museum, in prime CBD location
- Building size of 8,000m2
- Clear positioning of AMoSAH as a visitation/tourism attraction
- Immersive and compelling visitor offer
- Variety of contemporary visitor engagement mechanisms (such as interactive exhibits and multi-sensory experiences)
- Breadth of South Australian based themes and content
- Greater % of State History Collection on display
- Development and integration of the SA: Discover More app, which will guide visitors to other places and attractions in South Australia

## Options analysis

Section 5 examines several options for the realisation of AMoSAH, with all options being tested against the critical success factors. This analysis identified three options that could successfully deliver the outcomes and benefits of the AMoSAH proposal:

- **Option 1: New build** (Government owned and operated)
- **Option 2: Adapt existing building** (Government owned and operated)
- **Option 3: Freemasons Hall – joint venture**

Note: Option 3 is a time sensitive opportunity for the State Government to partner with Freemasons SA & NT in a major redevelopment of the Freemasons Hall site at 254 North Terrace, Adelaide.

The subsequent sections of the business case assess all three options listed above.

## Estimated investment

Based on preliminary concept designs, the following costs (escalated) have been estimated for each option.

| Option | Capital (investing) | Establishment (operating) | Ongoing costs pa (operating) |
|---|---|---|---|
| 1: New build | $124.229m | $6.584m | $6.631m |
| 2: Adapt existing bldg | $145.635m | $6.584m | $6.850m |
| 3: Freemasons Hall – joint venture | $46.034m | $6.584m | $9.305m |

## Financial and economic outcomes

Section 6, completed by SGS Economics and Planning, examines the financial and economic impacts of each option. Assessment was conducted including and excluding community non-use benefits[2]. SGS's assessment of the AMoSAH proposal placed the ratio of use vs non-use benefits at 40:60. SGS advises that is comparable with cultural infrastructure studies.

The outcomes of the financial and economic analysis are presented below. The AMoSAH proposal results in a positive Net Present Value (NPV) and Benefit Cost Ratio (BCR), even when non-use benefits are excluded.

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| Total benefits | $214.00m | $222.72m | $250.03m |
| NPV | $13.72m | $0.11m | $75.85m |
| NPV including non-use benefits | $422.12m | $408.50m | $484.24m |
| BCR | 1.07 | 1.00 | 1.44 |
| BCR including non-use benefits | 3.11 | 2.84 | 3.78 |
| Economic Internal Rate of Return | 3.6% | 3% | 9.3% |

## Timeline

Section 9.3 presents an indicative project timeline based on the time sensitivities associated with Option 3, which would achieve an opening date for AMoSAH of July 2025. Project phases would be timed as follows:

| Phase | Timing |
|---|---|
| Final business case / project approval | March 2022 – December 2022 |
| Project establishment | December 2022 – February 2023 |
| Design | March 2023 – April 2023 |
| Documentation | May 2023 – September 2023 |
| Tender | July 2023 – September 2023 |
| Construction (including exhibitions install) | October 2023 – June 2025 |
| Museum development and establishment of operations | January 2023 – June 2025 |

## Project Progression

The next gate for the AMoSAH proposal is final business case stage, which would require additional, option-specific work for all three AMoSAH options. To minimise expenditure and resources, it is recommended that the next major step towards the realisation of AMoSAH be the selection of which option/s to progress to final business case stage and the allocation of associated funding.

The costs to progress each option are:

- $0.525m for Option 1
- $0.525m for Option 2
- $0.575m for Option 3

Due to the time sensitive nature of Option 3: Freemasons Hall – joint venture, a decision to progress this option would need to be made by April 2022.

[2]Community non-use benefits are those arising from the consumer surplus enjoyed by South Australian non-users of AMoSAH

# *Adelaide Museum of South Australia's History*

Government of South Australia

HISTORY TRUST OF SOUTH AUSTRALIA

The History Trust of South Australia has committed to collect and creatively tell stories of South Australia's past to keep our history relevant for present and future generations, so together we can better understand and celebrate our place in the world.

## *Proposition*

Shaped by South Australians, AMoSAH is the place that everyone will visit to orientate themselves in cultural time and place; as a springboard to exploring the rest of the state. A space that engages visitors from the start and entices them to linger as they explore the history of South Australia.

AMoSAH highlights our defining moments and clearly identifies South Australia's place, connections with, and impact on the rest of the world. While it shines a light on our significant objects, it is also a dynamic (physical and online) space with exhibits and programs that engage with the past and celebrate the state's unique peoples, achievements and culture.

It is our place, embraced by South Australians who take deep pride in it as a museum of us.

## *Major Presenting Themes*

Throughout the galleries, stories that focus on the histories of South Australia's people including its many and varied First Nations Groups, its distinct regions, and its exceptional innovations will remind visitors of the many forces that have shaped South Australia.

### *Connections*

Since the Dreamtime, Australia's First Nation peoples, through trade and culture, have been sharing stories, songlines and tradition. Since colonial times, evolving ways of connecting across the continent have been enablers of change: sailing ships, postal services, horse and carriage, camel-trek, rail and telegraph. From the twentieth century - by automobile, flight - and in the last 50 years, by satellite and the internet. South Australians have long connected with, traded with - and communicated with the world. We can be proud about how we influence change!

### *People*

Who are we? What makes our people distinctive - and how have we changed over time? From First Nation peoples, to pre-colonial exploration, colonisation - and the continuous waves of migration and family formation since, there are unique stories to tell.

### *Journeys*

From First Nations and British colonial exploration encounters, and first migrations - to journeys of sea, land and space, the South Australian landscape has a long human history of discovery, innovation and connection with the global world. From Indigenous knowledge systems to John McDouall Stuart and Charles Sturt, from Douglas Mawson and Hubert Wilkins, from the Smith Brothers to Andy Thomas and our emerging space industry - ingenuity, tenacity and cutting-edge research have influenced the world, through innovation in science and industry.

### *The zeitgeist of the times*

Our ever-changing cultural and social progress expresses our creativity, connection, identity and innovation. Visitors will discover defining moments, sporting greats, pop culture, memes, memories - and surprising turns.

### *Collective endeavour*

People come together to make community and to make change. Stories to be shared are diverse: from Aboriginal rights and women's suffrage firsts - to the Dunstan Decade and beyond. From South Australians' service in times of war to others who have made a difference in the world. AMoSAH will invite visitors to connect the past and the present - and always to contemplate the future.

### *Made in South Australia*

From the internationally adopted Torrens Title land tenure system and Holden cars, to the stump-jump plough and the Hills Hoist. And from mechanised hand shears to Balfour's Frog Cakes, the imagination, audacity, and inventiveness of South Australians have enabled us to stand proud in an ever-changing world.

# 2. Proposal Context

## 2.1 Proposed Investment

It is proposed that Government invests in the creation of the Adelaide Museum of South Australia's History (AMoSAH) – a museum dedicated to the rich and broad social history of South Australia and its people.

This business case examines delivery of this investment via two pathways – a Government built, owned and operated model, and a joint venture in which the base building is provided by a private entity and the museum is Government operated. There is an opportunity to realise the joint venture option in partnership with the Freemasons SA & NT, however Government commitment would most likely need to be secured before the end of 2022.

AMoSAH would be managed by the History Trust of South Australia (History Trust), the SA Government statutory authority responsible for collecting, interpreting and presenting the state's history. The History Trust currently manages three subject specific museums, plus the Centre of Democracy, and is the custodian of the State History Collection.

Comprising nearly 35,000 objects, the State History Collection illustrates the stories of our exceptional history. South Australia's history is rich and varied. Many of our endeavours have had impact across the world. A museum presenting the breadth of South Australia's social history is a missing piece in the state's cultural offering.

In addition to improved access to the State History Collection, AMoSAH would build understanding of our state's identity. Its public programs and education offerings would lead to an improved sense of pride and social cohesion among South Australians. For visitors to South Australia, AMoSAH would serve as both a drawcard and orientation point, improving tourist dispersal to other offerings and regions across the state.

Developing a modern understanding of who we are as South Australians represents a significant potential economic benefit. This can have an impact on business confidence, consumer confidence, tourism and our ability to retain the best young South Australian minds in South Australia.

## 2.2 Strategic position

### 2.2.1 State Government Cultural Sector

South Australia has a long established cultural sector, dating back to the founding of the province in the 19th century, within which legislated entities have been charged with the oversight and delivery of specified cultural activity. The current suite of State Government cultural statutory authorities have distinct remits, which together form a complementary whole.

The governing Acts for each cultural institution stipulate the collecting and exhibiting parameters of each as follows:

*Art Gallery Act (1939)* – collection and exhibition of works of art

*Botanic Gardens and State Herbarium Act (1978)* – collection of specimens, establishment of gardens and exhibitions of interest in the fields of botany, horticulture, biology, conservation of the natural environment or history

*History Trust of South Australia Act (1981)* - collection and exhibition of information and objects of historical or cultural significance to the State

*Libraries Act (1982)* (State Library) - collection of library materials and, in particular, collection of such materials that are of South Australian origin, or have a particular relevance to this State

*South Australian Museum Act (1976)* – collection and promotion of objects and specimens of scientific or historical interest

The AMoSAH proposal, of a museum presenting the significant social history of South Australia, clearly aligns with HTSA's remit without encroachment on other institutions' responsibilities.

### 2.2.2 History Trust of South Australia

The History Trust operates under the requirements of the *History Trust of South Australia Act (1981)* (*HTSA Act*). Section 13 of the HTSA Act requires the Trust to undertake the following functions:

> **13—Functions**
>
> The functions of the Trust are—
>
> (a) to carry out, or promote, research relevant to the history of the State; and
> (b) to accumulate and classify data on any subject of significance to the history of the State; and
> (c) to accumulate and care for objects of historical interest; and
> (d) to exhibit objects of historical or cultural interest; and
> (e) to maintain registers of objects of historical significance to the State; and
> (f) to manage and administer museums and other premises that are vested in, or placed under the care, control and management of the Trust; and
> (g) to accredit or otherwise to evaluate museums, and to advise the Minister on the operation of museums and on the allocation of funds or other forms of assistance that may be available for the promotion or development of museums; and
> (h) to disseminate, or encourage the dissemination of, information relevant to the history of the State; and
> (i) to encourage the conservation of objects of historical significance to the State; and
> (j) to advise the Minister on the conservation of objects in the ownership or possession of the Crown that are of historical significance to the State (and, as appropriate, to assume the management of such objects); and
> (k) to carry out any other functions assigned to the Trust under this or any other Act or by the Minister.

The establishment of the History Trust in 1981 followed recommendations of a report prepared for the Government by Robert Edwards (*Museum Policy and Development in South Australia – Final Report*, Robert Edwards June 1981). This report also included the recommendation to create a 'South Australian History Centre', managed by the History Trust, to display the State History Collection vested in the History Trust upon its creation.

Drawing on its purpose under the HTSA Act, the History Trust has committed to the following brand promise: *We collect and creatively tell stories of South Australia's past to keep our history relevant for present and future generations, so together we can better understand and celebrate our place in the world*

On this basis, AMoSAH can provide a fundamental foundation for the development of a differentiating brand for South Australia. It can provide insight into what is fundamentally different from every other state in Australia and why South Australians should be proud of being South Australians. This does not mean that we should shy away from difficult conversations but we should also identify the strong and unique stories that make us who we are today.

The HTSA Board has set the following 10 Year Goals to guide strategic activity:

1) Ensure most South Australians have a highly positive experience of the History Trust annually
2) Be recognised as the leading voice for making the stories of South Australia relevant across the world, for the world
3) Explain the complexities of the past and build wisdom for today
4) Be a leader of excellence in the network of historical enterprises
5) Significantly grow earned income

The AMoSAH proposal aligns with, and delivers on, the HTSA Act, strategic goals and brand promise.

### 2.2.3 20 Year State Infrastructure Strategy (Portfolio: Premier)

This Strategy sets out the key priorities for South Australian Government infrastructure investment from 2020 to 2040.

The Strategy describes the role of cultural infrastructure as follows:

> *Cultural infrastructure provides the spaces to enable the expression and collection of South Australia's history and evolving identity, which is important for vibrant, engaged and empowered communities in both metropolitan and regional areas…….*
> *Creative and cultural sector investments foster lively and compelling cities and regions. Such places become hubs – magnets for all kinds of intellectual capital encompassing world-class thinkers, academics, artists and innovators. Such denizens are a dynamic force for enterprise in all spheres of life, extending beyond traditional economic measures. South Australia needs the cultural infrastructure to ensure that Adelaide and the regions are attractive and desirable places to live in order to attract and retain talent in a way that makes a positive economic contribution to the State.*

The AMoSAH proposal would contribute to the achievement of the following State Infrastructure Strategy priorities:

- Priority 15: Develop tourism assets and product to enhance the State's appeal to interstate and international visitors (Pg 103)
- Priority 19: Plan the cultural precinct on North Terrace to position it as a major attraction for the State (Pg 116)

### 2.2.4 Arts and Culture Plan South Australia 2019-2024 (Portfolio: Premier)

The Arts and Culture Plan South Australia 2019-2024 sets out the Government's goals and priorities for the state's arts and culture sector. The AMoSAH proposal links to the Plan in the following areas:

- Goal 4: To amplify South Australia's signature strengths that define the character of the arts in the State.
  - Priority 1: Put a spotlight on and prioritise investment in existing signature strengths and specialist areas to reach a new level of local, national and international recognition and prominence. (Pg 32)
  - Priority 2: Celebrate existing and emerging specialist areas as a point of difference and unique signature of South Australia, and 'its identity', both within the state, nationally and externally. (Pg 32)
- Goal 5: To enhance the physical and organisational arts and culture infrastructure in South Australia.
  - Invest in and protect key cultural institutions in Adelaide and across the state through the development of a long term asset maintenance program. Such a plan will enable the institutions to focus on the issues of greater public access, collection curation, acquisition, presentation and storage. (Pg 36)
  - It is imperative that all communities benefit from the assets, [and] collections and that the history of South Australia is appropriately maintained, showcased and shared for future generations. (Pg 37)

### 2.2.5 Education / Australian Curriculum (Portfolio: Education)

The History Trust's funding agreement with the Minister for Education includes key performance indicators regarding school visitation, programs for rural and remote students, and teacher professional development. The major presenting themes in the AMoSAH proposal provide stronger connections to the Australian Curriculum, and align with additional subject areas. Physical school visitation to History Trust sites is estimated to increase by 48% through AMoSAH. In addition, the technology planned for AMoSAH will increase accessibility for rural and remote students to engage with the museum, both through online content and the delivery of virtual (video-conferenced) school visits.

### 2.2.6 South Australian Visitor Economy Sector Plan 2030 (Portfolio: Trade and Investment)

The South Australian Visitor Economy Sector Plan 2030 sets strategies to grow the South Australian visitor economy by a further $12.8b by 2030. Included in the Plan are the following strategies:

- Support the development of unique and appealing experiences that are focussed on South Australia's strengths (Pg 23)
- Develop linkages between experiences to create clusters (Pg 23)

By displaying content that highlights South Australia and through creating connections to surrounding offerings, AMoSAH will contribute to both of these strategies.

### 2.2.7 South Australian Arts and Cultural Tourism Strategy 2025 (Portfolio: Trade and Investment)

This Strategy acknowledges the important role of arts and culture to the state:
*The Arts and Cultural Tourism sector is not only measured in economic terms, it has a greater impact on our society. Arts and culture express human experiences and delivers enormous cultural and social benefits across the whole of society. It celebrates and recognises South Australia's diversity and cultural identity including respecting and sharing South Australia's Aboriginal culture, heritage, and traditions*. (Pg 6)
The Arts and Cultural Tourism Strategy 2025 aims to return the state's arts and cultural tourism economy to its pre-COVID level of $1.4 billion in visitor expenditure per annum by 2025.

The Strategy sets out 8 strategic goals (Pg 8), of which AMoSAH would contribute to the following:

- Goal 1. To grow Arts and Cultural visitor spend to $1.4 billion by 2025
- Goal 3. To motivate and promote year-round enjoyment of Arts and Culture by all visitors
- Goal 7. To support the Arts and Cultural sector to create, promote and deliver authentic, sustainable and accessible visitor experiences that reflect and celebrate the State's cultural identity
- Goal 8. To support the South Australian Visitor Economy 2030 targets of 16,000 jobs and $12.8 billion in visitor spend

Underpinning these goals are key priorities. The AMoSAH proposal aligns with the following:

- Leverage existing strengths such as…. internationally significant collections …….. to support the development of new innovative Arts and Cultural Tourism products (pg 29)
- Encourage the South Australian Arts and Cultural sector to create tourism experiences by:
  - Collectively telling and sharing the Story of South Australia
  - Collaborating and linking experiences within the sector as well as with other tourism experiences (Pg 29)
- Optimise how visitors attending iconic Adelaide-based festivals, events, and major institutions discover smaller local and regionally based Arts and Cultural offerings (Pg 39)

### 2.2.8 Growing Our Heritage Future (Portfolio: Environment and Water)

The Growing Our Heritage Future document is a 10-year strategy to increase heritage tourism in South Australia. It aligns with, and contributes to, the South Australian Visitor Economy Sector Plan. The AMoSAH proposal has the potential to contribute to the following strategies in this document:

- 1.2 Leverage the heritage opportunities embedded in South Australia's iconic nature, food and wine, and arts and cultural experiences (Pg 6)
- 3.4 Leverage the expertise of storytellers, cultural knowledge custodians, historians and other heritage disciplines to enrich visitor experiences of special places and sites (Pg 8)

## 2.3 Government involvement

South Australia has a strong legacy of Government owned and operated cultural institutions, which is based on the underlying principle that the State's collections are held on behalf of the people of South Australia and should be accessible to them. The HTSA Act confirms this commitment, vesting the responsibility for accumulating and displaying the State History Collection with a Government statutory authority. This Government asset will form the majority of the displays within AMoSAH.

From a Government perspective, a high quality museum delivering the breadth and level of excellence of AMoSAH will deliver benefits such as an improved sense of state identity and an increased liveability index. While these are desirable outcomes for Government, they do not equate to an attractive investment for commercial operators. For these reasons AMOSAH is proposed to be a Government owned and operated museum.

## 2.4 Proposal governance

Once established the ongoing operation of AMoSAH will be the responsibility of the History Trust, which aligns with its functions under the HTSA Act.

**Proposal approvals**
Assessment and consideration of the AMoSAH business case will be undertaken by Infrastructure SA (ISA) and the Department of Treasury and Finance (DTF). Responsibility for presenting it for Cabinet consideration, and possible approval, rests with the Minister for Education.

Should Option 3, a joint venture with Freemasons SA & NT be considered for progression, further involvement from DTF and the Crown Solicitor's Office would be required. Additional Cabinet consideration and approval of the partnership agreement would also be required.

**Project Delivery**
Delivery of AMoSAH comprises two major components: 1) construction project and 2) museum development and establishment. Progress of both components will be overseen by the History Trust Project Manager and progress reports would be provided to the HTSA Board in all meetings.

**Construction Project**

For Options 1 and 2, the construction project will be managed in accordance with the Department for Infrastructure and Transport (DIT) Project Implementation Process. The standard governance structure utilising a Project Steering Committee (PSC) and Project Control Group (PCG) would be implemented. The PSC would include both DIT and History Trust executives and a lead agency (History Trust) project manager would be appointed.

For Option 3 (joint venture) the base building work would be funded by Freemasons SA & NT and the museum fit-out by Government. As part of the joint venture negotiations, decisions would need to be made regarding

whether the construction projects are combined, what delivery method would be implemented and what governance structure would be established for the construction phase. The final project delivery method and governance structure would need to ensure an appropriate level of Government involvement and guarantee the protection of Government interests in relation to project budget, timing and quality.

### Museum development and establishment

The Director, AMoSAH will manage the development and production of museum content and the establishment of its operations, with approval responsibility resting with the History Trust CEO and Board. The project plan and budget includes provision for the staggered appointment of staffing resources for AMoSAH, commencing with the Museum Director.

Determination of the final content (major presenting themes) for AMoSAH would be informed by extensive consultation with stakeholders including historians, major cultural institutions, community history museums across the state, and the South Australian public.

Further information on the project delivery governance is provided in Section 9.2 Project Governance.

## 2.5 Stakeholder engagement and input

The History Trust is committed to ensuring that AMoSAH will complement and connect with the state's other cultural offerings. To this end, consultation meetings were held with major stakeholders. All of the cultural institutions considered the AMoSAH proposal to be a valid addition to the state's cultural offering and identified opportunities for collaboration. Specific responses received are provided below:

### Tarrkarri: Centre for First Nations Cultures

Lee-Ann Buckskin, Assistant Director

*There is absolutely a place for both Tarrkarri and an Adelaide Museum of South Australia's History.*

*As Tarrkarri will be curated by Aboriginal people it will provide a unique and distinct lens to its content. However there are likely to be synergies between the stories presented in Tarrkarri and AMoSAH which would lead to opportunities for complementary exhibitions. An example of this that comes immediately to mind is the embracing and blending of families that occurred between Aboriginal people and specific groups of early immigrants to South Australia.*

*There are more than enough stories to share around.*

### Art Gallery of South Australia

Rhana Devenport, Director

*The proposal aligns with other cities and their city-based history museums such as Museum of Brisbane and Canberra Museum and Art Gallery. The success of these museums is innovative and relevant exhibition programming.*

*The Art Gallery of South Australia has long-held and well-known expansion plans and this would likely be in the North Terrace precinct as well - this endeavour will possibly be in parallel.*

*If AMoSAH is realised, there could be opportunities for the History Trust to consider investing in exhibits and/or programming that complements activity at the Art Gallery, such as Tarnanthi and major temporary exhibitions.*

**South Australian Museum**
Brian Oldman, Director

*With the future plans for the cultural boulevard, such as Tarrkarri, there is further opportunity to build cohesiveness across the visitor offerings. Careful thought is needed by each institution regarding what will persuade their audience to visit and create the impetus for them to repeat visit. The success of the AMoSAH proposition would hinge on understanding its audience - their needs and wants - and delivering that product. Experience shows that bringing objects to life by revealing the stories behind them is essential.*

*Tarrkarri will be the primary place for the telling of First Nations stories, but it can't do it alone. The rest of us should plan to augment Tarrkarri, telling aspects that it isn't presenting.*

*In relation the content of the SA Museum and AMoSAH, I see that our 'plates will touch slighty' and this creates the opportunity to provide complementary offerings. There could be many opportunities to offer collaborative exhibitions and programs tied to themes or festival activity (e.g. Tarnanthi, food festivals).*

**Adelaide Botanic Gardens (includes the Museum of Economic Botany)**
Michael Harvey, Director

*There are some excellent examples of successful state/city museums, such as the Museum of Sydney and the Wellington City Museum which have brought genuine innovation and compelling storytelling to their communities. A key success factor of such museums can be 'must see items' – one or two installations or objects that will really capture the essence of the history and will compel people to visit.*

*The proposed AMoSAH strikes me as the type of organisation with which we would be keen to partner. There would be scope to present cross-institution exhibitions and programs which would build visitation for both institutions. Complementary themes could include Adelaide – the green city; the interrelationship between the establishment of Adelaide and its economy (through our Museum of Economic Botany); and broader gardens of South Australia.*

During development of this business case, the History Trust has also met with the Government Architect, Infrastructure SA, Renewal SA, the Department of the Premier and Cabinet, including Arts South Australia, and the Department of Treasury and Finance. These meetings provided guidance for the business case development.

The History Trust has also sought advice from the Crown Solicitor's Office.

# 3. Case for Change (Problem identification/opportunity)

## 3.1 Current state

Currently the History Trust operates three subject specific museums and a permanent exhibit centre, being:

- Migration Museum, Kintore Avenue, Adelaide
- National Motor Museum, Shannon Street, Birdwood
- South Australian Maritime Museum, Lipson Street, Port Adelaide
- Centre of Democracy (a collaboration with the State Library of South Australia), located in the Institute Building, North Terrace Adelaide

These museums attract an average of 177,000 visitors with 35,165 school student visits per annum[3], and occupy a total footprint of approximately 14,900m2.

In 2020-21, the History Trust received State Government core funding of $6.946m and attracted $3.189m in revenue. In addition to operation of the museums, this funding covers many other activities including the History Trust's public and education programs, South Australia's History Festival, online content and history grants (Government funding made available for community history museums and initiatives across South Australia).

## 3.2 Benchmarking

In order to assess the viability of AMoSAH, SGS Economics and Planning undertook a benchmarking exercise of comparator museums. These museums are all CBD based and, while the content of each varies, they all provide a defined, high quality cultural offering. The benchmarking has informed assumptions and conclusions in this business case.

The comparator museums assessed were:

- Art Gallery of South Australia
- Auckland War Memorial Museum
- Australian Centre of the Moving Image, Melbourne
- Melbourne Museum
- Museum of New Zealand
- Museum of Sydney
- National Maritime Museum, Sydney
- South Australian Museum
- Tasmanian Museum and Art Gallery
- Wellington Museum, NZ

A summary of key benchmarking data is provided in the tables below, with a full report included as Attachment F.

Note: The AMoSAH proposal is included in the following tables for comparison purposes. Comparator figures for AMoSAH are based on those presented in later sections of this business case.

[3] Pre-COVID five year average (2014-15 to 2018-19)

**TABLE 1: BENCHMARKING RESULTS – MUSEUM SIZE**

| Museum | Building scale (sqm) |
|---|---|
| Melbourne Museum | 70,000 |
| Museum of New Zealand | 36,000 |
| Museum of Sydney | 16,967 |
| South Australian Museum | 15,660 |
| **AMoSAH** | **8,000** |
| Tasmanian Museum and Art Gallery | 6,316 |

Source: SGS Economics and Planning

**TABLE 2: BENCHMARKING RESULTS – VISITATION**

| Museum | Annual visitation | Visitor composition % | | |
|---|---|---|---|---|
| | | Local | Interstate | International |
| Museum of New Zealand | 1,548,646 | 25% | 28% | 47% |
| Melbourne Museum | 1,191,800 | 81% | 10% | 9% |
| South Australian Museum | 759,316 | 61% | 21% | 18% |
| Art Gallery of South Australia | 731,000 | 75% | 23% | 2% |
| **AMoSAH** | **607,500** | **69%** | **9%** | **22%** |
| Tasmanian Museum and Art Gallery | 451,653 | 42% | 40% | 18% |

Note: All visitation figures based on 2018-19, except AMoSAH which is based on Year 1 visitation (2025-26)
Source: SGS Economics and Planning

**TABLE 3: BENCHMARKING RESULTS – FINANCIAL DATA**

| Museum | Annual Operating Cost $ | Employees # |
|---|---|---|
| Museum of New Zealand | $31.220m | 336 |
| National Maritime Museum | $41.789m | 125 |
| Art Gallery of South Australia | $23.401m | 85 |
| South Australian Museum | $20.054m | 90 |
| **HTSA Total (existing museums + AMoSAH)** | **$16.750m** | **78** |
| Tasmanian Museum and Art Gallery | $12.656m | 58 |

Note: All figures based on 2018-19; AMoSAH Year 1 operating cost converted to 2018-19 equivalent
Source: SGS Economics and Planning

**TABLE 4: BENCHMARKING RESULTS – COST PER VISITOR**

| Museum | Cost per visitor $ |
|---|---|
| National Maritime Museum | $41.05 |
| Museum of New Zealand | $38.46 |
| Art Gallery of South Australia | $32.01 |
| Tasmanian Museum and Art Gallery | $28.02 |
| South Australian Museum | $26.41 |
| **HTSA Total (existing museums + AMoSAH)** | **$21.52** |

Note: All figures based on 2018-19 equivalents (i.e. HTSA total visitation 778,400)
Source: SGS Economics and Planning

## 3.3 Demand situation

There are a number of elements to the 'demand situation' underlying the AMoSAH proposal. The major demand is the **untapped potential for additional cultural sector visitation**, including cultural tourism visits to South Australia. As the History Trust's existing museums are confined to specific subjects, the broader history of South Australia is not readily available to the public, resulting in a gap in the state's cultural offering.

Preliminary market research (refer Section 3.4) confirms the level of interest of potential visitors and the uniqueness of the AMoSAH proposal. Visitation intentions, established through the market research, indicate the proportion of the population likely to visit AMoSAH and the predicted frequency of repeat visitation (e.g. Adelaide residents 3.5 times in 5 years). Based on this data, the estimated visitation to AMoSAH in its first full year of operation is:

**TABLE 5: ESTIMATED VISITATION IN 2025-26**

| Visitors | Total visitation |
|---|---|
| Adelaide residents | 386,888 |
| Non-Adelaide SA residents | 33,352 |
| International tourists | 132,969 |
| Interstate tourists | 54,291 |
| Total | 607,500 |

*(Refer Section 4.4 for further detail)*

As required under its Act, the History Trust continues to accumulate objects of significance to the history of South Australia. Of this collection, comprising nearly 35,000 objects, only 3.4% is on display in the History Trust's subject specific museums. The bulk of the State History Collection does not have a space to be displayed and access is primarily confined to researchers. AMoSAH would allow a **greater proportion of the State History Collection to be accessible to the public**.

The preliminary market research tested the interest level of potential visitors against a list of possible presenting themes that are strongly represented within the State History Collection. All presenting themes elicited a good level of interest, with particularly high results for the following themes:

- Made in South Australia
- South Australian regions
- Defining moments
- Innovation and inventions
- Adelaide
- How we have shaped our environment
- Our changing identity
- South Australian icons

There was also a high level of interest in the integration of First Nations stories within all presenting themes.

Physical and virtual school visits reinforce learning and support the Australian Curriculum. The History Trust's existing museums are at their maximum capacity of supporting school visits and there is additional demand that cannot be met due to space constraints. The proposed extent and size of AMoSAH would allow for up to 4 school groups per day thereby **fulfilling currently unsatisfied demand for school visits**.

AMoSAH's content would connect with a broader range of subjects within the Australian Curriculum which means the museum will **cater for school visits related to additional subject areas**.

Feedback from educators indicates that the Australian curriculum content is eastern seaboard heavy and South Australian focussed content is difficult to source. AMoSAH will assist educators by **presenting South Australian based content to support Curriculum subjects**.

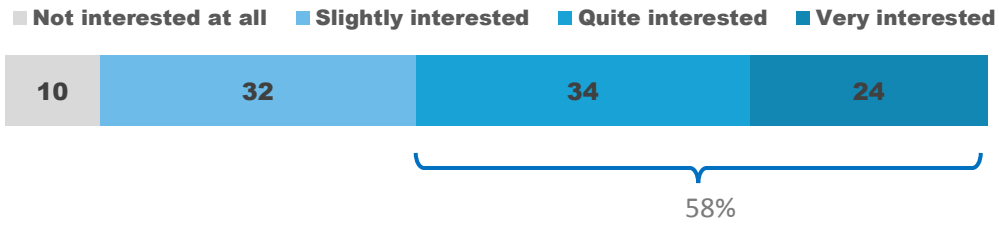
## 3.4 Market Research

Prescience Research was engaged to conduct market research on the AMoSAH proposal. 812 responses were received for a general survey of Adelaide residents and recent visitors. Complementing this was a specific 'teacher' survey which was completed by 83 history network educators. The detailed research data has been used to underpin visitation and spend estimates in this business case and inform the proposed museum content and programs.

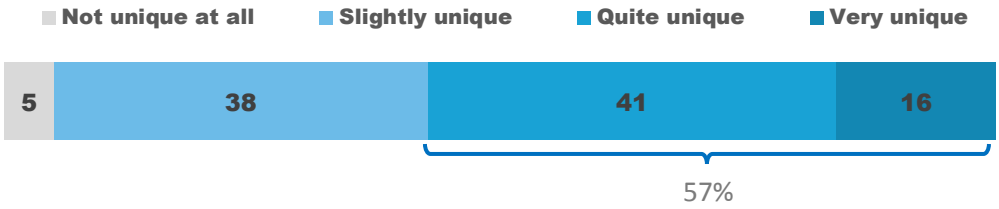
A summary of the market research outcomes is provided below (refer Attachment G for further detail):

### 3.2.1 General Public Survey

Q5: What is your reaction to the description of AMoSAH?

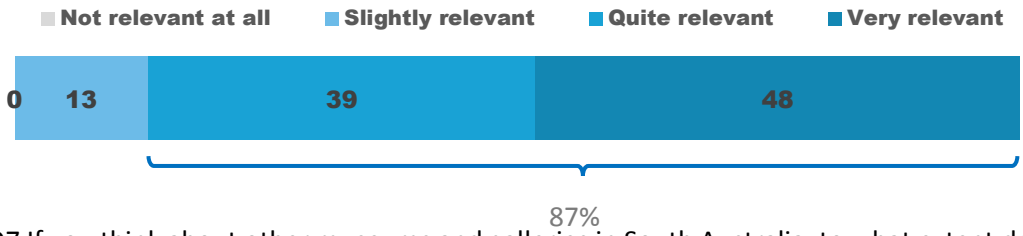



Q7 If you think about other museums and galleries in South Australia, to what extent do you feel the breadth and content offered by the AMoSAH is unique and different from other museums?

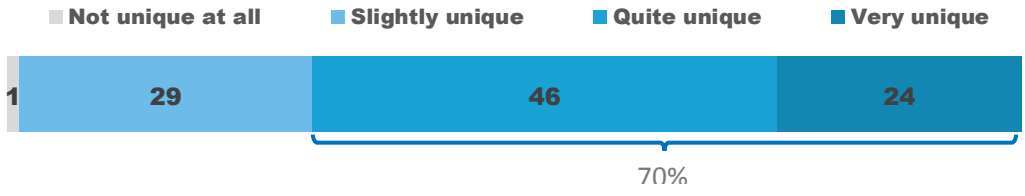



### 3.2.2 Teacher Survey

Q5: What is your reaction to the AMoSAH concept in relation to your education goals?




Q7 If you think about other museums and galleries in South Australia, to what extent do you feel the breadth and content offered by the AMoSAH is unique and different for education purposes?



## 3.5 Investment need

State Government investment in AMoSAH would address a number of needs and opportunities.

SA's exceptional history is poorly understood limiting resident knowledge, sense of pride & identity, and social cohesion

AMoSAH's content, complemented by its programs for school students and general visitors, aims to actively engage, entertain and educate South Australians.

To understand South Australia's history – what has shaped it; its challenges and successes; its iconic people and moments; its contribution to the world – is to understand South Australia's identity. This knowledge is key to building a sense of pride in South Australians, which in turn assists population retention and a desire to contribute to further success.

The building of South Australia's identity directly relates to the Arts and Culture Plan South Australia 2019-2024 priority to 'Celebrate existing and emerging specialist areas as a point of difference and unique signature of South Australia, and 'its identity', both within the state, nationally and externally' (Goal 4, Priority 2,Pg 32)

Poor tourist orientation reduces tourism dispersal across the state

The South Australian Visitor Economy Sector Plan 2030 states that the visitor economy has grown 2.5 times faster than the overall economy. The Plan breaks down visitor expenditure by purpose of visit as follows:

**42% Holiday**
**22% Education**
**18% Business**
**17% Visiting Friends & Relatives**[4]

The AMoSAH proposal supports growth of the visitor economy by providing a direct offering to 'holiday' and 'education' visitors. Tourists 'visiting friends & relatives' are likely to visit more frequently, stay longer and spend more based on the recommendations of those they are visiting. The History Trust is well aware that recommendations by locals deliver an uplift to museum visitation. As the museum focussed solely on South Australia, AMoSAH aspires to be embraced by all South Australian's, driving a sense of pride and identity, thereby maximising the power of local referrals.

Included in the South Australian Visitor Economy Sector Plan 2030 are the following strategies:

- Support the development of unique and appealing experiences that are focussed on South Australia's strengths
- Develop linkages between experiences to create clusters (Page 23)

And the Arts and Cultural Tourism Strategy 2025 includes the following goals:

- To support the Arts and Cultural sector to create, promote and deliver authentic, sustainable and accessible visitor experiences that reflect and celebrate the State's cultural identity (Pg 8)
- Encourage the South Australian Arts and Cultural sector to create tourism experiences by
  - Collectively telling and sharing the Story of South Australia
  - Collaborating and linking experiences within the sector as well as with other tourism experiences. (Pg 29)
- Optimise how visitors attending iconic Adelaide-based festivals, events, and major institutions discover smaller local and regionally based Arts and Cultural offerings (Pg 39)

AMoSAH will contribute to all of the above.

[4] 2018 figures; South Australian Visitor Economy Sector Plan 2030, Page 15

The content of AMoSAH will directly present South Australia's strengths. Its exhibits will introduce visitors to significant aspects of South Australia, orienting visitors within the state and directing them to other places and experiences. The application of technology-driven content, such as the planned 'SA: Discover More' app, will allow visitors to explore deeper into their areas of interest and point them directly to South Australia's regions and offerings that they can visit and discover more. With the breadth of content on display in AMoSAH there will be something of interest to every visitor. That interest can be leveraged to disperse visitors across the state.

Limited capacity to interpret & display the State History Collection reduces the appeal and completeness of SA's cultural offering

The HTSA Act requires the History Trust to collect and exhibit objects of historical significance to South Australia. With around 3% currently on display, the $24m State History Collection is an underutilised State Government asset. A museum dedicated to the display of a greater proportion of this collection not only improves utilisation of the asset, it expands the state's cultural offering. DEW's Growing Our Heritage Future strategy sets the target of growing heritage tourism spend in South Australia from $1b in 2019 to $1.58b by 2030. With an estimated annual visitation of 607,500, a third of which would be interstate and overseas visitors, AMoSAH would contribute to achievement of this target.

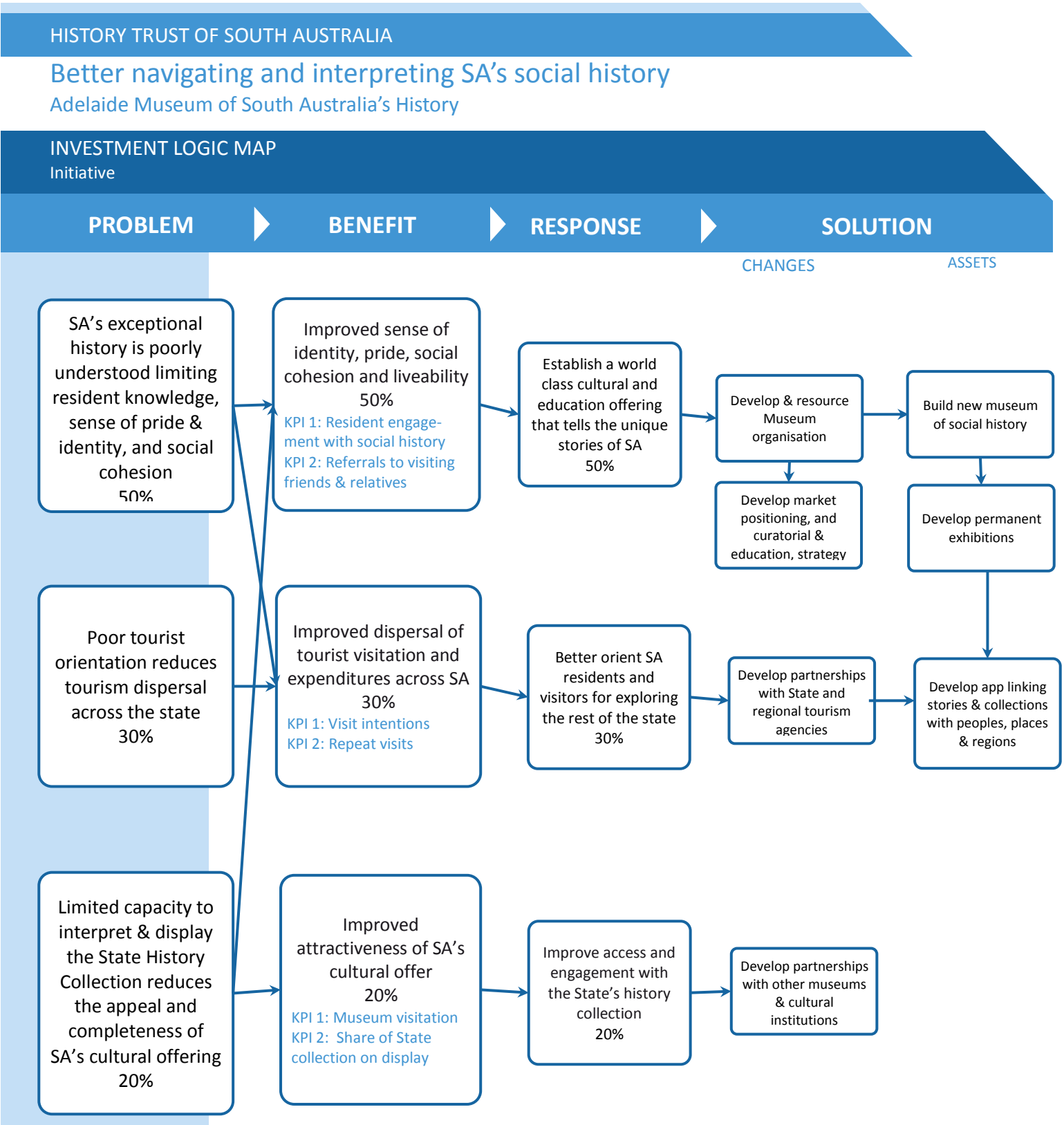
## 3.6 Inaction consequences

The consequences of not investing in AMoSAH primarily relate to lost opportunities. The mandate within the HTSA Act for the collection and display of objects of significance to South Australia's history acknowledges that this collection is of value to the state, and public access to it is of importance. While the State History Collection remains in storage, its value is underutilised and its capacity to build pride in South Australia and attract tourists to, and across, the state is unrealised.

In relation to Option 3: Freemasons Hall – joint venture, inaction would result in a lost opportunity for the cost of AMoSAH to be partially offset by private funding.

# 4. Outcomes Sought

**FIGURE 2: INVESTMENT LOGIC MAP**



## 4.1 The AMoSAH proposal

The creation of AMoSAH would complete the vision that was set for the History Trust when it was established in 1981.

AMoSAH will be a stand-alone museum dedicated to presenting the rich and broad history of South Australia and its people. The AMoSAH building will provide an internal footprint of around 8,000m2. Functional design workshops, facilitated by Baukultur, have identified the following internal functional requirements:

**TABLE 6: BASE SPACE ALLOCATION**

| Functional Area | Allocated m2 |
|---|---|
| Visitor Orientation | 700 |
| Large Galleries (5 x 800m2) | 4000 |
| Small Galleries (2 x 550m2) | 1100 |
| Flexible space | 750 |
| Cafe | 200 |
| Shop | 200 |
| Back of House | 330 |
| Core amenities | 385 |
| Total (excluding circulation) | 7,665 |

The flexible exhibition space will present one temporary exhibition each year, developed solely by the History Trust or in collaboration with another major institution. The permanent galleries will each have a major presenting theme. An assessment of the State History Collection, coupled with market research has identified the presenting themes below. Embedded within these themed galleries would be stories that focus South Australia's *First Nations Groups*, its distinct *regions* and its exceptional *innovations*.

- **Country** - Our diverse environments, and the ways people have encountered and shaped them, anchor understandings of history and the challenges of the future. Visitors will experience the Countries that have sustained peoples and cultures for millennia, starting their journey through the history of this place with First Nations cultures and connection to place.
- **People** – Who are we, what makes our people distinctive and how have we changed over time? From First Nations Peoples to the continuous waves of migration since, there is a unique set of stories to tell.
- **The zeitgeist of the times** - Our ever-changing cultural and social landscape expresses our creativity, connection and identity. Visitors will discover defining moments, sporting greats, pop culture evergreens, memes, and surprising artistic turns.
- **Collective endeavour** - People join together to make community and to make change. Stories from suffrage firsts to the Dunstan Decade, South Australians in times of war and those who've stood apart to make a difference, will invite visitors to connect the past and the present.
- **Made in South Australia** - From the internationally adopted Torrens Title system to Holdens, Hills Hoist and the stump jump plough, from mechanised hand shears to frog cakes, our inventiveness has enabled our state to stand out in the world.
- **Connections: Australia and the world** - We have always been connected - by stories, song, sailing ships, telegraph lines, railways and, more recently, satellites. How and what have South Australians communicated with the world, and how have we changed it?
- **Adelaide** - The city named after a now little-known queen has forged its own identity. By turns courageous and conservative, subversive and suburban, flamboyant and strait-laced, Adelaide has a history that will reward the curious.

Note: these presenting themes listed above would be subject to further consultation and audience testing during the initial museum development phase.

Contemporary visitor engagement methods will be utilised throughout AMoSAH, which will maximise visitor numbers and demographics. Engagement methods to be used include:

- Interactive exhibits
- Use of technology to allow deeper exploration
- Multi-sensory experiences
- Access and inclusion content
- Guided and themed tours
- Self-guided museum maps and tours for specific interest areas
- Children's activity area

A key 'technology' engagement method will be the **SA: Discover More app**. This app will not only allow the visitor to access further information on items that interest them, it will also guide them to other places in South Australia where they can 'discover more'. This could be to other cultural institutions but, most significantly, would direct tourists to regional places and attractions related to their area of interest.

AMoSAH will have a range of education programs, supporting a number of areas of the Australian Curriculum. The museum will be able to accommodate up to four school groups per day and will offer virtual school visits for rural and remote schools.

An active calendar of public programs and events will provide a further drawcard for visitation. These will include lectures and seminars on specific topics, guided tours, performing arts events such as chamber music, and small group after-hours experiences.

Complementing the physical museum will be **AMoSAH Online** – a virtual version of the museum. In addition to providing pre and post-visit interaction, AMoSAH Online will be a tool to promote the museum globally specifically targeting potential tourist visitors.

## 4.2 Objectives and outcomes

| Objectives | Outcomes |
|---|---|
| Establish a world class cultural and education offering that tells the unique stories of South Australia | Expanded SA cultural offering |
| Better orient SA residents and visitors for exploring the rest of the state | Annual museum visitation of 607,500 (344% increase) |
| Improve access and engagement with the State History Collection | 17,000 school student visits (48% increase) |
| Utilise a variety of contemporary visitor engagement methods | Museum content has broader Australian Curriculum alignment |
| Increase collaborations with other cultural institutions and tourism assets | Increased collaborations and partnerships |
| | Increased capacity to grow earned income (revenue, sponsorships, donations) |
| | Increased online engagement |
| | Broader, contemporary exhibits and programs |

## 4.3 Benefits

In addition to the outcomes listed above, Government investment in AMoSAH would deliver the following benefits:

In order to measure the impact of AMoSAH, and how successfully it delivers on the outcomes and benefits listed above, the following KPIs have been identified as part of the Investment Logic Mapping workshop:

- Resident engagement with social history: this can be measured through the number of times South Australians engage with AMoSAH – through visiting the museum, accessing its online content, attending programs and events, subscribing to AMoSAH communications, purchasing items from the museum shop, and/or contributing to fundraising campaigns. Each engagement will build their connection with AMoSAH and their understanding of South Australia's history.
- Referrals to visiting friends and relatives: Referral data can be gathered from interstate and overseas visitors by asking 'how did you find out about AMoSAH'. Local referral is a powerful tool in driving visitation. It is also a direct demonstration of how well AMoSAH has achieved its aim of an improved sense of identify and pride among South Australians.
- Visit intentions / repeat visits: AMoSAH aims to stimulate visitation to other offerings and regions across the state. Information regarding subsequent and repeat visit intentions could be gathered through visitor exit surveys.
- Museum visitation: this data will be gathered onsite.
- Share of State History Collection on display: the permanent and temporary exhibitions spaces within AMoSAH will provide for a significant increase in the percentage of the State History Collection on display. Exhibition content will be regularly refreshed, further increasing access to collection objects over time.

## 4.4 Visitation projections[5]

### 4.4.1 Overview

Visitation projections are a core part of the analysis, driving a significant portion of the overall project benefits. To estimate the number of visitors to AMoSAH in the first year of operation, and over the life of the project, SGS relies upon data outputs provided by Prescience Research and South Australian Government population forecasts.

### 4.4.2 South Australian visitor projections

Prescience Research was engaged to carry out a choice modelling exercise estimating annual metropolitan and non-metropolitan visitation to AMoSAH, as well as visitors' willingness to pay (WTP) per visit to AMoSAH. Choice modelling is a robust approach to understanding demand for services or experiences for which there is no market price. It is known as a 'stated preference' technique, in which members of the public are surveyed to identify general interest, propensity to visit, and the 'value' they would be 'willing to pay' to access a museum like AMoSAH.

[5] Source for Section 4.3: SGS Economics and Planning – AMoSAH Final Report Pg 15-17

The research found that 71.3% of adult Adelaide residents stated a desire to visit the museum, with these visitors expected to visit an average of 3.5 times over 5 years. For regional SA residents, the proportion of the population expected to visit was lower – at 26.0%, with these respondents desiring to visit an average of 2.9 times over a 5-year period.

Survey respondents were asked to envisage a museum of a roughly comparable scale as the South Australian Museum on North Terrace. As a result, the choice modelling outputs have been scaled to reflect the planned level of floor space at AMoSAH. With around 10,000 sqm of actively used floor space at the South Australian Museum, compared to only 7,000 sqm at AMoSAH, visitation benefits have been reduced by 30%.

Visitation by visitor subcategory at key points in the future is set out in the table below.

**TABLE 7: VISITATION FORECASTS**

| | 2026 | 2031 | 2036 | 2041 | 2046 | 2051 |
|---|---|---|---|---|---|---|
| Adelaide residents | 386,888 | 405,934 | 424,126 | 440,218 | 456,388 | 473,152 |
| Non-Adelaide residents | 33,352 | 34,469 | 35,374 | 36,033 | 36,656 | 37,290 |
| International tourists | 132,969 | 138,996 | 144,613 | 149,463 | 154,302 | 159,308 |
| Interstate tourists | 54,291 | 56,752 | 59,045 | 61,026 | 63,001 | 65,045 |
| **TOTAL** | **607,500** | **636,151** | **663,159** | **686,740** | **710,349** | **734,796** |

Source: SGS Economics and Planning, Prescience Research

### 4.4.3 Tourist visitor projections

To estimate visitation linked to interstate and international tourists, data has been drawn from the South Australian Arts and Cultural Tourism Strategy. This data is combined with overall tourist visitation data to understand how annual tourist projections will translate into AMoSAH visitation.

A summary of the approach to calculating tourist visitation is set out below. Adopting this approach, it is estimated that AMoSAH would attract a combined 180,000 international and interstate visitors per annum based on the visitation levels stipulated below. For the purposes of this economic evaluation, it is conservatively assumed that tourist visitation will grow in line with expected population growth (slightly less than 1% per annum).

**TABLE 8. ANNUAL TOURIST VISITATION CALCULATIONS**

| | Interstate | International |
|---|---|---|
| Overall visitation to Greater Adelaide | 1,922,000 | 421,000 |
| *% of total that are arts and cultural tourism visitors* | *26.0%* | *74.0%* |
| Total arts and cultural tourism visitors | 499,720 | 311,540 |
| *% of arts and cultural tourism visitors that visited museums, art galleries or art studios* | *14%* | *55%* |
| Tourists that visited museums, art galleries or art studios | 69,961 | 171,347 |

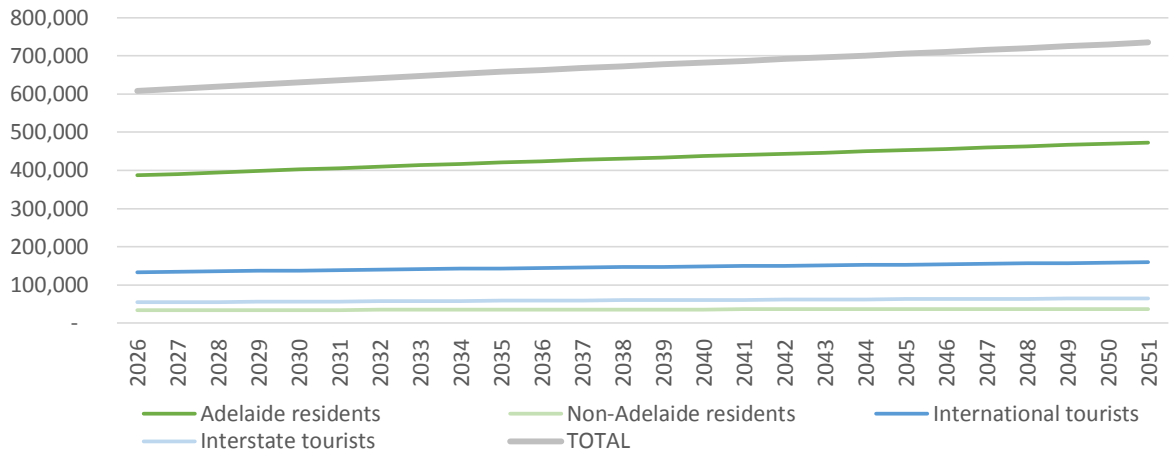
| | Interstate | International |
|---|---|---|
| *% of visitors to museums, art galleries or art studios expected to attend AMoSAH* | *75%* | *75%* |
| Estimated annual tourist visitation to AMoSAH | 52,471 | 128,510 |

Source: SGS Economics and Planning

### 4.4.4 Total AMoSAH visitation

For Options 1 and 2, estimated total visitation to AMoSAH over the project life, and broken down by visitor subcategory, is set out in the figure below.

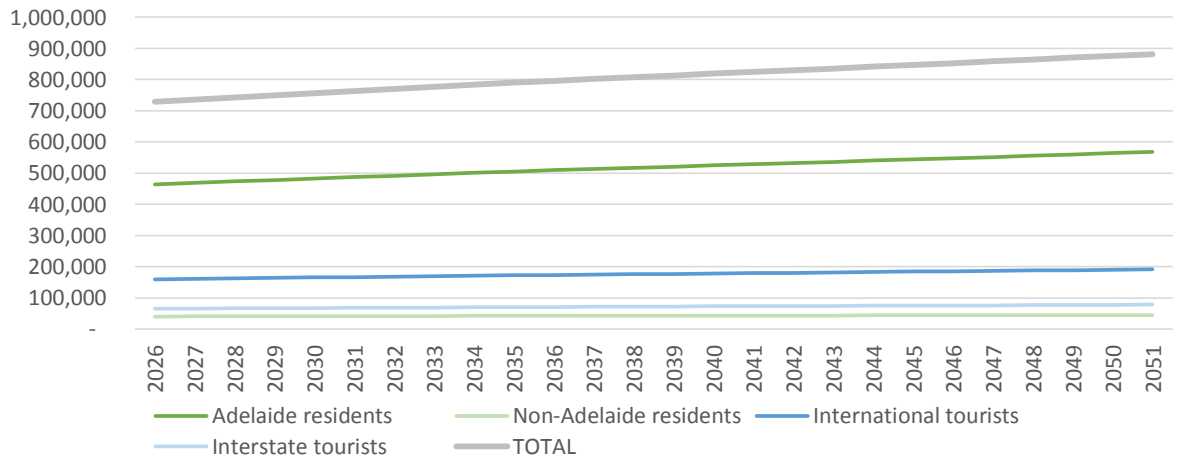
**FIGURE 3. ESTIMATED ANNUAL VISITATION TO AMOSAH, 2026 TO 2051 (OPTIONS 1 AND 2)**




Source: SGS Economics and Planning

Under Option 3, AMoSAH will be co-located with a building set to become a major city landmark with a tower behind the existing Freemasons' structure comprising a 240-room hotel, high end retail offer, and visitor centre offering a panoramic view of metropolitan Adelaide. This building will appeal to local visitors and tourists alike, resulting in visitation 20% higher than would normally be expected.

**FIGURE 4. ESTIMATED ANNUAL VISITATION TO AMOSAH, 2026 TO 2051 (OPTION 3)**




Source: SGS Economics and Planning

## 4.5 Strategic alignment

Section 2.2 discussed how AMoSAH is positioned in relation to existing SA Government policies and strategies. In order to align with, and deliver on, these strategies the following requirements need to be met:

- AMoSAH to operate under the care, control and management of the History Trust
- Items from the State History Collection are on display i.e. items significant to the history of South Australia
- Location: CBD based; clear connection with the North Terrace Cultural Precinct; easy access for tourists and school groups
- Capacity for HTSA to grow earned income
- Content attractive to tourists
- Be unique, appealing and focussed on SA's strengths
- Utilisation of a variety of engagement methods
- Provide links to other offerings in SA
- Content and programs aligned with the Australian Curriculum

## 4.6 Integration

AMoSAH would complement and connect with our existing cultural offerings, particularly those in the North Terrace Cultural Precinct. Should a future commitment be made to establish this museum it, along with the Government's existing commitment to Tarrkarri, would further strengthen the breadth of South Australian cultural offerings.

As identified in Section 2.5, the other major cultural institutions hold a consistent view that AMoSAH would build upon, not compete with, the state's existing offerings. Furthermore, there are extensive opportunities to present cross-institution exhibitions and programs stimulating increased visitation to all institutions involved. As the majority of the state's cultural offerings have free admission, the usual constraints on available visitor expenditure do not apply to visitation potential. There is a real, but untapped opportunity to increase the state's cultural visitation levels.

As education programs and school visits are a fundamental component of the AMOSAH proposal, alignment and integration with the Australian Curriculum is essential. The major presenting themes (refer Figure 1) have been developed with reference to the Australian Curriculum. These presenting themes connect with a number of areas beyond the History curriculum including Civics and Citizenship, Geography, and Legal Studies. The testing of these themes through the teacher survey (refer Section 3.2) confirmed the breadth of curriculum alignment. More detail on teacher survey responses in presented in Attachments G and H.

## 4.7 Other initiatives

There are a number of initiatives that relate to the AMoSAH proposal:

**Tarrkarri (Centre for First Nations Cultures)**

AMoSAH has the potential to interface with this significant State Government initiative. As presented in Section 2.5, there is potential for complementary exhibitions and programs between the two institutions. While Tarrkarri aims to present ATSI art and cultures from across Australia, both past and present, AMoSAH's first nations content will relate to specific times and places within South Australia, presenting defined facets of Tarrkarri's much broader story.

There is also the potential for the geographic proximity of the respective institutions to complement one another. On completion, Tarrkarri will extend the North Terrace Cultural Precinct by providing a major drawcard further to the east, articulating strongly with Adelaide Botanic Garden. Should Freemasons Hall (Option 3) proceed, this would provide another cultural anchor point to the east of the current Cultural Precinct, occupying the section of North Terrace between the Art Gallery and Tarrkarri.

**History Trust Ayers House tenancy**

In October 2022, the History Trust's head office will relocate to Ayers House as part of a Government strategy to increase activation of this heritage site. While the History Trust's permanent presence on the site will include its administrative and leadership functions, it will also contribute to public activation through regular onsite events - the most significant of which will be utilising Ayers House as the central hub for South Australia's History Festival held annually in May.

The History Trust's public programming of Ayers House will create an additional cultural drawcard for the eastern end of North Terrace. Aligned with Tarrkarri, AMoSAH and the Museum of Economic Botany in the Botanic Garden, it will provide cultural offerings on both sides of North Terrace, truly extending the North Terrace Cultural Precinct to the east end.

**Mortlock Redevelopment Plans**

The State Library of South Australia is currently progressing plans to upgrade the Mortlock Building and broaden the content displayed within it. The History Trust is engaged in ongoing discussions with the State Library regarding how it could contribute to the redevelopment and how the content could integrate with both the AMoSAH proposal and the existing Centre of Democracy.

**Freemasons Hall Redevelopment**

Option 3: Freemasons Hall – joint venture is directly related to progression of the Freemasons SA & NT's plan to redevelop its site at 254 North Terrace. The redevelopment plans incorporate the building footprint for AMoSAH and the timeframe for the progression of Option 3 is tied to this project.

## 4.8 Critical success factors

In order to fully deliver the outcomes and benefits of AMoSAH, as presented in Sections 4.2 and 4.3, the critical success factors are:

TABLE 9: CRITICAL SUCCESS FACTORS

| Critical Success Factor | Funding Dependant | Physical Requirement |
|---|---|---|
| Prime CBD location | | √ |
| Building size of 8,000m2 | | √ |
| Dedicated social history museum | | √ |
| Clear positioning of AMoSAH as visitation/tourism attraction | √ | √ |
| Immersive and compelling visitor offer | √ | |
| Variety of contemporary visitor engagement mechanisms | √ | |
| Breadth of themes and content (South Australian based) | √ | |
| Greater % of State History Collection on display | √ | |
| SA: Discover More app | √ | |

The table above highlights that many of these critical success factors are dependent upon provision of sufficient funding, both in the establishment phase and ongoing operations. Delivery of those critical success factors will have a direct and proportional relationship to the funding provided, regardless of what option for the realisation of AMoSAH is progressed.

However, there are effectively three critical success factors that can only be met through the delivery of specific physical requirements – CBD location; building size; and a dedicated, clearly positioned museum. It is these physical requirements that have the greatest impact on the options assessment presented in Section 5.

# 5. Options Development

## 5.1 Base case definition

The base case, or 'do nothing' option, would see the History Trust continue its existing, modest growth. The key elements of the base case are:

### Operations

The HTSA Act provides the mandate for the collection and exhibition of objects and information of historical significance to South Australia. The HTSA Board undertakes the overriding governance role for the organisation. The History Trust's employees and organisational structure provide the capability for delivery of History Trust's services.

### Assets

The History Trust is the custodian of the State History Collection of 35,000 objects valued at $23.9m (2020-21). This collection includes maritime vessels, some of which are berthed at Port Adelaide. In addition, land and building assets valued at $10.5m, held by the Minister for Education or the HTSA Board, provide space for the existing History Trust museums.

The History Trust also holds leases for its corporate headquarters at the Torrens Parade Ground (note: this will transfer to Ayers House in October 2022), the space in the Institute Building occupied by the Centre of Democracy, and collection storage spaces at Netley and Port Adelaide.

### Museums

The History Trust operates the following specific subject museums:

- Centre of Democracy, Institute Building, North Terrace, Adelaide – an exhibit space that showcases the people, ideas and movements that have shaped democracy in South Australia
- Migration Museum, Kintore Avenue, Adelaide – a museum that presents the stories of South Australian migrants and celebrates the state's cultural diversity
- National Motor Museum, Shannon Street, Birdwood – a museum that preserves, explores and celebrates the history of Australia through the lens of motoring
- South Australian Maritime Museum, Lipson Street, Port Adelaide – a museum that preserves, explores and celebrates the human history of South Australia's oceans and rivers

These museums occupy a total building footprint of 14,900m2 of which 9,665m2 is available for public museum space.

### Budget

In 2020-21 the History Trust's total budget was $12.214m.
Its income was $10.818m which included $6.946m of SA Government core funding. Other income included fees & charges, donations, grants and sponsorship.

### Services

The History Trust's museums are open 10am to 5pm daily, with the exception of Christmas Day.

In addition to its public museums with their permanent and temporary exhibition programs, the History Trust delivers public programs such as the Talking History lecture series and major orations; events such as the state-wide South Australia's History Festival and the Bay to Birdwood, both held annually; and school visits and teacher

education programs. The History Trust is also charged with undertaking a stewardship role for the state's network of community museums, providing grant funding, advice and museum accreditation. In addition, the History Trust collaborates in research and provides grant support for historical researchers and publications.

Outputs

- On-site visitation to History Trust museums was 115,364 in 2020-21. The pre-COVID, 5-year average visitation is 176,775.
- Off-site visitation to History Trust produced events, programs and travelling exhibitions totalled 109,340 in 2020-21. The pre-COVID, 5-year average offsite visitation is 315,061, which includes up to 90,000 roadside spectators for the annual Bay to Birdwood parade of historic motoring.
- The 5-year average for school student visits per annum is 35,165.
- The estimated state-wide attendance at South Australia's History Festival events in 2021 was 153,528.
- Visits to History Trust websites in 2020-21 totalled 817,270, with 3,859,761 page views.

Museum Trends

There are a number of trends in the world of history museums, the primary one being the introduction of contemporary visitor engagement methods. Gone are the days where a visitor was satisfied with viewing an object in a glass case and reading the accompanying curatorial text. Contemporary museum visitors seek multi-media experiences and interactive exhibits that allow them to customise their visit. Complementary programs and digital apps are also becoming basic expectations.

Another corrective trend, that is highly relevant to the History Trust's museums, is the introduction and integration of Aboriginal and Torres Strait Islander (ATSI) content. History museums in Australia have typically started their stories with European occupation and the inclusion of ATSI content has been sporadic and tokenistic. The History Trust is proactively addressing the gap in all of its museums.

## 5.2 Options definition

Consideration of pathways by which to realise AMoSAH has included the options outlined below.

### 5.2.1 Online only

Under this option, AMoSAH would be developed as an online offering only. Digitised versions of State History Collection objects could be presented, along with background explanation and curatorial information. While this option would increase digital accessibility to the State History Collection, an online viewing cannot replicate the impact derived from directly engaging with the original, physical objects. In addition, an online only version would fail to deliver the outcomes of the AMoSAH proposal such as the increase in visitation, school visits, tourism expenditure or earned income.

### 5.2.2 Change scope of existing HTSA museums

Under this option, one or more of the History Trust's existing museums would be 're-purposed' to present broader content. None of the History Trust's existing museums provides the space necessary to deliver the outcomes of the AMoSAH proposal (e.g. visitation). The National Motor Museum at Birdwood provides the necessary space however its location (55km from Adelaide CBD with a lack of public transport options) means that visitation levels would be sub-optimal.

The Migration Museum on Kintore Avenue provides a good location however its 1,000m2 of heritage-listed gallery spaces falls well short of meeting the critical space requirement for AMoSAH. In addition, the repurposing of an existing museum would replace an existing offering, meaning that the % of the State History Collection on

display would remain static and, at best, only a small uplift in visitation would be achieved. There would also be negative impact for the members of the public and partners that are engaged with an existing museum that would effectively cease to exist.

### 5.2.3 Expand existing HTSA museums

This option explores expansion of one of the History Trust's existing museum sites to create the 8,000m2 required to deliver the AMoSAH proposal. The National Motor Museum site has sufficient land available on which to construct AMoSAH. However its Birdwood location, 55km from the CBD with a lack of public transport options, means that AMoSAH at this site would most likely only meet 25% of the visitation estimated for a prime, North Terrace location. This would have a significant impact on the financial and economic outcomes of the proposal.

The Migration Museum offers a good location however it is a small site constrained by four buildings of heritage significance. With no clear footprint, AMoSAH at the Migration Museum site could most likely only be achieved by constructing above and over the existing buildings – a costly and compromised outcome.

### 5.2.4 Space within another cultural institution

The 1981 Edwards report that led to the establishment of the History Trust (refer Section 2.2) proposed the Mortlock Building as the location for a South Australian History Centre. This option was not pursued for several reasons, including the space being insufficient. In subsequent years examination of the Institute Building, and other spaces within the North Terrace Cultural Precinct, have been proposed.

The North Terrace Cultural Institutions are all contending with their own space constraints and all have aspirations for redevelopment and/or expansion. Even if it could be made available, any potential space within the North Terrace Cultural Precinct would be less than 1,000m2. Effectively, this equates to a single exhibition space and would be insufficient for providing the breadth of content that is fundamental to the AMoSAH proposal and its predicted outcomes. The Centre of Democracy is an existing example of this option. Its constrained space and lack of prominence result in an annual average visitation of around 22,000.

Another impact of this option would be that AMoSAH would reduce space available to the existing cultural institutions and mostly produce substitute, rather than increased, visitation. This negative impact on the cultural institutions, coupled with compromised outcomes for AMoSAH, make this option unviable.

### 5.2.5 Ayers House

In October 2022, the History Trust's corporate offices will relocate from Torrens Parade Ground to Ayers House. This move will achieve two outcomes for the Government – 1) conversion of Torrens Parade Ground to a dedicated veterans site and 2) increased public activation of Ayers House. While Ayers House would be an ideal location for AMoSAH, neither the existing heritage building nor the surrounding land would provide sufficient footprint to meet critical requirements.

### 5.2.6 New build

This option examines the construction of a new building specifically designed to meet the critical requirements of the AMoSAH proposal. The architectural firm, Baukultur, was engaged to define the functional requirements for AMoSAH and develop concepts for this option. The outcome of this work is presented in Attachments I and J.

Advantages of a new building include internal spaces and flows specific to AMoSAH's functional requirements, maximisation of building efficiencies and sustainability, and the opportunity to create an additional, bespoke public building for Adelaide.

In order for the new build option to deliver the full suite of AMoSAH outcomes the building would need to be located in the CBD on, or within 2 blocks north or south of, North Terrace. Locations outside of this zone will have a drop in estimated visitation proportional with the distance from the zone. Potential locations include Lot 14 or Adelaide Park Lands sites (subject to zoning).

### 5.2.7 Adapt existing building

Under this option an existing building would be redeveloped to create a dedicated site for AMoSAH. As a history museum, AMoSAH would sit well within an existing heritage building. Internal upgrades would be needed to bring the building up to current building code and contemporary museum use, however a history museum is well suited to a variety of internal spaces. While some open, flexible space is required for visitor orientation, major exhibitions and public program areas, small intimate spaces can also be suited for the display of historical objects. This means that a wide variety of existing buildings could be successfully adapted for AMoSAH.

Potential sites identified by Renewal SA include:

- Lion Arts Centre– multiple proposals for future of this building with Arts SA – may be suitable
- Brookman Building, UniSA City East – repurpose lower levels and basement (current library) – (not aligned to UniSA vision for repurposing site)
- Gawler Chambers – North Terrace – Adelaide Development Company (not aligned to residential and retail proposal)

### 5.2.8 Freemasons Hall – joint venture

This option, a hybrid of the 'new build' and 'adapt existing' options, is possible due to the Freemasons SA & NT plans to restore Freemasons Hall and construct a new tower at the rear of the 254 North Terrace site. The new tower would be primarily occupied by a high end hotel, with the top three floors dedicated to a 'sky lobby' visitor centre providing the panoramic views across the city.

Freemasons SA & NT has tested the financial feasibility of the project, the proposal has been endorsed by its membership and formally approved by the Freemasons Board. An expression of interest process for a hotel operator has been conducted with 14 responses received. All respondents indicated that creation of a history museum within the building complex would be a positive outcome, providing visitor uplift for both parties.

The History Trust has progressed preliminary examination of the joint venture proposal, under a Memorandum of Understanding (MoU) with Freemasons. The MoU discussions have established:

- A footprint of 8,000m2 would be made available for AMoSAH, situated within Freemasons Hall and the lower levels of the new tower
- The museum would be operated by the History Trust
- A mixture of spaces, including a rooftop deck on Freemasons Hall would be provided. These spaces would meet all of the AMoSAH proposal critical requirements
- Funding for the construction and museum fit-out would be a combination of Freemasons and SA Government contribution
- A 50 year lease for the AMoSAH space would be offered

- Annual rental would be based on Freemasons' initial financial investment, plus outgoings, partially offset by an annual donation from the Masonic Charities Trust (proposed to be $500,000 per annum)

The architectural firm, Baukultur, has developed a preliminary functional layout for this option. The outcome of this work is presented in Attachment K.

The Freemasons Hall option meets all of the requirements to deliver the AMoSAH outcomes. In addition, the new tower will be a visitor attraction in its own right, with the hotel estimated to achieve 131,000 visitor bed nights per annum and the sky lobby to attract an estimated 400,000 visitors each year. This is predicted to provide a 20% uplift in AMoSAH visitation when compared to any other North Terrace based option.

## 5.3 Options analysis

Section 4.8 presented the Critical Success Factors for the AMoSAH proposal, the bulk of which are funding related. Three essential, physical factors were identified – CBD location, dedicated positioning of AMoSAH and building size. The table below assesses how each of the options discussed in Section 5.2 aligns with these critical success factors, with physical factors highlighted.

**TABLE 10. OPTIONS ASSESSMENT AGAINST CRITICAL SUCCESS FACTORS**

| Option | Prime CBD location | Size (8000m2) | Dedicated museum | Tourism attraction | Immersive offer | Engagement variety | Breadth of content | % on display | Discover More app | Score |
|---|---|---|---|---|---|---|---|---|---|---|
| Online only | 0 | 0 | 1 | 0 | 1 | 1 | 3 | 2 | 0 | 8 |
| Change scope of existing HTSA museum | 2 | 1 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 18 |
| Expand existing HTSA museum | 2 | 1 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 23 |
| Space within another cultural institution | 3 | 1 | 2 | 3 | 2 | 2 | 2 | 2 | 3 | 20 |
| Ayers House | 4 | 1 | 2 | 3 | 2 | 2 | 2 | 2 | 3 | 21 |
| New build | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 35 |
| Adapt existing building | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 35 |
| Freemasons Hall – joint venture | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 36 |

Scoring: 0 = no contribution; 1 = poor; 2 = average; 3 = strong; 4 = excellent

## 5.4 Shortlist

Table 10 above shows that only three options have strong potential to deliver on the outcomes of the AMoSAH proposal. All other options would be a compromised solution, falling well short of the potential that can be derived from the State History Collection asset.

The remainder of this business case examines the three shortlisted options:

- **Option 1: new build**
- **Option 2: adapt existing building**
- **Option 3: Freemason Hall – joint venture**

# 6. Options Assessment

## 6.1 Financial evaluation[6]

### 6.1.1 Approach

This section of the analysis reviews all costs and revenues associated with the three Project Options (refer Section 5.4) relative to the Base Case. The explicitly financial focus excludes consideration of economic, social and environmental costs and benefits, which are considered as part of the cost benefit analysis. This section therefore sets out the financial viability of each of the Project Options, showing how much each will cost both upfront, during the construction phase, and over the operating life of the project.

### 6.1.2 Revenue

Facilities of this type typically generate revenues from a variety of sources. The table below provides a breakdown of potential revenues under each Option.
Note: estimated revenues below are based on existing operations and are considered modest. Further revenue analysis would be conducted at final business case stage.

**TABLE 11. SUMMARY OF ESTIMATED ANNUAL REVENUES BY OPTION**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| Donations | $300,000 | $300,000 | $300,000 |
| Fees and charges | $200,000 | $200,000 | $200,000 |
| Sponsorships | $300,000 | $300,000 | $300,000 |
| Freemasons Charitable Trust | $- | $- | $500,000 |
| Hire / event fees | $50,000 | $50,000 | $50,000 |
| Shop outsourcing contract | $100,000 | $100,000 | $100,000 |
| Café outsourcing contract | $100,000 | $100,000 | $100,000 |
| **TOTAL** | **$1,050,000** | **$1,050,000** | **$1,550,000** |

Source: History Trust of SA

In carrying out the financial evaluation, a number of revenue sources are excluded, including donations, fees and charges, sponsorship and hire event fees. For each Option, inclusion of these alternate sources would generate (in year 1), revenues of:

- $1.05 million for Option 1
- $1.05 million for Option 2
- $1.55 million for Option 3

The impact on the financial evaluation of the inclusion of these revenues sources is considered as part of the sensitivity testing.

[6] Source for Section 6.1: SGS Economics and Planning – AMoSAH Final Report Pg 18-26

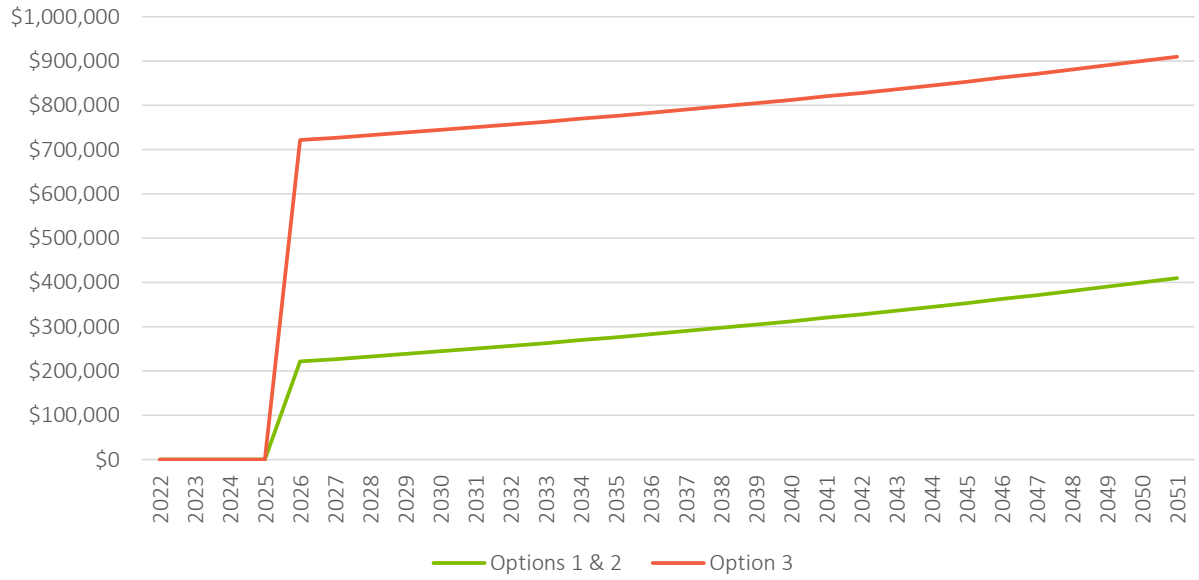
The financial evaluation therefore includes only the following sources:

- Shop outsourcing contract
- Café outsourcing contract, and
- Freemasons Charitable Trust (Option 3 only).

The first two sources are assumed to grow at an annual rate of 2.5%, while Freemasons Charitable Trust contributions are assumed to be fixed at a nominal figure of $500,000 per annum.

The chart below shows revenues for Options 1, 2 and 3 over the evaluation period.

**FIGURE 5. ANNUAL REVENUES OVER THE PROJECT LIFE, OPTIONS 1, 2 & 3**




Source: SGS Economics and Planning

### 6.1.3 Residual asset value

Under each option, the capital works delivered by the project are expected to have an economic life of 50 years, with the value of the assets assumed to depreciate in a straight line over this period. Consequently, at the end of the 30-year project evaluation period, the assets are likely to have a 'residual value', representing the residual asset from which a range of economic and social benefits will flow after the end of the evaluation period.

For Options 1 and 2, the asset will be owned by the South Australian Government, so in each case the Government will be the beneficiary of the asset's residual value. Under Option 3, the asset will be owned by a non-Government entity, so whilst the residual asset value will be retained within the South Australian community, it is not recognised in the financial analysis.

### 6.1.4 Expenditure

Two categories of expenditure are assessed as part of this analysis: those associated with capital costs, and those linked the set-up, operations, and maintenance of the new museum.

**Capital costs**

Estimated capital costs have been provided for each Option. Overall, the cost of establishing each Option is similar. However, given the upfront cost of Option 3 is covered jointly with the Freemasons, the ultimate cost incurred by State Government is significantly lower.

Construction capital costs under each Option are set out in the table below.

**TABLE 12. CONSTRUCTION CAPITAL COSTS UNDER EACH OPTION (UNESCALATED)**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| Building Works | 69,114,600 | 85,819,900 | 80,006,300 |
| External Works & Infrastructure | 4,500,000 | 4,500,000 | 4,500,000 |
| Specialist Lighting and Joinery | 3,000,000 | 3,000,000 | 3,000,000 |
| Specialist IT and AV | 1,000,000 | 1,000,000 | 1,000,000 |
| **Estimated Net cost** | **77,614,600** | **94,319,900** | **88,506,300** |
| Construction Contingency | 6,000,000 | 7,000,000 | 7,000,000 |
| Professional Fees and Charges | 13,000,000 | 15,000,000 | 14,000,000 |
| **Estimated Construction Cost** | **96,614,600** | **116,319,900** | **109,506,300** |
| Land/ Building Cost | 16,700,000 | 16,700,000 | NA |
| Establishment cost investment component | 2,470,000 | 2,470,000 | 2,470,000 |
| **Total cost (pre-contribution)** | **115,784,600** | **135,489,900** | **111,976,300** |
| Freemasons' contribution | NA | NA | 69,506,300 |
| **Total cost** | **115,784,600** | **135,489,900** | **42,470,000** |

Source: RLB and Renewal SA

SGS has assumed that the capital works phase will commence in January 2023 and extend until February 2025. Costs are assumed to be incurred proportionally over the capital works phase. In addition to capital works, approximately $2.6 million in establishment costs linked to the capital works phase will be incurred. The bulk of these costs will be incurred during the 2025 financial year. The breakdown of capital costs under each Option, including cost escalation, is set out in the following table.

**TABLE 13. CAPITAL COSTS, ANNUAL BREAKDOWN (ESCALATED)**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| 2022/23 | $36.80m | $40.89m | $8.32m |
| 2023/24 | $52.37m | $63.03m | $21.76m |
| 2024/25 | $35.06m | $41.71m | $15.96m |
| **TOTAL** | **$124.23m** | **$145.63m** | **$46.03m** |

Source: History Trust of South Australia

These costs are in 2021 dollars. For the purposes of the financial evaluation, they are grown at 4 per cent per annum.

**Operations and maintenance costs**

Once the facility is fully operational, substantial ongoing costs will be incurred by the HTSA, over and above existing commitments. In addition to these operational costs, establishment costs will be incurred in the lead up to the opening of AMoSAH.

Turning first to establishment costs, these are common to all Options. Escalated establishment costs are set out in the following table.

**TABLE 14. ESTABLISHMENT COSTS, OPERATIONS COMPONENT (ESCALATED), OPTIONS 1, 2 & 3**

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|
| Salaries and wages | $174,786 | $729,166 | $1,419,145 | $74,826 |
| Exhibitions & programs | - | $1,250,244 | $2,600,691 | $16,557 |
| IT & equipment | - | - | $107,689 | - |
| Marketing & comms | - | - | $107,689 | - |
| Other | $76,875 | $26,266 | | |
| **TOTAL** | **$251,661** | **$2,005,676** | **$4,235,214** | **$91,383** |

Source: History Trust of SA

Once the facility becomes operational, ongoing costs are expected to vary between Options. The most significant difference between the Options relates to an annual rental amount payable to the Freemasons under Option 3. This results in an annual ongoing cost for Option 3 with a value of more than $8.5 million (in real terms) from 2026. This compares to corresponding figures of $6.1 million and $6.3 million for Options 1 and 2 respectively.

Annual costs for each Option in the first year of operation are set out in the table below.

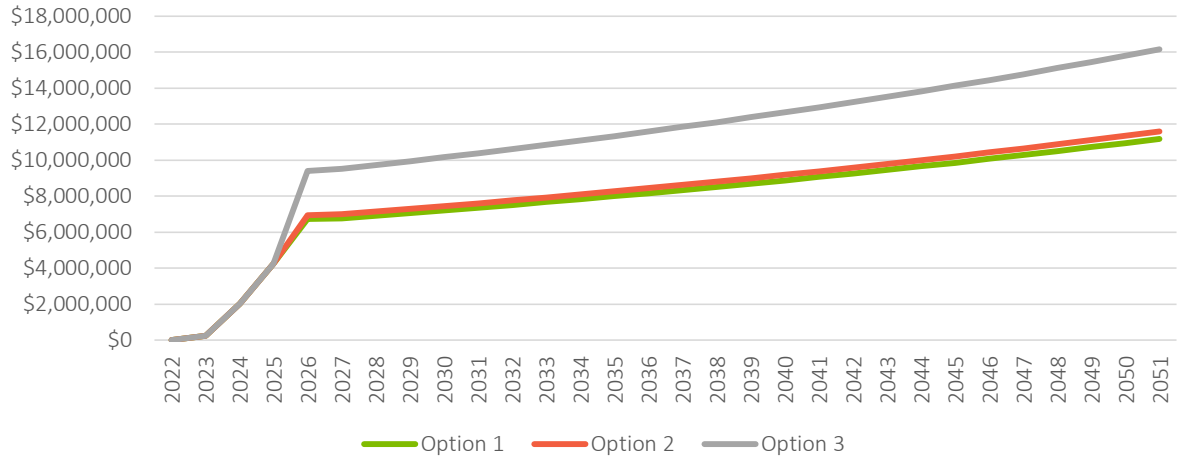
**TABLE 15. ANNUAL ONGOING COSTS (AS AT 2020-21), OPTIONS 1, 2 & 3**

| | OPTION 1 | OPTION 2 | OPTION 3 |
|---|---|---|---|
| Salaries and wages | $2,596,920 | $2,596,920 | $2,596,920 |
| Accommodation | - | - | $3,166,000 |
| Exhibitions & programs | $1,250,000 | $1,250,000 | $1,250,000 |
| IT & equipment | $155,000 | $155,000 | $155,000 |
| Marketing & comms | $148,000 | $148,000 | $148,000 |
| Fees & charges | $227,000 | $210,000 | $199,200 |
| Other | $20,000 | $20,000 | $20,000 |
| Utilities and outgoings | $255,700 | $305,700 | - |
| Cleaning | $160,000 | $160,000 | - |
| Security | $405,000 | $570,000 | $545,000 |
| Asset maintenance | $190,000 | $190,000 | $50,000 |
| FM fund | $700,000 | $700,000 | $400,000 |
| **TOTAL** | **$6,107,620** | **$6,305,620** | **$8,530,120** |

Source: History Trust of SA

The chart below shows the growth in costs linked to set-up, operations and maintenance over the project life under the each of the Options. These costs assumed to escalate at 2.5 per cent per annum in nominal terms.

**FIGURE 6. SET UP, OPERATING, AND MAINTENANCE COSTS, 2022 TO 2051**



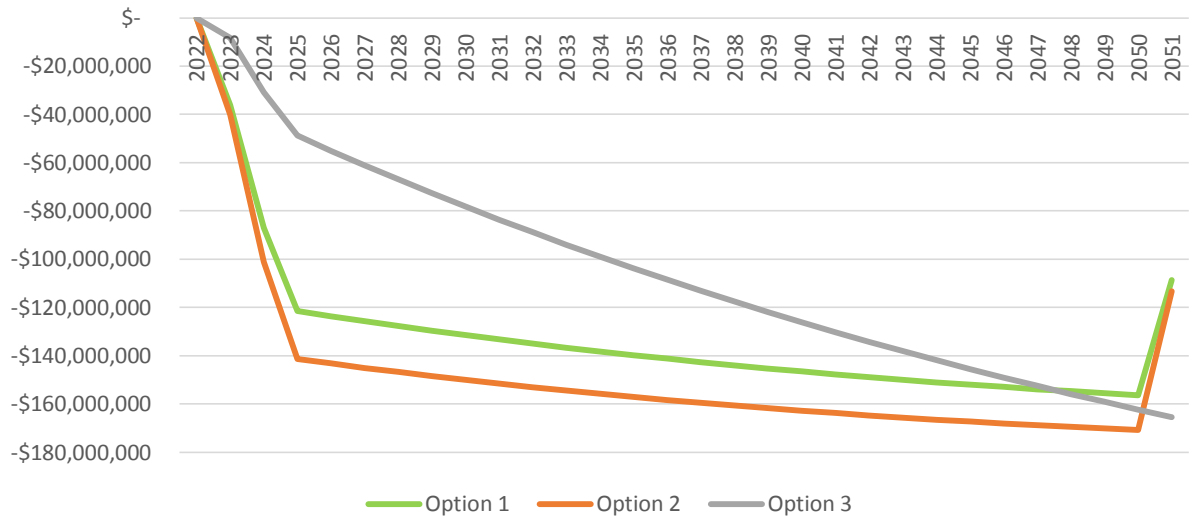

Source: SGS Economics and Planning

### 6.1.5 Cash Flow (Real)

An analysis of cash flows over the project life shows that each Option will continue to cost money for the foreseeable future. The cash flows for Options 1 and 2 look relatively similar, with the marginally better cash flow profile for Option 1; a consequence of lower upfront capital costs.

For Option 3, clearly the upfront costs are substantially lower. However, with a greater requirement for ongoing maintenance and operating expenditure, and no residual asset value at the end of the evaluation period, the overall position of Option 3 is inferior to Options 1 and 2 from a real cash flow perspective.

FIGURE 7. CUMULATIVE CASH FLOW OF OPTIONS TO 2051 (REAL)



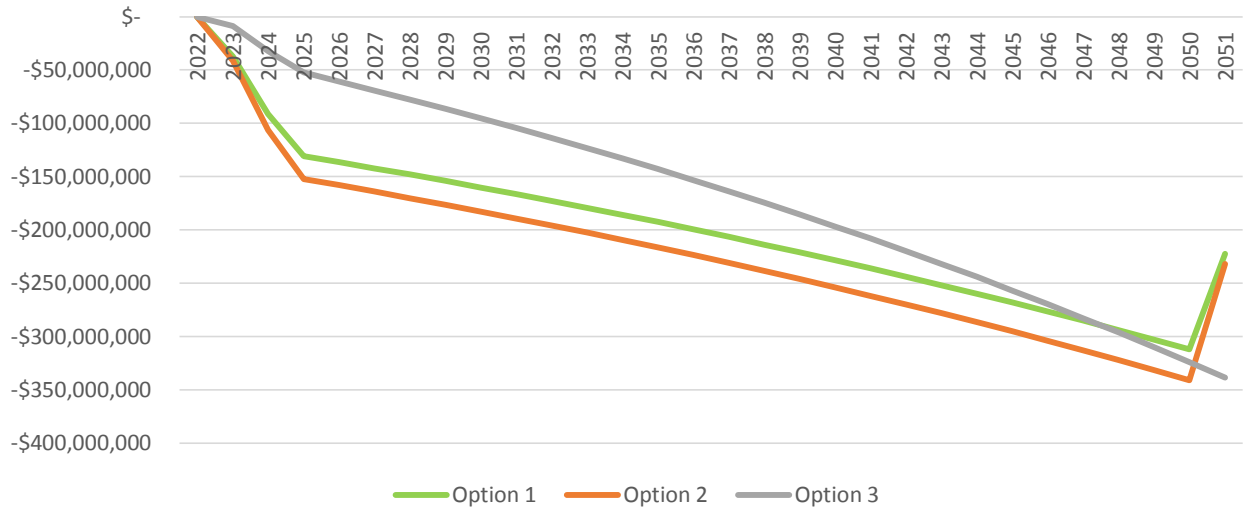

Source: SGS Economics and Planning

### 6.1.6 Cash Flow (Nominal)

The nominal cash flows for each Option include no downward adjustment for inflation (CPI). Once again, these show the greater upfront cost of Options 1 and 2 and the greater operational costs associated with Option 3, as a result of its higher annual operating and maintenance costs. The analysis also shows the cash inflow in 2051, represented by the residual asset value for Options 1 and 2.

In nominal terms, Options 1 and 2 are expected to have similar lifetime costs, at around $220 million and $230 million respectively. With no residual asset value, Option 3 performs relatively poorly over the 30-year period, with a lifetime cost of just under $340 million.

FIGURE 8. CUMULATIVE CASH FLOW OF OPTIONS TO 2051 (NOMINAL)




Source: SGS Economics and Planning

### 6.1.7 Options comparison

This analysis reveals that Option 3 is the best performing from a purely financial perspective, with the net present value of costs linked to this Option lower than for the other two. The results of the financial analysis are set below.

A nominal discount rate of 5.57% is used to discount future cash flows[7].

TABLE 16. FINANCIAL ANALYSIS, PRESENT VALUES OF COSTS AND REVENUES OVER EVALUATION PERIOD

| Net present values | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| Capital costs | ($111.65m) | ($130.75m) | ($40.97m) |
| Operating and maintenance costs | ($88.62m) | ($91.86m) | ($133.22m) |
| Revenues | $3.28m | $3.28m | $9.04m |
| Residual asset value | $20.62m | $24.72m | - |
| **TOTAL** | **($176.38m)** | **($194.62m)** | **($165.14m)** |
| **Rank** | **2nd** | **3rd** | **1st** |

Source: SGS Economics and Planning

[7] This rate is calculated according to Department of Treasury and Finance (SA) advice, which stipulates that the following formula be used to calculate the nominal discount rate: *E(r) = risk free rate + Beta * Australian historical market risk premium.* SGS has adopted the following parameters: risk free rate (30-year bond yield) = 2.566% (as at 17 Jan, 2022); beta = 0.5; Historic market premium = 6%

### 6.1.8 Sensitivity testing

The outcomes of the financial analysis are highly contingent on a number of assumptions, namely capital costs; setup, maintenance and operational costs; and discount rate. The sensitivity tests below show how changes to these underlying assumptions and parameters change financial analysis outcomes. SGS tests:

- Changes in capital costs (25% lower and 25% higher);
- Changes in setup, maintenance and operation costs (25% lower and 25% higher); and
- Change in discount rates (lower – 3.57%, and higher – 7.57%).

**Changes in capital costs**

The table below shows the impact on the financial NPV of changes in capital costs.

TABLE 17. FINANCIAL ANALYSIS SENSITIVITY TESTING, CHANGE IN CAPITAL COSTS

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| 100% (as per base case) | ($176.38m) | ($194.62m) | ($165.14m) |
| 125% of costs in base case | ($204.29m) | ($227.31m) | ($175.38m) |
| 75% of costs in base case | ($148.47m) | ($161.94m) | ($154.90m) |

Source: SGS Economics and Planning

**Changes in setup, maintenance and operational costs**

The table below shows the impact on the financial NPV of changes in setup, maintenance and operational costs.

TABLE 18. FINANCIAL ANALYSIS SENSITIVITY TESTING, CHANGE IN SETUP, MAINTENANCE AND OPERATIONAL COSTS

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| 100% (as per base case) | ($176.38m) | ($194.62m) | ($165.14m) |
| 125% of costs in base case | ($198.53m) | ($217.59m) | ($198.44m) |
| 75% of costs in base case | ($154.22m) | ($171.66m) | ($131.83m) |

Source: SGS Economics and Planning

**Changes in discount rates**

The following table shows the impact of changes in discount rate on the outcomes of the financial analysis.

TABLE 19. FINANCIAL ANALYSIS SENSITIVITY TESTING, CHANGE IN DISCOUNT RATE

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| 5.57% (as per base case) | ($176.38m) | ($194.62m) | ($165.14m) |
| 3.57% | ($192.36m) | ($209.46m) | ($207.27m) |
| 7.57% | ($162.19m) | ($180.66m) | ($135.40m) |

Source: SGS Economics and Planning

## 6.2 Socioeconomic evaluation[8]

### 6.2.1 Approach

The socioeconomic evaluation features both a qualitative socioeconomic assessment of the project, with discussion of the economic, social and environmental impacts, as well as a quantification of the benefits and costs in the Cost-Benefit Analysis (CBA).

### 6.2.2 Summary of impacts assessed

The impacts assessed as part of the socioeconomic evaluation are set out and described briefly in the section below. They are separated into economic, social and environmental categories reflecting the different types of impact on the South Australian community.

**Economic impacts**

*Operating revenues*
Ongoing operating revenues will stem from AMoSAH's planned retail shop and café, also creating more hospitality jobs.

*Tourism yields*
The increase in tourism yields stemming from tourists who specifically visit South Australia to visit AMoSAH will positively impact South Australia's economy, primarily in the retail trade and food and accommodation industries. This will be further explored quantitively in both the CBA and the economic impact assessment.

*Labour surplus*
The opening of AMoSAH will create ongoing jobs for curators, researchers and other specialised professionals along with construction jobs during capital works.

**Social impacts**

*Community use benefits*
Community use benefits are consumer surplus benefits that SA residents enjoy as a direct result of their trip to AMoSAH. This is quantified through willingness-to-pay estimates in the CBA.

*Educational benefits*
AMoSAH will provide an important educational resource, with the Prescience Research findings suggesting strong levels of interest among schoolteachers. In addition to the educational benefits monetised in the CBA, there will be educational benefits from planned online/digital learning that will especially benefit rural schools that cannot easily visit Adelaide. This makes AMoSAH's resources more widely accessible.

*Community non-use benefits*
The benefits enjoyed by the South Australian non-users of the AMoSAH include the value that is placed on the 'option' of visiting AMoSAH in future, even if this option is never taken up, along with value attributed to the provisioning of enhanced cultural and education assets for use by other SA residents - be they current or future generations.

The existence value – the value placed on simply knowing a resource or asset exists – is also something for which research shows there is a societal 'willingness to pay' (WTP).

[8] Source for Section 6.2: SGS Economics and Planning – AMoSAH Final Report Pg 27-29

*Construction nuisance*

During the construction phase of the options, people nearby the construction site will endure construction nuisance including noise, traffic delays, etc. All Options will have similar levels of construction nuisance, with similar amounts of capital works planned but may differ slightly based on site specifications and local population density and traffic. This nuisance will be actively mitigated by the construction contractor.

**Environmental impacts**

*Environmental resource depletion*

The use of non-renewable resources (such as fossil fuels) or scarce resources in the process of constructing and operating AMoSAH may cause environmental resource depletion. Although the Options' different environmental impacts cannot be compared until the architectural and operational plans are finalised, this category of costs is not likely to be significant relative to other benefits and costs, so are not quantified.

### 6.2.3 Qualitative assessment

In the table below each of the Options have been assessed in terms of their performance across each of the identified impacts using a small, medium, large scoring scale. This scoring scale reflects the following considerations regarding the impact of each benefit category on South Australian stakeholders:

- Direction of impact on stakeholders, i.e., positive or (negative)
- Intensity of impact for stakeholders, i.e., small, medium or large
- Duration of impact on stakeholders, i.e., short vs long term, and
- Spread of impacted stakeholders, i.e., narrow vs broad spread.

**TABLE 20: QUALITATIVE ASSESSMENT, SUMMARY OF IMPACTS ON SOUTH AUSTRALIAN COMMUNITY**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| **Economic impacts** | | | |
| - Operating revenues | Small | Small | Small |
| - Tourism yields | Small | Small | Small |
| - Labour surplus | Small | Small | Small |
| **Social impacts** | | | |
| - Community use benefits | Medium | Medium | Medium |
| - Education benefits | Small | Small | Small |
| - Community non-use benefits | Large | Large | Large |
| - Construction nuisance (negative) | (Small) | (Small) | (Small) |
| **Environmental impacts** | | | |
| - Environmental resource depletion (negative) | (Small) | (Small) | (Small) |

Source: SGS Economics and Planning

The table above shows that all Options perform similarly across the impact categories. It also shows that the positive social impacts dominate the analysis, and that all project options are likely to generate net positive impacts.

## 6.3 Cost benefit analysis[9]

Cost benefit analysis (CBA) is an economic approach in which incremental benefits associated with a course of action are converted to a common unit of measurement (typically, present day dollars) and compared against the incremental costs. This form of analysis ultimately seeks to shed light on the question of whether a course of action (i.e., the project) is likely to lead to a net beneficial outcome for a given community, relative to maintenance of the status quo (i.e., the base case).

### 6.3.1 Base Case

With a requirement to identify cost and benefits incremental to a Base Case, it is helpful to set out what is implied by this scenario. The Base Case represents a situation in which the AMoSAH proposal does not proceed in any form. Under this scenario all costs associated with the proposed options are assumed not to occur. Likewise, all social, financial, and economic benefits associated with the project options are assumed to not eventuate. This means that all costs and benefits set out below are assumed to be incremental to a 'zero base'.

### 6.3.2 Cost benefit analysis discount rate

In line with guidance set out in the South Australian Treasury's *Guidelines for the evaluation of public sector initiatives,* SGS has adopted the Capital Asset Pricing Model (CAPM) as a way of arriving at an appropriate discount rate. This formula is set out below.

$$E(r) = \left(\frac{\text{risk free rate} + \text{Beta} * \text{historic market risk premium}}{1 + \text{rate of inflation}}\right) - 1$$

Assuming a risk-free rate of 2.57% (in line with the Australian 30-year treasury bond rate), a beta of 0.5 (reflecting low project risk), a historic risk premium of 6%, and a 2.5% inflation rate, a real discount rate of 2.99% is adopted.

### 6.3.3 Project Case benefit and cost framework

The cost and benefit categories linked to each Option are summarised in the table below.

**TABLE 21. COST AND BENEFIT FRAMEWORK**

| Costs | Benefits |
|---|---|
| Capital costs | Operating revenues |
| Operating costs | Tourism yields |
| Construction nuisance (unquantified) | Labour surplus |
| Environmental resource depletion (unquantified) | Use benefits |
| | Educational benefits |
| | Non-use benefits |
| | Residual asset value |

Source: SGS Economics and Planning

[9] Source for Section 6.3: SGS Economics and Planning – AMOSAH Final Report Pg 29-39

### 6.3.4 Costs

This section summarises cost categories monetised as part of this assessment, including their present value under each Option.

*Capital costs*
Details in regard to how capital costs have been compiled are set out in the financial evaluation.

The present value of capital costs over the project life, to 2051 is:

- $111.65 million for Option 1
- $130.75 million for Option 2
- $40.97 million for Option 3

*Operating costs*
Details in regard to how set up, operating and maintenance costs have been compiled are set out in the financial evaluation.

The present value of set up, operating and maintenance costs over the project life, to 2051 is:

- $88.62 million for Option 1
- $91.87 million for Option 2
- $133.22 million for Option 3

*Construction nuisance*
Not quantified

*Environmental resource depletion*
Not quantified

### 6.3.5 Benefits

*Operating revenues*

Details in regard to how revenues have been compiled are set out in the financial evaluation.

*Tourism yields*

AMoSAH is likely to appeal to visitors from interstate and overseas and is in fact projected to draw close to 200,000 tourist visits per annum. The method adopted in arriving at tourist visitation projections is summarised in Section 4.4 of this report. This visitation is linked to an enhancement of welfare for the South Australian community, *if* AMoSAH is deemed to represent the primary reason for these tourists visiting South Australia.

For the majority of tourists that visit AMoSAH, the museum will not be the primary reason for their visit to South Australia. For these tourists, any benefits linked to their expenditures cannot be considered for the purposes of this CBA, given that they would have occurred anyway under a base case, i.e., under a scenario in which AMoSAH is not funded and developed.

When international and interstate tourists visit South Australia, the community benefits from their expenditures among local businesses. To understand the portion of this expenditure that generates a 'welfare improvement' for the South Australian community, it is necessary to calculate gross value added (GVA, equivalent to business profits plus wages). This GVA figure is estimated at around 25% of total expenditures.

To understand incremental benefits, it is therefore important to identify the proportion of AMoSAH visitors that travel to South Australia specifically to visit the museum. SGS conservatively assume that 1% of interstate and overseas visitors to AMoSAH will visit South Australia primarily to visit the museum.

To calculate the tourism yield benefit, only GVA from expenditure linked to this minority of tourist visitors is considered. To estimate GVA linked to these 'induced' visitors, SGS assumes an average trip length of 3 nights, and an average daily expenditure per tourist of $283[10].

Note that the benefits shown below exclude the possibility that some visitors may extend the length of their trips of South Australia in order to visit AMoSAH. Further, with AMoSAH envisaged to play a key role in narrating the story of South Australia and its regions, it is probable that, for many tourists, a visit to AMoSAH may lead directly to a follow-up visit to South Australia. Any benefits associated with these users is difficult to monetise with any clarity and have therefore been excluded from the analysis. This being the case, the tourism benefit calculated below likely represents a highly conservative estimate.

The present value of benefits arising from tourism yields over the project life, to 2051 is:

- $7.09 million for Option 1
- $7.09 million for Option 2
- $8.51 million for Option 3

*Labour surplus*

AMoSAH will employ many local community members, over both the construction and operating phases of the investment. This labour surplus will provide a benefit to the Adelaide community, as some individuals move out of circumstances of under- or unemployment. However, most employees will transfer out of other full-time positions within the Adelaide area. SGS has modelled these effects using average employment and wages in the South Australian economy.

The fact that AMoSAH's proposed wages are above market rates indicates that net welfare benefits will be generated when employees shift to employment at AMoSAH from other jobs. Operational and ongoing employment estimates for AMoSAH were provided by HTSA and are consistent across all options, while the number of construction jobs has been estimated based on fixed employment/ capital expenditure ratios in the construction sector.

To take up new employment opportunities, local workers will forego a mix of wages, welfare payments, and leisure time, depending on their current employment status. These opportunity costs by broad worker category are described below.

- Fully employed workers – opportunity costs comprise current after-tax incomes
- Partly employed workers - opportunity costs comprise current after-tax incomes and leisure time, and
- Unemployed workers - opportunity costs comprise current unemployment benefit payments from the Commonwealth and leisure time.

[10] Tourism Research Australia

To estimate the opportunity costs experienced by local workers, SGS has performed a three-step modelling process, using publicly available and regularly published datasets by the Australian Bureau of Statistics. This process is described below.

- **Step 1** - Assess the region's labour force to understand the composition of the component labour pools by ANZSCO occupation categories (e.g., Managers, Professionals, Technical & Trade Workers, etc.) and by labour force utilisation rates (i.e., fully employed, under-employed and unemployed).
- **Step 2** – Align the AMoSAH project's proposed employment with ANZSCO occupation categories. This allows the relative attractiveness of wage offers to be assessed against competing wage offers throughout the region.
- **Step 3** - Calculate the number of workers (by labour force category) who will accept project employment offers, after accounting for AMoSAH's proposed wage rates (by occupation) and the region's natural job-separation rates.

The present value of labour surplus over the project life, to 2051 is:

- $6.57 million for Option 1
- $6.91 million for Option 2
- $6.38 million for Option 3

*Community use benefits*

Community use benefits can be estimated by calculating the consumer surplus enjoyed by South Australian visitors to AMoSAH.

For 'priced' goods and services, the market provides a good basis for estimating individuals' willingness to pay. In this case however, because cultural institutions tend not to charge for entry, a non-market valuation technique has been used to estimate South Australians' willingness to pay (WTP) for a visit to AMoSAH. Prescience Research were engaged to calculate this WTP through a choice modelling approach in which survey participants undertook a choice modelling survey task, having first been informed of the AMoSAH concept, including its core focus and themes.

The purpose of the choice modelling task was to determine:

- The number of South Australians visiting AMoSAH every year, and
- Average willingness to pay for entry to AMoSAH.

Under Options 1 and 2, it was estimated that the number of South Australians visiting AMoSAH would be around 420,000 in the first year of operations, and more than 500,000 projected under Option 3. Over the evaluation period, it was assumed that South Australians' visitation to AMoSAH grows in line with state population growth.

Willingness to pay for entry to AMoSAH was estimated at:

- $19.81 for Adelaide residents, and
- $14.66 for intrastate visitors.

The present value of community use benefits over the project life, to 2051 is:

- $146.62 million for Option 1
- $146.62 million for Option 2

- $175.95 million for Option 3

*Community non-use benefits*

Community non-use benefits are the benefits arising from the consumer surplus enjoyed by South Australian non-users of AMoSAH including the value that is placed on the 'option' of visiting in future, even if this option is never taken up, along with value attributed to the provisioning of enhanced assets for use by other SA residents - be they current or future generations. The existence value – the value placed on simply knowing a resource or asset exists – is also relevant in considering this benefit category.

Prescience Research quantified the consumer surplus arising from the community non-use value through their social value choice model, that aimed to measure the utility of AMoSAH, calculating AMoSAH's value among two groups:

- First, the social value for those who are predicted to not visit AMoSAH (community non-use), who would not derive direct benefit from visiting AMoSAH but nevertheless see value in the existence of the Museum.
- Second, those who are predicted to visit AMoSAH at some point in the next 5 years.

The community non-use social value is estimated to be $21.48 per annum for non-metro SA residents and $24.04 per annum for Adelaide residents.

Past research pertaining to cultural, recreational and environmental investments has shown that non-visitor (non-use) benefits can be significantly higher than visitor (use) benefits. In this case, non-users are likely to value the existence of AMoSAH and what it contributes to the South Australian community. The relationship between the most relevant estimates of overall use and non-use value is summarised in the table below.

The proportion of non-use to use benefits derived through the choice modelling aligns closely with the ratios we would expect to see having reviewed the outcomes of other studies carried out in relation to cultural assets. An analysis of these studies (see table below) shows that use values might be expected to comprise 30% of overall community value, while non-use values comprise 70%.

These non-user benefits are an important component of the overall package of benefits, however are not included in the headline analysis owing to their intangibility. The impact of including this category of benefits is assessed as part of the sensitivity analysis.

**TABLE 22: USER & NON-USER BENEFITS, SUMMARY OF KEY STUDIES**

| Study | Authors | Use value | Non-use value |
|---|---|---|---|
| Public Library Services, Victoria | SGS Economics and Planning (2019) | 37% | 63% |
| Copenhagen Theatre, Denmark | Bille-Hansen (1997) | 18% | 82% |
| Nidaros Cathedral, Norway | Navrud and Strand (1992) | 14% | 86% |
| Mildura Arts Centre, Australia | Thosby and O'Shea (1980) | 50% | 50% |
| **Average relationship across relevant cultural infrastructure studies** | | **30%** | **70%** |

Source: SGS Economics and Planning

The present value of non-use benefits over the project life, to 2051 is:

- $408.40 million for Option 1
- $408.40 million for Option 2
- $408.40 million for Option 3

*Educational benefits*

AMoSAH will provide an important educational resource, with the Prescience Research findings suggesting strong levels of interest among teachers. With strong demand for AMoSAH school visits evident among schoolteachers, it was concluded that AMoSAH would effectively be operating at 'full capacity' in terms of its ability to accommodate school groups (with capacity estimated at four groups per day).

In order to estimate the value of these educational experiences, the Travel Cost Method (TCM) is adopted. According to the Productivity Commission's 2021 Report on Government Services, total recurrent expenditure (by all governments) per full time equivalent student in schools in South Australia amounted to $16,436 in 2018/19, escalated to $17,442 in 2021/22. Assuming 180 school days per year, each of 6 hours, the hourly societal 'willingness to pay' for the provision of education in South Australia can be estimated at approximately $16.15 per student.

In opting to forego time learning in school in order to visit AMoSAH, the South Australian educational community would be demonstrating the value they place in the unique educational experience available at AMoSAH. It is therefore reasonable to conclude that the value of a trip to AMoSAH would be at least equivalent in value to the educational time foregone in travelling to and from AMoSAH.

Although demand for AMoSAH school visits is likely to grow over time, it is assumed that capacity constraints mean no growth in student visitation.

Educational benefits are calculated using the assumptions outlined in the table below.

**TABLE 23: KEY ASSUMPTIONS, EDUCATIONAL BENEFITS**

| Assumptions | Parameters |
|---|---|
| Average travel time (return) | 1 hour |
| School tour capacity | 4 per school day |
| Average number of students per tour | 24 |
| Demonstrated willingness to pay for education per SA student in 2021/22 | $17,442 |
| School days per annum | 180 |
| School hours per day | 6 |
| Value of educational experience, per hour (2021 prices) | $16.15 |

Source: SGS Economics and Planning

The present value of educational benefits over the project life, to 2051 is:

- $6.71 million for Option 1
- $6.71 million for Option 2
- $6.71 million for Option 3

*Residual value of assets*

Under each option, the capital works delivered by the project are expected to have an economic life of 50 years, with the value of the assets assumed to depreciate in a straight line over this period. Consequently, at the end of the 30-year project evaluation period, the assets are likely to have a 'residual value', representing the residual asset from which a range of economic and social benefits will flow after the end of the evaluation period.

For Options 1 and 2, the asset would be owned by the State Government. For this reason, its residual value is included within both the financial and cost benefit analysis. For Option 3, the asset would be owned by Freemasons, with the value of the residual asset to the South Australian community economic and social, rather than financial in nature.

In present value terms, the residual value of the asset at the end of the evaluation period is estimated at:

- $42.20 million for Option 1
- $50.58 million for Option 2
- $47.68 million for Option 3

### 6.3.6 Cost-benefit analysis summary

The present value of key items and the ultimate results, in terms of net present value and benefit cost ratio, are summarised in the following table.

The CBA shows that for all Options, a BCR of 1.00 or above is generated. Option 3 performs best, with a BCR of 1.44. This indicates that, for Option 3, an estimated $1.44 in economic and social benefits will be generated for every dollar invested.

**TABLE 24: COST BENEFIT ANALYSIS SUMMARY, PRESENT VALUES OF BENEFIT AND COST FLOWS TO 2051**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| COSTS | | | |
| Construction costs ($m) | $111.65 | $130.75 | $40.97 |
| Set-up, operations and maintenance costs ($m) | $88.62 | $91.87 | $133.22 |
| TOTAL COSTS ($m) | $200.28 | $222.62 | $174.18 |

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| **BENEFITS** | | | |
| Revenues ($m) | $4.81 | $4.81 | $4.81 |
| Tourism yields ($m) | $7.09 | $7.09 | $8.51 |
| Labour surplus ($m) | $6.57 | $6.91 | $6.38 |
| User benefits ($m) | $146.62 | $146.62 | $175.95 |
| Educational benefits ($m) | $6.71 | $6.71 | $6.71 |
| Residual value of asset ($m) | $42.20 | $50.58 | $47.68 |
| **TOTAL BENEFITS ($m)** | **$214.00** | **$222.72** | **$250.03** |
| **NET PRESENT VALUE ($m)** | **$13.72** | **$0.11** | **$75.85** |
| **BCR** | **1.07** | **1.00** | **1.44** |
| **Economic Internal Rate of Return (EIRR)** | **3.6%** | **3.0%** | **9.3%** |

Source: SGS Economics and Planning

### 6.3.7 Cost benefit analysis summary (including non-user benefits)

The headline numbers set out above exclude non-user benefits, which represent a significant share of benefits for projects of this type.

Inclusion of these benefits reveals that non-user benefits are the major driver of success for each of the Options, accounting for well over half of total benefits under each Option. Inclusion of this category of benefits therefore has a significant influence on the CBA findings, substantially boosting the viability of each Option. As shown earlier, the present value of non-user benefits is equivalent to around $408m under each of the Options. The impact of the inclusion of this benefit stream is demonstrated in the table below.

This table shows that the viability of all Options is substantially enhanced with the inclusion of non-use benefits. Option 3 remains the best performer, with a BCR of 3.78.

TABLE 25: CBA RESULTS (INCLUDING NON-USER BENEFITS)

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| PV OF COSTS ($m) | $200.28 | $222.62 | $174.18 |
| PV OF BENEFITS ($m) | $622.39 | $631.12 | $658.43 |
| **NET PRESENT VALUE ($m)** | **$422.12** | **$408.50** | **$484.24** |
| **BCR** | **3.11** | **2.84** | **3.78** |

Source: SGS Economics and Planning

## 6.4 Economic impact assessment[11]

This chapter outlines how delivery of the project options will increase economic activity levels in South Australia over the course of their construction and operating phases. It does not assess if the project options are meritorious from a community welfare perspective. That is the domain of Section 6.3.

### 6.4.1 Standard IO approach

An economic stimulus introduced to a region generates flow-on effects in the regional economy through increased demand for labour and capital. For example, a new construction project leads to additional outputs required from construction and several related industries, such as equipment hire, waste removal and construction management services.

Increased sales for primary suppliers will have positive multiplier effects through the economy, as these businesses purchase more inputs from their own suppliers, and these secondary suppliers from their respective suppliers, and so on and so forth.

Additionally, employed workers in these supplier industries will spend their newfound wages purchasing goods and services in the regional economy, further adding to the positive multiplier effects stemming from the initial economic stimulus.

Multipliers derived from the input output modelling process estimate the total regional impact from a stimulus using three key measures:

- **Regional output (or income):** the value of goods or services produced by all the businesses and related industries.
- **Regional value added:** the output minus intermediate inputs from suppliers in the production process, also known as Gross Regional Product (GRP) or Gross Domestic Product (GDP). This regional value added is also equivalent to the generation of business profits and wages paid in the regional economy.
- **Full time equivalent (FTE) employment:** the labour required to generate the regional value added above, which is incorporated also into the regional output above.
- For each of the three measures, the input output modelling process further separates the impacts into:
- **Direct effects:** the change generated directly by the production of goods and services, and
- **Indirect effects:** the flow on impacts, including upstream and downstream linkages in the supply chain, and consumption-induced impacts through wages and salaries earned by regional workers.

**Shortcomings of the standard IO approach**

The standard approach for constructing IO models is based on a static, linear economic structure. This results in flow-on impacts that are usually overstated. This estimation error occurs for several reasons:

- Models are constructed at a certain point in time, meaning linkages within the economy are assumed to remain constant
- There are no supply constraints, meaning an unlimited supply of labour and capital is assumed
- Factor prices are fixed, meaning there is no allowance for shifts in the prices of labour and capital
- Productivity impacts are excluded, resulting in constant returns to scale.

[11] Source for Section 6.4: SGS Economics and Planning – AMoSAH Final Report Pg 40-43

**SGS' improved IO modelling approach**
SGS' approach to IO modelling overcomes some of these issues by introducing constraints on the total labour force in an economy.

SGS has adopted the standard IO model and made additions that allow the model to capture the impacts of an economic stimulus more accurately, while maintaining the standard approach's transparency and ease-of-use.

**Labour force constraints**
Labour force constraints are estimated as follows:

- Latent labour supply is determined through adjustments to unemployment, participation, and self-containment[12] rates. This labour supply represents 'slack' in the economy and is calculated by subtracting the actual current labour supply from a maximum potential labour force (based on analysis of the ABS Labour Force Survey).
- A 'resistance' factor is applied to ensure that a small economic stimulus has a smaller impact on the total labour force compared to a large stimulus. This resistance factor is calibrated in line with a computable general equilibrium (CGE) model developed for the state economy.

**Conversion of labour to output and value added**
The resulting employment impacts following application of the labour force constraints are converted to output and value added using high-level industry ratios sourced from the Australian Bureau of Statistics.

### 6.4.2 Direct economic impacts

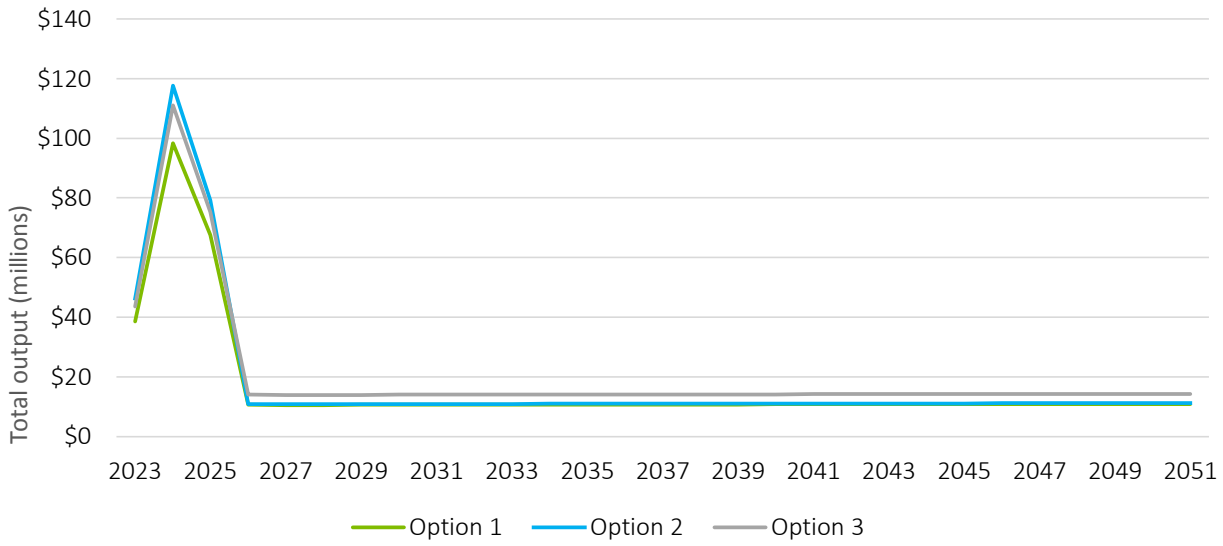
The categories of direct economic impacts used in the economic impact analysis are the capital costs in the construction industry; operations and maintenance costs in the heritage, creative and performing arts industry; and tourism spend in the accommodation and food services industry, as well as the retail trade industry.

### 6.4.3 Economic impact assessment results

Below are graphs of the total (direct plus indirect) output, value added, and jobs generated by the direct impacts outlined above. They all have a large spike in the construction years due to high capital costs, before an initial fall when operations begin, then a gradual increase for the rest of the operational phase. Option 2 has the largest economic impact during the construction phase while Option 3 has the largest ongoing economic impact during operational phase.

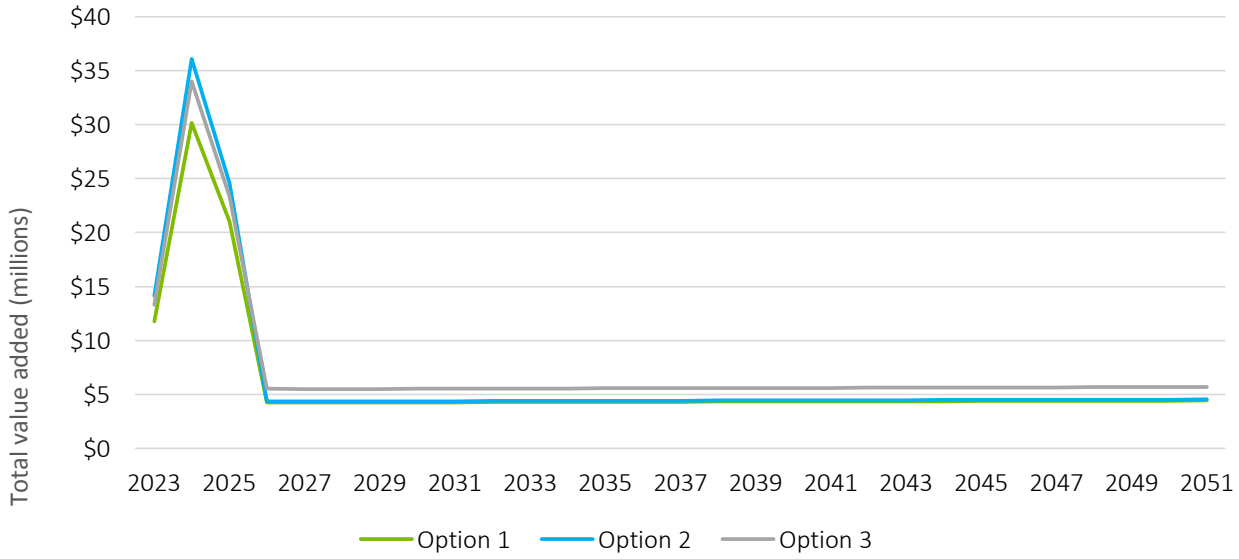
[12] Self-containment refers to the proportion of the labour force in an economy that also perform their jobs in the same region. At a state level, self-containment rates are close to 100% (i.e., people go to their jobs in the state they live in). However, at a local level, workers often travel outside of their locality to go to work (e.g., many people travel to the CBD to work).

**FIGURE 9. ANNUAL OUTPUT GENERATED**



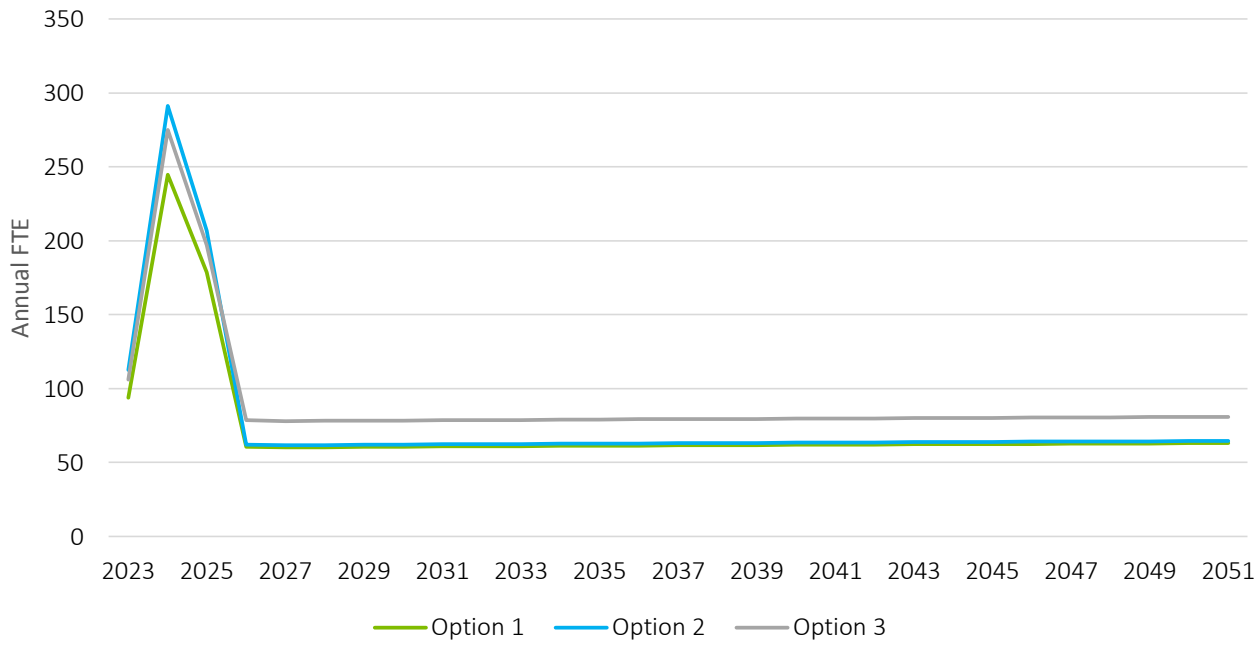

Source: SGS Economics and Planning

**FIGURE 10. ANNUAL VALUE ADDED GENERATED**




Source: SGS Economics and Planning

**FIGURE 11. ANNUAL EMPLOYMENT GENERATED**




Source: SGS Economics and Planning

The table below shows the results in the construction phase, as well as certain years in the operational phase. There is first a spike for the construction phase. In the operational phase, there is a steady increase in all the categories spurred by the gradual increase in tourist spending over time.

**TABLE 26: ECONOMIC IMPACT ASSESSMENT RESULTS**

| | | Construction phase | | | Operational phase | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 | 2027 | 2031 | 2041 | 2051 |
| **Option 1** | Output ($m) | $46.11 | $94.45 | $63.79 | $10.64 | $10.54 | $10.61 | $10.77 | $10.92 |
| | Value Added ($m) | $14.09 | $29.00 | $19.83 | $4.26 | $4.22 | $4.26 | $4.34 | $4.42 |
| | Employment (FTE) | 112.1 | 235.3 | 169.5 | 60.8 | 60.3 | 60.8 | 62.1 | 63.2 |
| **Option 2** | Output ($m) | $55.44 | $113.12 | $74.67 | $10.92 | $10.82 | $10.89 | $11.04 | $11.19 |
| | Value Added ($m) | $16.94 | $34.69 | $23.15 | $4.36 | $4.33 | $4.36 | $4.45 | $4.52 |
| | Employment (FTE) | 134.6 | 280.3 | 195.7 | 62.2 | 61.7 | 62.3 | 63.5 | 64.7 |
| **Option 3** | Output ($m) | $52.21 | $106.67 | $70.91 | $14.02 | $13.92 | $13.99 | $14.15 | $14.30 |
| | Value Added ($m) | $15.95 | $32.72 | $22.01 | $5.52 | $5.48 | $5.52 | $5.60 | $5.68 |
| | Employment (FTE) | 126.8 | 264.7 | 186.6 | 78.5 | 78.0 | 78.6 | 79.8 | 80.9 |

Source: SGS Economics and Planning

## 6.5 Economic evaluation

### 6.5.1 Approach

The economic evaluation features both a quantification of the benefits and costs in the Cost-Benefit Analysis (CBA) (refer Section 6.3) as well as the Economic Impact Assessment (EIA) (refer Section 6.4) that analyses the impact of economic stimulus.

### 6.5.2 Economic impacts

The three proposed Options for AMoSAH will incur the same categories of costs and generate similar benefits (albeit at different scales). Therefore, only a single table is included.

TABLE 27: IDENTIFICATION OF ECONOMIC CONSIDERATIONS AND IMPACTS

| Aspect | Consideration of impact |
|---|---|
| Capital costs | Capital costs will be associated with the construction of the museum under each Option. These costs differ under each Option. |
| Setup, operational and maintenance costs | Once the facility is fully operational, ongoing costs will be incurred by the HTSA, over and above existing commitments. In addition to these operational costs, establishment costs will be incurred in the lead up to the opening of AMoSAH. |
| Operating revenues | Ongoing leasing revenues will stem from planned retail and café floor spaces. |
| Tourism yields | The increase in tourism yields stemming from tourists who specifically visit South Australia to visit AMoSAH will positively impact South Australia's economy, primarily in the retail trade and food and accommodation industries. This will be further explored quantitively in both the CBA and the economic impact assessment. |
| Labour surplus | The opening of AMoSAH will create ongoing jobs for curators, researchers and other specialised professionals along with construction jobs during capital works. |
| Regional value added | The Gross Value Added (GVA) component of project expenditure represents the scale of welfare benefit linked to the project. This GVA figure is equivalent to business profits plus wages. |
| Full time equivalent (FTE) employment | The labour required to generate the regional value added above, which is incorporated also into the regional output above, which are all indirectly and directly stimulated by AMoSAH. |

### 6.5.3 Assessment

TABLE 28: APPROACH TO ASSESSMENT OF RESIDUAL SOCIAL IMPACTS, BY CATEGORY

| | Category | | | Assessment approach | Note |
|---|---|---|---|---|---|
| | Qualitative | Quantified | Monetised | | |
| **Economic impacts** | ✓ | ✓ | ✓ | Include in cost-benefit analysis ("CBA") | Capital costs, operating costs, operating revenues, tourism yield, labour surplus |
| | ✓ | ✓ | | Include in quantitative economic assessment | Total income value added and employment has been measured separately (not included in CBA) |
| | ✓ | | | Include in qualitative economic assessment | N/A |

TABLE 29: SUMMARY OF ECONOMIC IMPACTS, BY ASSESSMENT APPROACH

| Assessment approach | Residual impacts |
|---|---|
| Inclusion in CBA | • Capital costs<br>• Operating costs<br>• Operating revenues<br>• Labour surplus<br>• Tourism yields |
| Inclusion in quantitative economic assessment | • Regional value added<br>• Full time equivalent (FTE) employment |
| Inclusion in qualitative economic assessment | • N/A |

### 6.5.4 Options comparison

TABLE 30: ECONOMIC ASSESSMENT – OPTIONS COMPARISON

| Option | Relative merit, with respect to economic value |
|---|---|
| Base case | 4th |
| Option 1 | 2nd |
| Option 2 | 3rd |
| Option 3 | 1st |

## 6.6 Social assessment

### 6.6.1 Approach

The economic evaluation features both a quantification of the benefits and costs in the Cost-Benefit Analysis (CBA) as well as a qualitative discussion of unquantifiable social costs.

### 6.6.2 Social impacts

As with the State's other major cultural institutions, **AMoSAH will be a free admission museum**, providing access to the main exhibits and collections at no cost. Its CBD location with good access to public transport provides optimum accessibility for all Adelaide residents. Embedded within AMoSAH will be inclusive content and programs, specifically developed for people with disabilities.

For South Australia's rural and remote residents, AMoSAH Online will provide a level of access to the exhibits, as will live streaming of programs and events. AMoSAH's education programs will specifically target disadvantaged and traditionally under-represented schools, and virtual school visits will provide cost-effective, equitable access to students across the state.

As AMoSAH will be built in all 3 options, the same types of economic costs and benefits will arise, thus only one table is included. While the type of cost and benefits are the same, the values will differ for the options. These results will be discussed in the later sections.

TABLE 31: SOCIAL ASSESSMENT – BASELINE AND IMPACTS

| Stakeholder | Baseline | Impact of proposal | Impact during implementation | Can the impact be avoided, mitigated or offset? |
|---|---|---|---|---|
| SA education system (both students + teaching facility) | In the baseline, there are no new history museums dedicated to SA history that students can visit. | There will be a new history museum for SA school groups to visit and learn from, thus positively impacting the SA education system. AMoSAH will fill the current knowledge gap on SA history. | No impact | It is a positive impact so it should not be avoided |
| User benefits | In the baseline, there are no user benefits. | | Potential visitors to AMoSAH will be positively impacted, as they have another cultural museum institution to visit. | It is a positive impact so it should not be avoided |
| Non-user benefits | In the baseline, there are non-user benefits. | | SA residents who do not visit AMoSAH will still be positively impacted by it. The impact includes the value that is placed on | It is a positive impact so it should not be avoided |

| Stakeholder | Baseline | Impact of proposal | Impact during implementation | Can the impact be avoided, mitigated or offset? |
|---|---|---|---|---|
| | | | the 'option' of visiting the project's assets in future and the value attributed to the provisioning of enhanced assets for use by other SA residents. | |
| Construction nuisance | No construction nuisance | N/A | During the construction phase of the options, people nearby the construction site will endure construction nuisance including noises, traffic adjustments, etc. | It can be mitigated by limiting major disruptions to non-peak hours. |

### 6.6.3 Assessment

TABLE 32: APPROACH TO ASSESSMENT OF RESIDUAL SOCIAL IMPACTS, BY CATEGORY

| | Category | | | Assessment approach | Note |
|---|---|---|---|---|---|
| | Qualitative | Quantified | Monetised | | |
| **Social impacts** | ✓ | ✓ | ✓ | Include in cost-benefit analysis ("CBA") | Community use benefits, education benefits, Community non-use benefits |
| | ✓ | ✓ | | Include in quantitative social assessment | N/A |
| | ✓ | | | Include in qualitative social assessment | Construction nuisance |

TABLE 33: SUMMARY OF RESIDUAL SOCIAL IMPACTS, BY ASSESSMENT APPROACH

| Assessment approach | Residual impacts |
|---|---|
| Inclusion in CBA | • Educational benefits<br>• User benefits<br>• Non-user benefits |
| Inclusion in quantitative social assessment | • N/A |
| Inclusion in qualitative social assessment | • Construction nuisance |

### 6.6.4 Options comparison

TABLE 34: SOCIAL ASSESSMENT – OPTIONS COMPARISON

| Option | Relative merit, with respect to social value |
|---|---|
| Base case | 4th |
| Option 1 | Equal 1st |
| Option 2 | Equal 1st |
| Option 3 | Equal 1st |

## 6.7 Environmental assessment

### 6.7.1 Approach

The environmental assessment is limited by the fact that many relevant details are unknown at this stage. While it is clear that there will be an environmental impact, without further information they cannot be directly compared.

### 6.7.2 Environmental impacts

TABLE 35: IDENTIFICATION OF ENVIRONMENTAL CONSIDERATIONS AND IMPACTS

| Aspect | Consideration or impact | Can the impact be avoided, mitigated or offset? |
|---|---|---|
| Environmental resource depletion | The use of non-renewable resources (such as fossil fuels) or scarce resources in the process of constructing and operating AMoSAH. | It can be mitigated by actively choosing sustainable materials in the construction process. |

### 6.7.3 Assessment

TABLE 36: APPROACH TO ASSESSMENT OF RESIDUAL ENVIRONMENTAL IMPACTS, BY CATEGORY

| | Category | | | Assessment approach | Note |
|---|---|---|---|---|---|
| | Qualitative | Quantified | Monetised | | |
| **Environmental impacts** | ✓ | ✓ | ✓ | Include in cost-benefit analysis ("CBA") | N/A |
| | ✓ | ✓ | | Include in quantitative environmental assessment | N/A |
| | ✓ | | | Include in qualitative environmental assessment | Environmental resource depletion (unquantified) |

TABLE 37: SUMMARY OF RESIDUAL ENVIRONMENTAL IMPACTS, BY ASSESSMENT APPROACH

| Assessment approach | Residual impacts |
|---|---|
| Inclusion in CBA | • N/A |
| Inclusion in quantitative environmental assessment | • N/A |
| Inclusion in qualitative environmental assessment | • Environmental resource depletion (unquantified): this issue will need to be considered in the design phase as well as the management of ongoing operation to ensure that harm is mitigated. |

### 6.7.4 Options comparison

TABLE 38: ENVIRONMENTAL ASSESSMENT – OPTIONS COMPARISON

| Option | Relative merit, with respect to environmental impact |
|---|---|
| Base case | 1st |
| Option 1 | Equal 2nd |
| Option 2 | Equal 2nd |
| Option 3 | Equal 2nd |

## 6.8 Sensitivity analysis[13]

### 6.8.1 Overview

The outcomes of financial and socioeconomic evaluations are often highly dependent upon the assumptions adopted as part of the evaluation framework. While efforts have been made to ensure that these assumptions are sound, it is nonetheless useful to run sensitivity analysis to test the impact of changes to some of these underlying assumptions on the initial findings.

### 6.8.2 Sensitivity tests

The assumptions tested are:

- **Discount rates** – lower and higher discount rates (0.99% and 4.99%)
- **Capital costs** – higher than expected capital costs (20% and 50% higher than budgeted)
- **Set up, operating and maintenance costs** – higher than anticipated ongoing costs (20% and 50% higher than budgeted)
- **Local resident visitation** – 25% lower and 25% higher than estimated over the project life
- **Tourist visitation** – 50% lower than modelled
- **Non-use value** – inclusion of 25% and 50% of calculated benefits
- **Revenues** – inclusion of potential revenue streams.

Tables of results, showing NPVs and BCRs for each of the Options under the scenarios identified above are set out in the tables below.

These results show that for Option 3, the BCR remains greater than one under all scenarios. This indicates that, even if adverse economic conditions were to be encountered after AMoSAH opens, Option 3 still represents a good investment of public expenditures. For Options 1 and 2, the sensitivity testing provides confidence that the project will return net benefits to the SA community in all but the most conservative scenarios.

**TABLE 39. SENSITIVITY TEST RESULTS: DISCOUNT RATES**

| | Option 1 | | Option 2 | | Option 3 | |
|---|---|---|---|---|---|---|
| | BCR | NPV ($m) | BCR | NPV | BCR | NPV |
| 2.99% (base analysis) | 1.07 | $13.72 | 1.00 | $0.11 | 1.44 | $75.85 |
| 0.99% | 1.32 | $74.47 | 1.25 | $65.35 | 1.63 | $138.88 |
| 4.99% | 0.87 | ($22.13) | 0.81 | ($37.81) | 1.27 | $38.35 |

[13] Source for Section 6.8: SGS Economics and Planning – AMoSAH Final Report Pg 44-46

**TABLE 40. SENSITIVITY TEST RESULTS: CAPITAL COSTS**

| | Option 1 | | Option 2 | | Option 3 | |
|---|---|---|---|---|---|---|
| | BCR | NPV | BCR | NPV | BCR | NPV |
| 100% of estimate (base analysis) | 1.07 | $13.72 | 1.00 | $0.11 | 1.44 | $75.85 |
| **120% of estimate** | 0.96 | ($8.61) | 0.90 | ($26.04) | 1.37 | $67.65 |
| **150% of estimate** | 0.84 | ($42.10) | 0.77 | ($65.27) | 1.28 | $55.37 |

**TABLE 41. SENSITIVITY TEST RESULTS: SETUP, OPERATING AND MAINTENANCE COSTS**

| | Option 1 | | Option 2 | | Option 3 | |
|---|---|---|---|---|---|---|
| | BCR | NPV | BCR | NPV | BCR | NPV |
| 100% of estimate (base analysis) | 1.07 | $13.72 | 1.00 | $0.11 | 1.44 | $75.85 |
| **120% of estimate** | 0.98 | ($4.00) | 0.92 | ($18.27) | 1.25 | $49.20 |
| **150% of estimate** | 0.87 | ($30.59) | 0.83 | ($45.83) | 1.04 | $9.24 |

**TABLE 42. SENSITIVITY TEST RESULTS: LOCAL VISITATION**

| | Option 1 | | Option 2 | | Option 3 | |
|---|---|---|---|---|---|---|
| | BCR | NPV | BCR | NPV | BCR | NPV |
| As per estimate (base analysis) | 1.07 | $13.72 | 1.00 | $0.11 | 1.44 | $75.85 |
| **20% lower** | 0.92 | ($15.60) | 0.87 | ($29.22) | 1.23 | $40.66 |
| **40% lower** | 0.78 | ($44.93) | 0.74 | ($58.54) | 1.03 | $5.47 |

**TABLE 43. SENSITIVITY TEST RESULTS: TOURIST VISITATION**

| | Option 1 | | Option 2 | | Option 3 | |
|---|---|---|---|---|---|---|
| | BCR | NPV | BCR | NPV | BCR | NPV |
| As per estimate (base analysis) | 1.07 | $13.72 | 1.00 | $0.11 | 1.44 | $75.85 |
| **50% lower** | 1.05 | $10.18 | 0.98 | ($3.44) | 1.41 | $71.59 |

**TABLE 44. SENSITIVITY TEST RESULTS: NON-USER VALUES**

| | Option 1 | | Option 2 | | Option 3 | |
|---|---|---|---|---|---|---|
| | BCR | NPV | BCR | NPV | BCR | NPV |
| As per estimate (base analysis) | 1.07 | $13.72 | 1.00 | $0.11 | 1.44 | $75.85 |
| Inclusion of 25% of calculated figure | 1.56 | $115.82 | 1.46 | $102.21 | 2.02 | $177.95 |
| Inclusion of 50% of calculated figure | 2.09 | $217.92 | 1.92 | $204.30 | 2.61 | $280.05 |

**TABLE 45: SENSITIVITY TEST RESULTS: INCLUSION OF ADDITIONAL INCOME**

| | Option 1 | | Option 2 | | Option 3 | |
|---|---|---|---|---|---|---|
| | BCR | NPV | BCR | NPV | BCR | NPV |
| As per base analysis | 1.07 | $13.72 | 1.00 | $0.11 | 1.44 | $75.85 |
| Inclusion of income | 1.17 | $34.16 | 1.09 | $20.54 | 1.55 | $96.28 |

Source: SGS Economics and Planning

## 6.9 Options analysis and recommendation

### 6.9.1 Approach

The preceding sections established that all three options for the delivery of AMoSAH are viable. Progression of any of these options to final business case stage would require Cabinet consideration and further Government investment (refer Section 10.1). Accordingly, no final recommendation is put forward at this stage.

### 6.9.2 Options comparison

The table below provides an integrated summary comparison of the three assessed options.

TABLE 46: OPTIONS ASSESSMENT – CONCLUDING OPTIONS ANALYSIS AND RANKING

| Concluding options analysis | Base case | Option 1 | Option 2 | Option 3 |
|---|---|---|---|---|
| **Strategic assessment** | | | | |
| Degree of response to the service need identified | N/A | High | High | High |
| Contribution to the benefits sought | N/A | High | High | High |
| Ability to deliver on the objectives pursued and the outcomes targeted | N/A | High | High | High |
| Strategic alignment | Low | High | High | High |
| Alignment with requirements relating to integration considerations | Low | High | High | High |
| Alignment with requirements relating to other initiatives | Low | Medium | Medium | Medium |
| Alignment with requirements relating to legal and regulatory aspects | Medium | High | High | High |
| Alignment with requirements relating to technical considerations | N/A | High | High | High |
| Degree of disruption the solution is likely to cause | N/A | Medium | Medium | Medium |
| Degree of impact to existing government assets and services, and other government agencies' activities | N/A | Low (i.e. Positive) | Low (i.e. Positive) | Low (i.e. Positive) |
| Impact on other matters of public interest, such as public access and equity, consumer | N/A | Medium | Medium | Medium |

| Concluding options analysis | Base case | Option 1 | Option 2 | Option 3 |
|---|---|---|---|---|
| rights, safety, security, privacy | | | | |
| Key strengths | Business as usual | Benefits match | Benefits match | Cost effective |
| Key weaknesses | Lost opportunity | High initial outlay | High initial outlay | Higher ongoing cost |
| Key opportunities | N/A | New building | Building re-use | Joint venture |
| Key threats | Underutilised asset | Land availability | Building availability | Time sensitive |
| Ability to effectively address risks associated with implementation | N/A | Medium | Medium | Medium |
| Achievability, in terms of supplier capability and capacity, and degree of delivery complexity | N/A | Medium | Medium | Medium |
| Alignment with critical success factors identified | Low | High | High | High |
| **Economic assessment** | | | | |
| Relative merit, with respect to economic impact | 4th | 2nd | 3rd | 1st |
| **Environmental assessment** | | | | |
| Relative merit, with respect to environmental impact | High | Medium | Medium | Medium |
| **Sustainability assessment**[14] | | | | |
| Relative merit, with respect to sustainability performance | N/A | N/A | N/A | N/A |
| Relative merit, with respect to resilience | N/A | N/A | N/A | N/A |
| **Financial assessment** | | | | |
| NPV ($) | N/A | ($249.46m) | ($273.82m) | ($221.95m) |
| Relative merit, with respect to financial viability | N/A | Medium | Medium | High |
| **CBA assessment** | | | | |
| NPV ($) | N/A | $613.83m | $604.04m | $689.48m |
| NPV ($) exc non-user benefits | N/A | $55.41m | $45.63m | $131.06m |

[14] Sustainability assessment to be completed during next phase.

| Concluding options analysis | Base case | Option 1 | Option 2 | Option 3 |
|---|---|---|---|---|
| BCR | N/A | 3.41 | 3.16 | 3.99 |
| BCR exc non-user benefits | N/A | 1.22 | 1.16 | 1.57 |
| IRR (%) | N/A | 18.4% | 16.1% | 39.6% |
| Relative merit, with respect to economic performance | N/A | High | High | High |
| **Outcome** | | | | |
| Ranking | 4 | 2 | 3 | 1 |

# 7. Solution Funding

## 7.1 Funding strategy

The funding source for Options 1 and 2 will be SA Government. The costs to Government will be partially offset by income generated from AMoSAH. This income will include revenue from the contracts for the outsourced café and museum shop, sponsorships, donations, and admission fees for programs and events. Independent analysis of the potential income has not yet been undertaken, therefore the figures used are minimum estimates based on existing operations.

The budget tables below are based on Cabinet approval of a Final Business Case in December 2022, construction project commencement in January 2023, with AMOSAH opening in July 2025. Refer Attachment A for further information on indicative project timelines.

All figures below are preliminary estimates and would be updated at Final Business Case stage.
Note: 'Ongoing' cost will require annual indexation and deprecation to be added from 2026-27.

### Option 1: New build

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total | Annual ongoing |
|---|---|---|---|---|---|---|
| Operating | $0.252m | $2.006m | $4.235m | $5.950m | $12.443m | $6.631m |
| Investing | $36.796m | $52.373m | $35.061m | | $124.229m | |
| Income | | | | $1.050m | $1.050m | $1.050m |
| FTE | +3 | +5 | +6 | +14 | 28 | 27 |

### Option 2: Adapt existing building

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total | Annual ongoing |
|---|---|---|---|---|---|---|
| Operating | $0.252m | $2.006 | $4.235m | $6.169m | $12.661m | $6.850m |
| Investing | $40.895m | $63.029m | $41.711m | | $145.635m | |
| Income | | | | $1.050m | $1.050m | $1.050m |
| FTE | +3 | +5 | +6 | +14 | 28 | 27 |

For Option 3, funding would be a mixture of SA Government, Freemasons SA & NT and the Masonic Charities Trust SA & NT. Preliminary discussions with Freemasons have identified their likely investment would be $69.51m in the building project and an annual donation of $0.5m to partially offset rental costs. The budget table below details costs to Government after Freemasons' upfront building investment.

### Option 3: Freemasons Hall – joint venture

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total | Annual ongoing |
|---|---|---|---|---|---|---|
| Operating expenses | $0.252m | $2.006m | $4.235m | $8.955m | $15.447m | $9.305m |
| Investing payments | $8.320m | $21.758m | $15.956m | | $46.034m | |
| Income | | | | $1.550m | $1.550m | $1.550m |
| FTE | +3 | +5 | +6 | +14 | 28 | 27 |

In addition to the costs listed above, there is a requirement for SA Government investment to progress the selected option/s to Final Business Case stage. The work required to progress each option is detailed in Section 10.1; related costs are detailed in Section 7.2.

## 7.2 Budget request

At this stage, funding is requested to proceed to Final Business Case stage for the Government's selected option/s, as per the information below. A potential source for this funding is the Government's Business Case Fund.

### Option 1: New build

| | 2021-22 | 2022-23 |
|---|---|---|
| Operating expenses | -$0.110m | -$0.415m |

### Option 2: Adapt existing building

| | 2021-22 | 2022-23 |
|---|---|---|
| Operating expenses | -$0.110m | -$0.415m |

### Option 3: Freemasons Hall – joint venture

| | 2021-22 | 2022-23 |
|---|---|---|
| Operating expenses | $0.060m | -$0.515m |

# 8. Delivery Strategy

## 8.1 Delivery strategy

Regardless of which of the three AMoSAH options is selected, delivery of the project would be undertaken in accordance with the following SA Government requirements:

- Premier and Cabinet Circular PC028: Construction Procurement Policy
- DIT's Construction Procurement Policy: Project Implementation Process
- Treasurer's Instruction 18: Procurement (for non-construction related procurement)
- South Australian Industry Participation Policy

Full consideration of the best delivery strategy is dependent upon the AMoSAH option/s selected to proceed to final business case. This is particularly relevant for Option 3: Freemasons Hall - joint venture where upfront contract negotiations with Freemasons SA & NT would need to resolve the level of Government control and participation in both the base build and internal fit-out elements of the construction project.

In the absence of 'final business case' detail, most DIT construction contract approaches remain viable. These include

- Lump sum
- Design and construct
- Managing contractor, and
- Build Own Operate Transfer

A recommended delivery option can be provided at final business case stage, with the final decision to be made at Step 5.2.5: Confirm construction procurement method of DIT's Project Implementation Process.

## 8.2 Procurement model

As per Treasurer's Instruction 18: Procurement, the progress of the AMoSAH proposal is primarily a 'construction project'. Accordingly, the procurement methodology will be guided by the Department for Infrastructure and Transport's Construction Procurement Policy: Project Implementation Process.

With three AMoSAH options still under consideration, it would pre-emptive to recommend a procurement model at this point in time. A comprehensive assessment of the preferred procurement model for the selected AMoSAH option can be made at final business case stage. This assessment will include consideration of the following factors:

- Price certainty – in order to deliver the project within budget
- Risk transfer – in order to minimise the risk to Government
- Flexibility – to maintain a high degree of involvement and specification input to the design process due to the specialist nature of the building and fit-out
- Project timeline – in order to deliver the project within agreed timeframe

# 9. Project Management

## 9.1 Approach

Regardless of which of the three AMoSAH options is selected, project management and assurance would be undertaken in accordance with the following SA Government requirements:

- Premier and Cabinet Circular PC028: Construction Procurement Policy
- DIT's Construction Procurement Policy: Project Implementation Process
- Premier and Cabinet Circular PC049: Infrastructure SA Major Project Assurance Process
- Infrastructure SA Assurance Framework
- Treasurer's Instruction 18: Procurement (for non-construction related procurement)
- South Australian Industry Participation Policy
- Premier and Cabinet Circular PC015: Procedures for submissions to Cabinet seeking the review of public works by the Public Works Committee

As discussed in Section 2.4, progress of the AMoSAH proposal comprises two distinct, but interconnected, elements being:

- Construction project
- Museum development and establishment

### Construction Project

For Options 1 and 2, the project management approach will fully align with DIT's Project Implementation Process. For Option 3: Freemasons Hall – joint venture, the project management approach would need to be tailored to reflect the responsibilities of all parties, while also protecting the Government and History Trust's interests in relation to project scope, budget, timing and quality.

### Museum development and establishment

This element covers the development and production of museum content and the establishment of its operations. While this project will need to work closely with the Construction project not all elements are relevant to, or encompassed by, DIT's Project Implementation Process. Accordingly the proposed project management approach aims to align overall project governance with the Construction project under a single project director, with the detailed work progressing as a sub-project.

Specific detail of the project approach will be provided in the final business case and be revised to align with the AMoSAH option/s selected to proceed to that stage. The **subsequent content in this section should be read as indicative** of how the project will be managed, noting that further refinement will be provided at final business case stage.

## 9.2 Project governance

Note: the project governance model presented below would apply to Options 1 and 2. For Option 3: Freemasons Hall – joint venture, adjustments would be required to reflect Freemasons SA & NT involvement and responsibilities.

The project governance model needs to reflect and protect the interests of the Minister for Education, the Minister for Infrastructure and Transport and the History Trust of South Australia, as the lead agency. The project

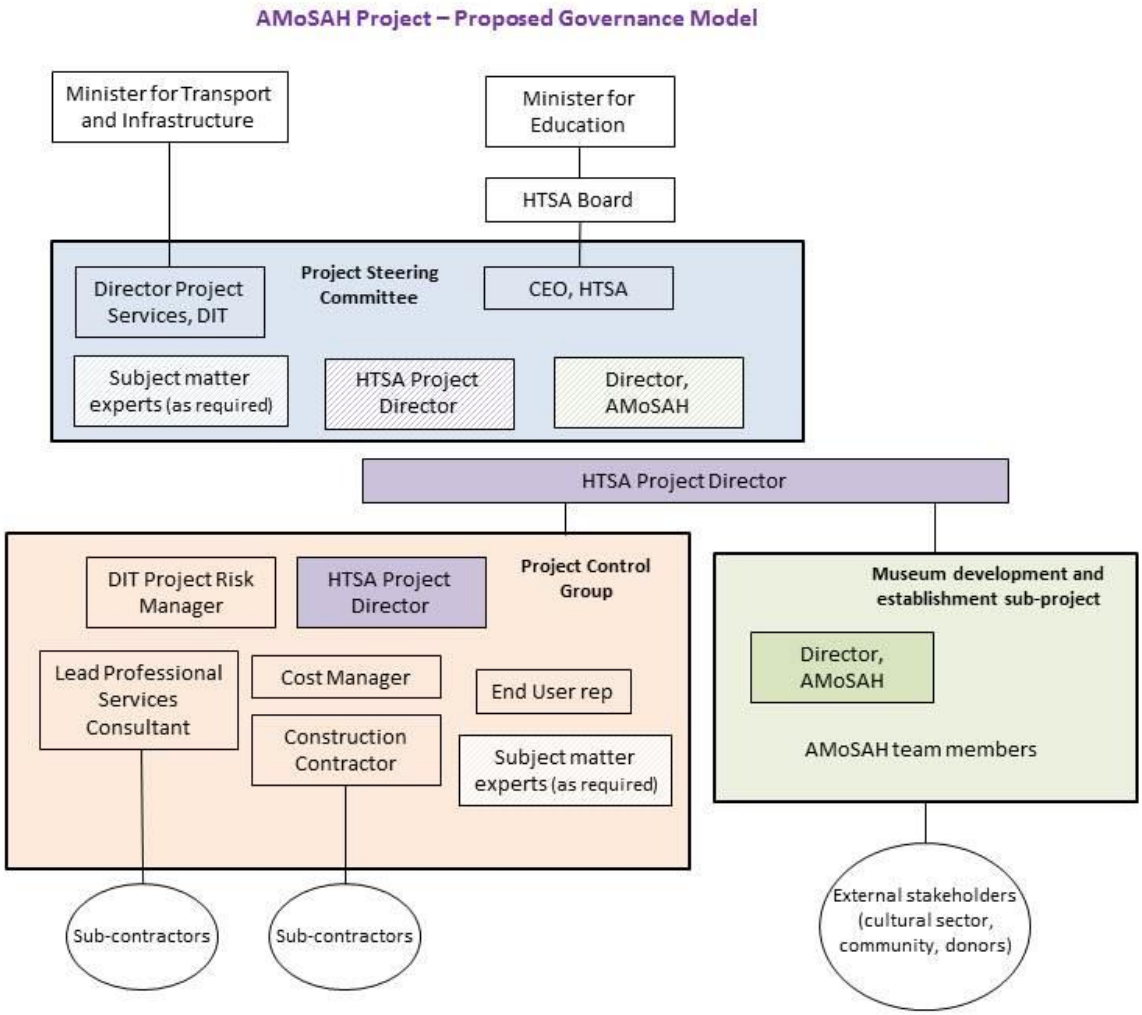
will be managed in accordance with the DIT Project Implementation Process, formalised through a Capital Project Management Agreement between DIT and History Trust.

The standard governance structure utilising a Project Steering Committee (PSC) and Project Control Group (PCG) would be implemented, with both levels including DIT and History Trust representatives. A lead agency (History Trust) project director would be appointed. Oversight of the Museum development project would be maintained through reports to the PCG and PSC, with direct management of that sub-project to be the responsibility of the (to be appointed) AMoSAH Director.

An additional layer of project governance will be undertaken by the HTSA Board with PSC reports to be tabled for review at all Board meetings.

The diagram below sets out the proposed governance structure.

**FIGURE 12: PROPOSED GOVERNANCE STRUCTURE**




On completion of the project, responsibility for the ongoing operation of AMoSAH and maintenance of the assets will rest with the HTSA Board (note: for Option 3: Freemasons Hall – joint venture there will be a demarcation of asset ownership and maintenance responsibility).

## 9.3 Schedule and milestones

The table below presents a summary of the project phases. Project timing is aligned with Option 3: Freemasons Hall – joint venture, as Freemasons SA & NT has already commenced work on its major redevelopment project. Under the Freemasons' project timeline, AMoSAH would open in July 2025.

Revised timing, aligned with the selected AMoSAH option, will be provided at final business case stage.

**TABLE 46: AMOSAH DRAFT PROJECT PROGRAM**

| PROJECT PHASE | DURATION | TIMING |
|---|---|---|
| Final business case / project approval | | |
| Phase includes:<br>Cabinet consideration (April and December)<br>Infrastructure SA Gate 1 and 2 Reviews<br>Site search (Options 1 & 2 only)<br>Finalisation of joint venture terms (Option 3 only)<br>Sustainability and environmental assessments<br>Income Analysis<br>Production of final business case | 10 months | March 2022 – December 2022 |
| Project establishment | | |
| Phase includes:<br>Establish project governance<br>DIT brief development<br>Appoint Lead Professional Services Consultant (design team) | 2 months | December 2022 – February 2023 |
| Design | | |
| Phase includes:<br>Appoint sub-consultants<br>Development of detailed design<br>Budget review | 2 months | March 2023 – April 2023 |
| Documentation | | |
| Phase includes:<br>Design documentation<br>Certifications<br>Determine construction delivery strategy<br>Prepare construction contract tender documents<br>Budget review<br>Infrastructure SA Gate 3 Review<br>Public Works Committee approval | 3 months | May 2023 – September 2023 |
| Tender | | |
| Phase includes:<br>Call tenders<br>Tender evaluation and recommendation<br>Minister for Transport and Infrastructure approval<br>Award construction contract | 2 months | July 2023 – September 2023 |
| Construction | | |
| Phase includes:<br>Construction start-up<br>Site preparation<br>Construction<br>Commissioning and handover (practical completion)<br>Infrastructure SA Gate 4 Review<br>Defects liability period (12 months following practical completion) | 18 months | October 2023 - March 2025 |

| | | |
|---|---|---|
| Museum development | | |
| Phase includes:<br>Research and consultation re Major Presenting Themes<br>Development and production of exhibition content<br>Development of AMoSAH Online and SA: Discover More app<br>Development of public and education programs | 30 months | January 2023 – June 2025 |
| Museum establishment and operation | | |
| Phase includes:<br>Appointment of AMoSAH employees (staggered)<br>Design of AMoSAH operations; documenting procedures<br>Installation of exhibitions<br>AMoSAH public opening | 30 months | January 2023 – June 2025 |

*Further information on the project schedule is provided in Attachment A.*

## 9.4 Outcomes and benefits realisation

The AMoSAH proposal will deliver the following outcomes and benefits:

- Expanded South Australian cultural offering
- Increased HTSA museum visitation
- Broader, contemporary exhibits and programs
- Increased collaboration and partnerships
- Increased capacity for HTSA to grow earned income
- Increased school student visits
- Museum content has broader Australian Education curriculum alignment
- Increased online engagement
- Improved sense of identity, pride, social cohesion and liveability
- Improved dispersal of tourist visitation and expenditures across SA
- Improved attractiveness of SA's cultural offer

Attachment D sets out how each of these will be measured. Realisation of all outcomes and benefits will be measurable from Year 1 of AMoSAH opening to the public.

## 9.5 Change management

There are two major change management aspects arising from the AMoSAH proposal.

The first relates to control of changes to scope, outcomes, budget and timeline of the Construction project and Museum development sub-project. Review of major changes will be undertaken by the PCG with approval authority resting with the PSC and, in some cases, the HTSA Board. A full Change Control Plan will be included in the final business case which will include:

- Change control triggers
- Process and register
- Roles and responsibilities
- Communication and consultation
- Reporting

The second change management aspect relates to preparing the History Trust to assume operational responsibility of AMoSAH. While the AMoSAH proposal would deliver a significant increase in outputs for the History Trust, the management of museums is its core business. Fundamentally, the impact of AMoSAH on the History Trust is one of volumes rather than operations.

The AMoSAH proposal includes sufficient staffing and budget for the ongoing operation of the new museum and the project timeline allows 30 months in which to incrementally recruit additional staff and develop operational procedures. The work to establish AMoSAH will be undertaken by new and existing resources across the organisation with ultimate change management responsibility resting with the CEO, supported by the Senior Management Group.

A Change Management Plan will be provided at final business case stage.

## 9.6 Risk management

The History Trust seeks to manage its risk profile carefully. The History Trust's Risk Management Policy (DCN-10136) applies risk management practices consistent with the International Risk Management Standard ISO 31000:2018. Under this Policy, the History Trust requires that risks are identified, evaluated, managed to acceptable levels and monitored.

A full Risk Management Plan and Risk Register will be provided at final business case stage. Preliminary information is provided in Attachments C and E.

## 9.7 Stakeholder management

Stakeholders will play a key role in the progress and success of the AMoSAH project. Appropriate engagement with stakeholders with a direct project role will be crucial to delivering the project on time and within scope and budget. Indirect stakeholders, those with an interest the final outcomes of AMoSAH, need to be consulted and/or communicated with at relevant points in the project development.

Direct stakeholders have formal roles or responsibilities in the AMoSAH project. This may include approval authorities, working as part of the project team and/or delivery of elements of the project. Direct stakeholders include:

- Government Ministers
- HTSA Board
- Government departments and employees involved in project delivery

Indirect stakeholders are those who could be impacted by and/or involved with AMoSAH, either during the project or once it is operational. Indirect stakeholders include:

- Major cultural institutions
- Community history museums and history associations
- Potential visitors to AMoSAH
- Donors and sponsors

The approach to stakeholder communication and engagement will:

- Be relevant and timely
- Ensure the needs and interests of stakeholders are considered and incorporated
- Utilise engagement methods appropriate to the stakeholders' interests
- Inform the final outcomes and measures for the project
- Build stakeholder support as the project progresses

Refer Attachment B for further information on stakeholder management.

## 9.8 Disruption management

The AMoSAH proposal delivers a new asset and additional operational responsibility. Additional resources will be engaged to operate AMoSAH, minimising disruption to History Trust's existing business operations. The CEO and Senior Management Group will be responsible for integrating AMoSAH operations into the organisation and managing business continuity.

Potential disruption to external stakeholders will be assessed and addressed during development of the full project plan. A specific construction management plan will be developed during project delivery to minimise and reduce potential disruptions arising during construction.

## 9.9 Environment and sustainability

Effective management of environmental issues and the integration of sustainability initiatives are crucial components of infrastructure projects. A comprehensive sustainability and environmental assessment is planned as part of the progression to final business case stage (refer Section 10: Project Progression).

The final design and construction methodology for AMoSAH will incorporate the following principles:

- Minimise the generation of greenhouse gases and waste during construction, and across the full asset lifecycle
- Maximise use of sustainable / recycled materials
- Include, where possible, passive design features such as aspect, thermal mass, windows, insulation; and active design features such as building management systems, ventilation, PV solar with battery storage and water recycling
- Avoid mobilisation of contaminants and, where feasible, remediate contaminated land
- Minimise the destruction / disturbance of native flora and amenity vegetation and where possible improve biodiversity outcomes
- Conserve places of cultural value within and adjacent development sites
- Design assets to minimise future maintenance, repair, re-engineering and / or replacement costs, having regard to future climate change impacts
- Enhance the amenity of project sites and surrounding areas with urban design and landscaping
- Incorporate smart technology and infrastructure to achieve sustainability outcomes

# 10. Project Progression

## 10.1 Progress to next gate

The next gate for the AMoSAH proposal is final business case stage. In order to achieve this there is additional, option-specific work for all three AMoSAH options. To minimise expenditure and resources, it is recommended that the next major step towards the realisation of AMoSAH be the selection of which option/s to proceed to final business case stage and the allocation of associated funding.

The table below sets out the activities, timing and costs to progress each option to final business case stage. As Option 3: Freemasons Hall – joint venture has a project timeline already set by the private entity (Freemasons SA & NT), timing for all options has been aligned with that project.

**TABLE XX: PROGRESS TO FINAL BUSINESS CASE**

| Activity | Option 1: New Build | Option 2: Adapt Existing | Option 3: Freemasons Hall |
|---|---|---|---|
| Selection of option to proceed; allocation of funding | April 2022 | April 2022 | April 2022 |
| Infrastructure SA Assurance Review | March 2022 | March 2022 | March 2022 |
| Site search and assessment | May-Jun 2022 | | |
| Building search and assessment | | May-Jun 2022 | |
| Joint venture negotiations; drafting of contracts | | | May-Sep 2022 |
| Preliminary concept design development | Jul-Sep 2022 | Jul-Sep 2022 | Jun-Aug 2022 |
| Cost estimates | Sep 2022 | Sep 2022 | Sep 2022 |
| Updated financial and economic assessment (including income assessment) | Aug-Oct 2022 | Aug-Oct 2022 | Aug-Oct 2022 |
| Sustainability and environmental assessment | Aug–Sep 2022 | Aug–Sep 2022 | Aug–Sep 2022 |
| Draft final business case | Jul-Oct 2022 | Jul-Oct 2022 | Jul-Oct 2022 |
| Infrastructure SA Assurance Review | Nov 2022 | Nov 2022 | Nov 2022 |
| Cabinet consideration of final business case | Dec 2022 | Dec 2022 | Dec 2022 |
| Funding required | $0.525m | $0.525m | $0.575m |

## 10.2 Stakeholder endorsement

The Department of Treasury and Finance (DTF) has reviewed this outline business case. DTF feedback was received on 13 January 2022 and subsequent adjustments were made to the content.

The HTSA Board has reviewed this outline business case and provided its endorsement during a special meeting on 27 January 2022.

## 10.3 Decision to proceed

The decision to proceed to the next step (full business case) and allocation of associated funding rests with the Minister for Education or Cabinet.

# Attachments

A) Indicative Project Schedule

B) Stakeholder Management Plan

C) Risk Management Plan

D) Benefits Register

E) Risk Register

F) Benchmarking Report

G) Market Research Summary Report

H) Teacher Survey Responses

I) AMoSAH Design Brief

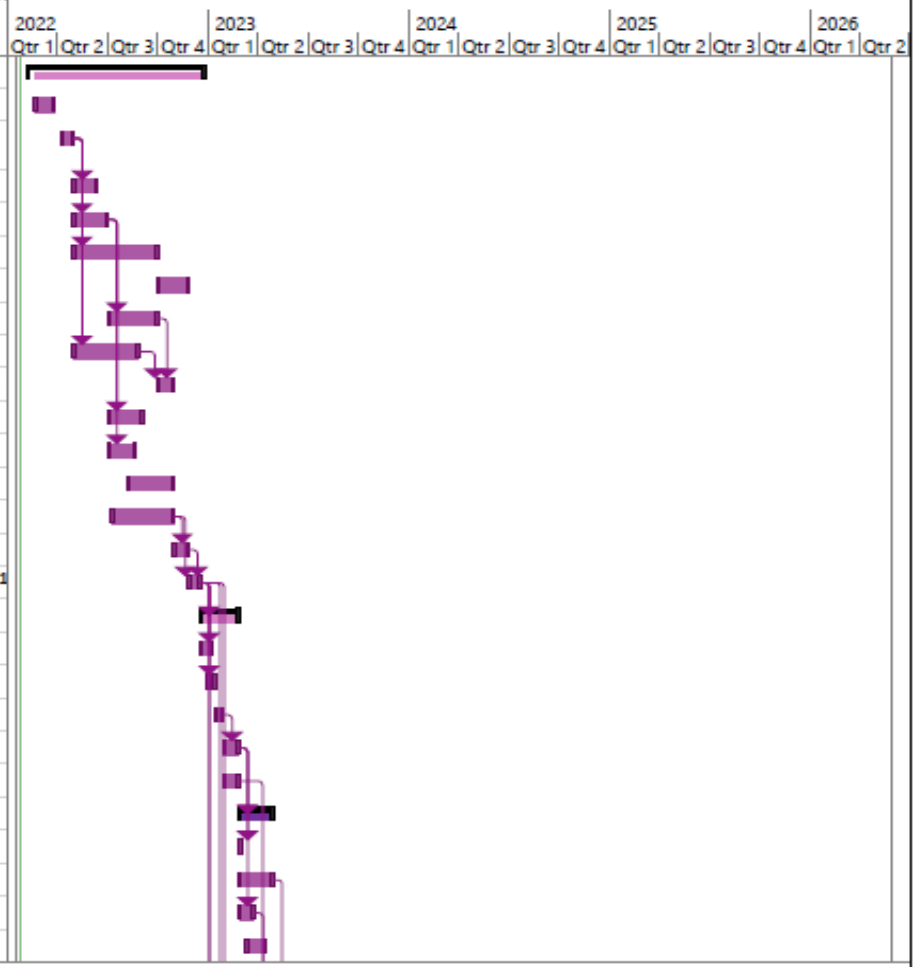
J) AMoSAH Preliminary Concept Design – New Build

K) AMoSAH Preliminary Concept Design – Freemasons Hall

## A) Indicative Project Schedule

AMoSAH Indicative Project Schedule

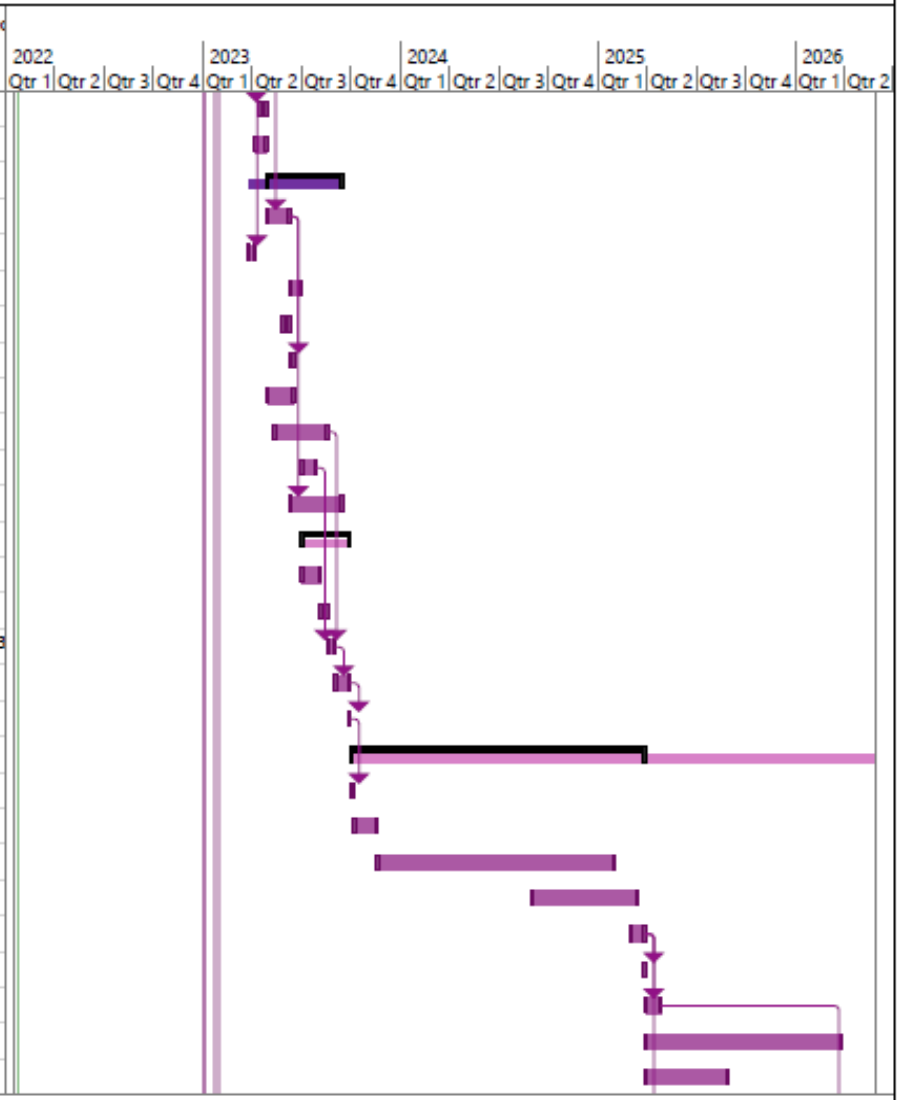
| ID | Task Name | Duratio | Start | Finish | Prec |
|---|---|---|---|---|---|
| 1 | **Finalise business case / project approval** | **46 wks** | **7/02/2022** | **23/12/2022** | |
| 2 | Infrastructure SA Health Check | 5 wks | 21/02/2022 | 25/03/2022 | |
| 3 | Approval of option/s to proceed; allocation of funding | 3 wks | 11/04/2022 | 29/04/2022 | |
| 4 | Consultant/s procurement | 6 wks | 2/05/2022 | 10/06/2022 | 3 |
| 5 | Site search & assessment (Option 1 & 2 only) | 9 wks | 2/05/2022 | 1/07/2022 | 3 |
| 6 | Joint venture negotiations (Option 3 only) | 22 wks | 2/05/2022 | 30/09/2022 | 3 |
| 7 | Draft joint venture contract | 8 wks | 3/10/2022 | 25/11/2022 | |
| 8 | Progress concept design (Option 1 & 2) | 13 wks | 4/07/2022 | 30/09/2022 | 5 |
| 9 | Progress concept design (Option 3) | 17 wks | 2/05/2022 | 26/08/2022 | 3 |
| 10 | Update cost estimates | 4 wks | 3/10/2022 | 28/10/2022 | 8,9 |
| 11 | Sustainability and environmental assessments | 9 wks | 4/07/2022 | 2/09/2022 | 5 |
| 12 | Income analysis | 7 wks | 4/07/2022 | 19/08/2022 | 5 |
| 13 | Update financial and economic assessments | 12 wks | 8/08/2022 | 28/10/2022 | |
| 14 | Draft final business case | 16 wks | 11/07/2022 | 28/10/2022 | |
| 15 | Infrastructure SA Gate 2 Review | 4 wks | 31/10/2022 | 25/11/2022 | 14 |
| 16 | Cabinet submission; project approval | 3 wks | 28/11/2022 | 16/12/2022 | 14,1 |
| 17 | **Project establishment** | **10 wks** | **19/12/2022** | **24/02/2023** | **16** |
| 18 | Request for service provided to DIT | 3 wks | 19/12/2022 | 6/01/2023 | 16 |
| 19 | Implement Project Governance structure | 2 wks | 2/01/2023 | 13/01/2023 | 16 |
| 20 | Project Design Team brief development | 2 wks | 16/01/2023 | 27/01/2023 | |
| 21 | Procure / appoint Project Design Team (LPSC) | 4 wks | 30/01/2023 | 24/02/2023 | 20 |
| 22 | Procure / appoint cost manager | 4 wks | 30/01/2023 | 24/02/2023 | |
| 23 | **Design** | **9 wks** | **27/02/2023** | **28/04/2023** | **21** |
| 24 | Design start-up meeting | 0.2 wks | 27/02/2023 | 27/02/2023 | 21 |
| 25 | Review concept and develop design | 9 wks | 27/02/2023 | 28/04/2023 | |
| 26 | Procure / appoint sub-consultants | 4 wks | 27/02/2023 | 24/03/2023 | 21 |
| 27 | Develop risk management plan | 5 wks | 13/03/2023 | 14/04/2023 | |




Page 1

## AMoSAH Indicative Project Schedule

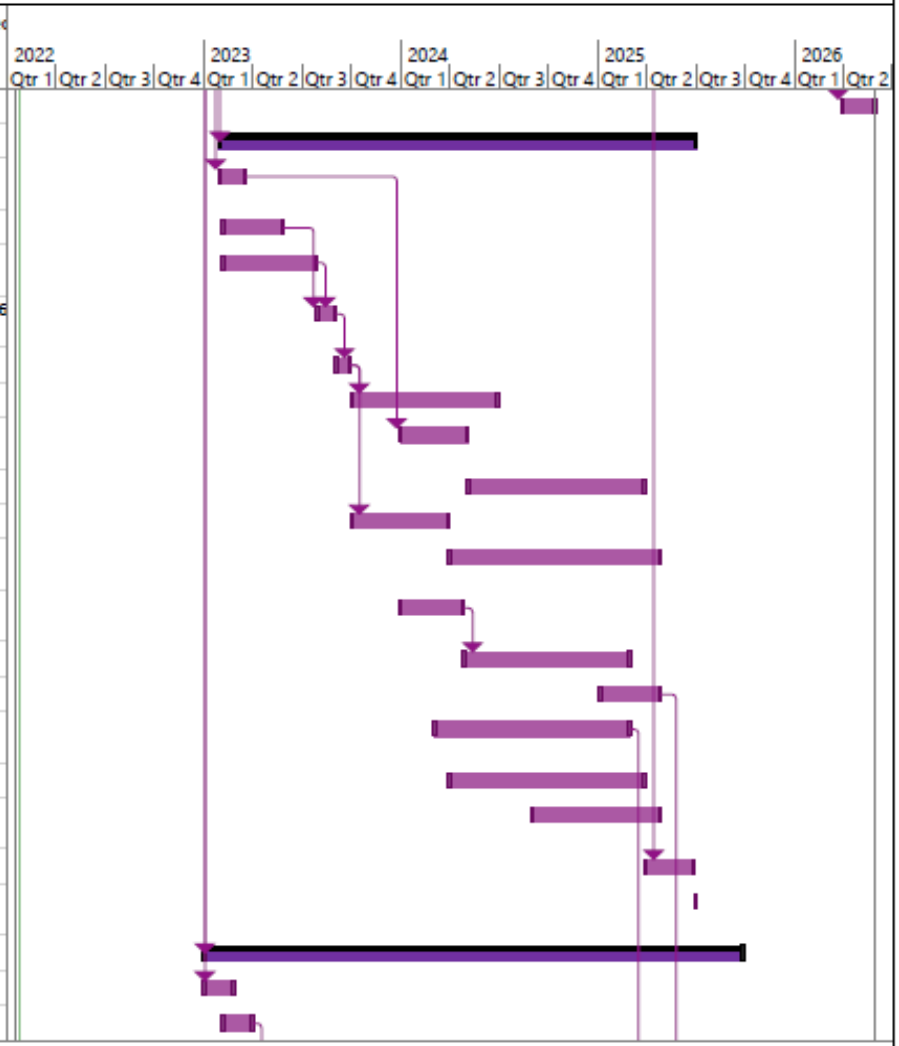
| ID | Task Name | Duratio | Start | Finish | Pred |
|---|---|---|---|---|---|
| 28 | Review / confirm cost plan | 2 wks | 17/04/2023 | 28/04/2023 | 22 |
| 29 | Determine construction delivery strategy | 3 wks | 10/04/2023 | 28/04/2023 | |
| 30 | **Documentation** | **20 wks** | **1/05/2023** | **15/09/2023** | |
| 31 | Design documentation (60%) | 6 wks | 1/05/2023 | 9/06/2023 | 25 |
| 32 | Certifications | 2 wks | 27/03/2023 | 7/04/2023 | 26 |
| 33 | Infrastructure SA Gate 3 Review | 3 wks | 12/06/2023 | 30/06/2023 | |
| 34 | Confirm program | 2 wks | 29/05/2023 | 9/06/2023 | |
| 35 | Pre-tender estimate / budget review | 1 wk | 12/06/2023 | 16/06/2023 | 31 |
| 36 | Prepare construction tender documents | 7 wks | 1/05/2023 | 16/06/2023 | |
| 37 | SCAP (development approval) | 14 wks | 15/05/2023 | 18/08/2023 | |
| 38 | Cabinet / Public Works Committee Approval | 4 wks | 3/07/2023 | 28/07/2023 | |
| 39 | Design Documentation complete (100%) | 14 wks | 12/06/2023 | 15/09/2023 | 31 |
| 40 | **Tender** | **13 wks** | **3/07/2023** | **29/09/2023** | |
| 41 | Call tenders | 5 wks | 3/07/2023 | 4/08/2023 | |
| 42 | Tender evaluation and recommendation | 2 wks | 7/08/2023 | 18/08/2023 | |
| 43 | Contract negotiation preparation | 2 wks | 21/08/2023 | 1/09/2023 | 37,3 |
| 44 | Minister approval of contract | 4 wks | 4/09/2023 | 29/09/2023 | 43 |
| 45 | Award construction contract | 0.2 wks | 29/09/2023 | 29/09/2023 | 44 |
| 46 | **Construction** | **78 wks** | **2/10/2023** | **28/03/2025** | |
| 47 | Construction start-up meeting | 1 wk | 2/10/2023 | 6/10/2023 | 45 |
| 48 | Site preparation | 6 wks | 9/10/2023 | 17/11/2023 | |
| 49 | Construction (base build) | 63 wks | 20/11/2023 | 31/01/2025 | |
| 50 | Construction (fit-out) | 28 wks | 2/09/2024 | 14/03/2025 | |
| 51 | Commissioning and handover | 4 wks | 3/03/2025 | 28/03/2025 | |
| 52 | Practical completion | 0.2 wks | 28/03/2025 | 28/03/2025 | 51 |
| 53 | Infrastructure SA Gate 4 Review | 4 wks | 31/03/2025 | 25/04/2025 | 51 |
| 54 | Defects Liability Period (52 weeks) | 52 wks | 31/03/2025 | 27/03/2026 | |
| 55 | Post construction reviews | 22 wks | 31/03/2025 | 29/08/2025 | |




Page 2

## AMoSAH Indicative Project Schedule

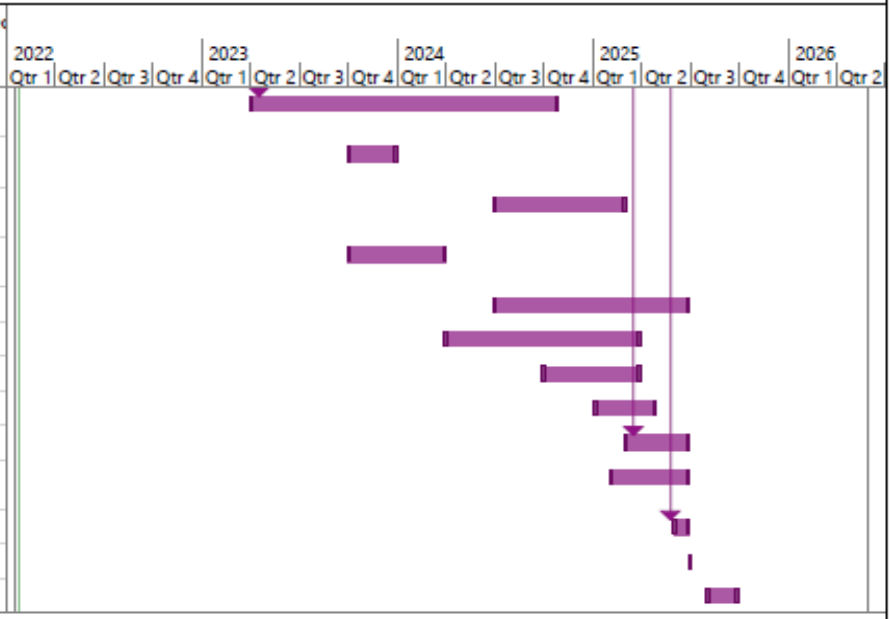
| ID | Task Name | Duratio | Start | Finish | Prec |
|---|---|---|---|---|---|
| 56 | Infrastructure SA Gate 5 Review | 9 wks | 30/03/2026 | 29/05/2026 | 53 |
| 57 | **AMoSAH development** | **126.4 w** | **30/01/2023** | **1/07/2025** | **16** |
| 58 | Develop AMoSAH development project plan & budget | 7 wks | 30/01/2023 | 17/03/2023 | 16 |
| 59 | Research re major presenting themes | 16 wks | 6/02/2023 | 26/05/2023 | |
| 60 | Consultation re major presenting themes & engagement methods | 25 wks | 6/02/2023 | 28/07/2023 | |
| 61 | Prepare AMoSAH Proposal (themes and engagement report) | 5 wks | 31/07/2023 | 1/09/2023 | 59,6 |
| 62 | History Trust Board approval of AMoSAH Proposal | 4 wks | 4/09/2023 | 29/09/2023 | 61 |
| 63 | Development of exhibition content | 39 wks | 2/10/2023 | 28/06/2024 | 62 |
| 64 | Procurement of external contractors and suppliers | 18 wks | 1/01/2024 | 3/05/2024 | 58 |
| 65 | Production of exhibition content | 47 wks | 6/05/2024 | 28/03/2025 | |
| 66 | Development of AMoSAH Online | 26 wks | 2/10/2023 | 29/03/2024 | 62 |
| 67 | Production and commissioning of AMoSAH Online | 56 wks | 1/04/2024 | 25/04/2025 | |
| 68 | Research re delivery platform for SA: Discover More app | 17 wks | 1/01/2024 | 26/04/2024 | |
| 69 | Development of SA: Discover More app | 44 wks | 29/04/2024 | 28/02/2025 | 68 |
| 70 | Development of public programs | 16 wks | 6/01/2025 | 25/04/2025 | |
| 71 | Development of education programs and materials | 52 wks | 4/03/2024 | 28/02/2025 | |
| 72 | Preparation of collection items | 52 wks | 1/04/2024 | 28/03/2025 | |
| 73 | Procurement of exhibition equipment and furniture | 34 wks | 2/09/2024 | 25/04/2025 | |
| 74 | Installation of exhibitions | 13 wks | 31/03/2025 | 27/06/2025 | 51 |
| 75 | Launch AMoSAH Online and SA: Discover More app | 0.2 wks | 1/07/2025 | 1/07/2025 | |
| 76 | **AMoSAH establishment and operations** | **143 wks** | **2/01/2023** | **26/09/2025** | **16** |
| 77 | Recruit / appoint Director AMoSAH | 8 wks | 2/01/2023 | 24/02/2023 | 16 |
| 78 | Finalise org structure and recruitment plan | 8 wks | 6/02/2023 | 31/03/2023 | |




Page 3

## AMoSAH Indicative Project Schedule

| ID | Task Name | Duratio | Start | Finish | Pred |
|---|---|---|---|---|---|
| 79 | Staff recruitment (staggered, as per recruitment plan) | 82 wks | 3/04/2023 | 25/10/2024 | 78 |
| 80 | Determine operating model, integration with existing HTSA operations | 13 wks | 2/10/2023 | 29/12/2023 | |
| 81 | Determine / document AMoSAH specific operating procedures | 35 wks | 1/07/2024 | 28/02/2025 | |
| 82 | Develop AMoSAH sponsors and partners engagement plan | 26 wks | 2/10/2023 | 29/03/2024 | |
| 83 | Develop & implement AMoSAH marketing plan | 52 wks | 1/07/2024 | 27/06/2025 | |
| 84 | Engagement with sponsors and major donors | 52 wks | 1/04/2024 | 28/03/2025 | |
| 85 | Café and museum shop contract procurement | 26 wks | 30/09/2024 | 28/03/2025 | |
| 86 | Develop public programs schedule (Year 1 min.) | 16 wks | 6/01/2025 | 25/04/2025 | |
| 87 | Launch education programs, commence bookings | 17 wks | 3/03/2025 | 27/06/2025 | 71 |
| 88 | Recruitment and training of visitor engagement officers | 21 wks | 3/02/2025 | 27/06/2025 | |
| 89 | Launch public programs | 4 wks | 2/06/2025 | 27/06/2025 | 70 |
| 90 | AMoSAH Grand Opening Event | 0.2 wks | 1/07/2025 | 1/07/2025 | |
| 91 | Post-project review | 8 wks | 4/08/2025 | 26/09/2025 | |



# B) Stakeholder Management Plan

## Background

Stakeholders will play a key role in the progress and success of the AMoSAH project. Appropriate engagement with stakeholders with a direct project role will be crucial to delivering the project on time, and within scope and budget. Indirect stakeholders, those with an interest in the final outcomes of AMoSAH, need to be consulted and/or communicated with at relevant points during the project.

## Approach

The approach to stakeholder communication and engagement will:

- Be relevant and timely
- Ensure the needs and interests of stakeholders are considered and incorporated
- Utilise engagement methods appropriate to the stakeholders' interests
- Inform the final outcomes and measures for the project
- Build stakeholder support as the project progresses

## Engagement Strategy

The engagement strategies adopted need to appropriately match stakeholders' roles, responsibilities and level of interest in the AMoSAH project. Engagement and communication methods may include:

- Meetings (one-on-one, small groups)
- Reports or written briefings
- Inclusion in the project governance framework
- Workshops
- Community forums
- Electronic communications (email, websites)
- Surveys

## Stakeholder Communication Plan

The plan below provides an overview of key project stakeholders. Further detail will be available at final business case stage.

| Stakeholder | Direct/ Indirect | Engagement methods |
|---|---|---|
| Internal Government Stakeholders | | |
| Minister for Education | D | • Meetings<br>• Briefings |
| Minister for Infrastructure and Transport | D | • Briefings (via DIT) |
| History Trust of SA Board | D | • Meetings<br>• Reports |
| History Trust CEO | D | • Meetings<br>• Project Steering Committee |
| History Trust Senior Management Group | D | • Meetings<br>• Reports |
| History Trust project team members | D | • Meetings<br>• Project Control Group<br>• Workshops |
| History Trust employees | I | • Team meetings<br>• Electronic communication |

| Stakeholder | Direct/ Indirect | Engagement methods |
|---|---|---|
| | | • Workshops |
| Dept of Treasury and Finance | D | • Meetings<br>• Reports |
| Infrastructure SA | D | • Meetings<br>• Reports<br>• Assurance Reviews |
| Dept for Infrastructure and Transport | D | • Project Steering Committee<br>• Project Control Group<br>• Reports<br>• Workshops |
| Renewal SA | D | • Meetings<br>• Electronic communication |
| Crown Solicitor's Office | D | • Meetings<br>• Electronic communication |
| State Cultural Institutions | I | • Meetings<br>• Electronic communication |
| Arts SA, Dept of the Premier and Cabinet | I | • Meetings<br>• Electronic communication |
| Cabinet Office | D | • Electronic communication<br>• Reports (Cabinet submission) |
| Tourism SA | I | • Meetings<br>• Workshops<br>• Electronic communication |
| Dept for Environment and Water | I | • Meetings<br>• Workshops<br>• Electronic communication |
| Office for Design and Architecture SA | D | • Project Control Group<br>• Workshops |
| External Stakeholders | | |
| Project consultants and contractors | D | • Project Control Group<br>• Workshops<br>• Electronic Communications |
| Freemasons SA & NT | D | • Meetings<br>• Workshops |
| Sponsors and partners | I | • Meetings<br>• Electronic communication |
| Donors | I | • Meetings<br>• Electronic communication |
| HTSA's Learning Advisory Panel | I | • Meetings<br>• Workshops<br>• Electronic communication |
| History Teachers Association of SA | I | • Workshops / forums<br>• Surveys<br>• Electronic communication |
| South Australian based universities | I | • Workshops / forums<br>• Surveys<br>• Electronic communication |

| Stakeholder | Direct/ Indirect | Engagement methods |
|---|---|---|
| Non-state government history museums | I | • Workshops / forums<br>• Surveys<br>• Electronic communication |
| History Council of SA | I | • Workshops / forums<br>• Surveys<br>• Electronic communication |
| Historical Society of SA | I | • Workshops / forums<br>• Surveys<br>• Electronic communication |
| Professional Historians Association of SA | I | • Workshops / forums<br>• Surveys<br>• Electronic communication |
| Australian Museums and Galleries Association | I | • Meetings<br>• Reports<br>• Electronic communication |
| Council of Australian Museum Directors | I | • Meetings<br>• Reports |
| Tourism Industry Council of SA | I | • Meetings<br>• Workshops / forums<br>• Electronic communication |
| Tourism operators | I | • Forums<br>• Surveys<br>• Electronic communication<br>• Media |
| Residents of South Australia | I | • Community forums<br>• Surveys<br>• Electronic communication<br>• Media |
| Potential visitors to AMoSAH | I | • Workshops<br>• Surveys<br>• Electronic communication<br>• Media |

## C) Risk Management Plan

The History Trust seeks to manage its risk profile carefully.

The History Trust's Risk Management Policy (DCN-10136) applies risk management practices consistent with the International Risk Management Standard ISO 31000:2018. Under this Policy, the History Trust requires that risks are identified, evaluated, managed to acceptable levels and monitored.

The HTSA Board and CEO are responsible for the management and monitoring of risks across the organisation.

A full Risk Management Plan for the AMoSAH project will be provided at final business case stage. This Plan will include:

- Approach to risk management, including project risk appetite statement
- Risk management process
- Risk management forms / tools
- Risk register
- Regular risk review process
- Risk management roles and responsibilities (internal and external to the History Trust)
- Contingency monitoring management
- Risk reporting and monitoring.

## D) Outcomes / Benefits Register

The table below sets out the identified outcomes and benefits of the AMoSAH proposal. Measurement of all these can commence from Year 1 of AMoSAH operations.

| Outcome / Benefit | Description | Type | Measurement |
|---|---|---|---|
| Expanded South Australian cultural offering | SA's cultural offering is comprised of major Government institutions, private entities, community-run organisations, festivals and events. As a new major cultural institution, AMoSAH will be a significant addition to this offering. | Non-financial (tangible, qualitative) | Opening of AMoSAH to the public |
| Increased HTSA museum visitation | Visitation to a museum is its primary success indicator. | Non-financial (tangible, quantitative) | Annual visitation<br>Year 1 target for AMoSAH visitation is 607,500 |
| Broader, contemporary exhibits and programs | A key driver for visitation to AMoSAH will be the breadth of its exhibit content and the use of contemporary visitor engagement methods (e.g. interactive displays, targeted programs). | Non-financial (tangible, quantitative) | # of exhibits<br># of temporary exhibitions (annual)<br># of exhibit themes, including temporary exhibitions<br># of public programs (annual)<br>Increased % of State History Collection on display |
| Increased collaboration and partnerships | A fundamental element of the AMoSAH proposal is the creation of connections with other institutions and destinations in SA.<br>Collaboration could occur through joint exhibitions and programs with other institutions and community museums.<br>Partnerships could include sponsor agreements, initiatives with other Government agencies or private entities, and campaigns with tourism destinations. | Financial and non-financial (tangible, quantitative) | # of joint / connected exhibitions and programs (annual)<br># of sponsorship agreements (annual)<br># of partners (as at EOFY) |

| Outcome / Benefit | Description | Type | Measurement |
|---|---|---|---|
| Increased capacity for HTSA to grow earned income | While AMoSAH will operate as a 'free admission' museum, there will be special exhibitions, events and programs for which entry may be charged.<br>The outsourced commercial elements of AMoSAH (café & shop) will earn income, and the expansion of HTSA's operations with AMoSAH will result in increased donations and sponsorships. | Financial (tangible, quantitative) | $ earned income (annual)<br># of sponsorship agreements (annual)<br>Donations - $ and collection items (annual) |
| Increased school student visits | AMoSAH will offer education programs aligned to the Australian Curriculum. It will be resourced to cater for up to 4 school groups (physical and virtual) per day. | Financial (tangible, quantitative) | Number of school student visits (physical and virtual) through formal education programs<br>Target 48% increase |
| Museum content has broader Australian Education Curriculum alignment | The breadth of AMoSAH creates the opportunity for HTSA to fulfil demand for SA content driven education programs aligned with additional Australian Curriculum subjects. | Non-financial (tangible, quantitative) | Number of Australian Curriculum subjects that AMoSAH content and education programs support (annual) |
| Increased online engagement | Online engagement promotes awareness of a museum, drives visitation and builds community connection and pride. In addition to AMoSAH Online (the virtual version of the museum), online engagement will be via HTSA websites, social media presence, online subscriptions, webinars, podcasts, etc. | Non-financial (tangible, quantitative) | # of web visits (annual)<br># of page views (annual)<br># of social media posts (annual)<br># of subscribers (as at EOFY)<br># of followers (as at EOFY) |
| Improved sense of identity, pride, social cohesion and liveability | Each engagement with AMoSAH (physical or virtual) will build an individual's connection with AMoSAH, their knowledge of the state and their understanding of what it means to be a South Australian. | Non-financial (intangible, qualitative) | Resident engagement with social history<br>Referrals to visiting friends and relatives<br>Repeat visit intentions |

| Outcome / Benefit | Description | Type | Measurement |
|---|---|---|---|
| Improved dispersal of tourist visitation and expenditures across SA | AMoSAH will orient visitors within South Australia. The museum's content, coupled with the SA: Discover More app, will direct visitors to other attractions and regions related to their areas of interest. | Non-financial (intangible, quantitative) | Visit intentions to other SA offerings and regions<br>Repeat visit intentions<br># of partnerships / collaborations with tourism destinations<br>SA: Discover More app usage data |
| Improved attractiveness of SA's cultural offer | | Non-financial (intangible, qualitative) | Annual visitation<br>Visitor feedback (surveys)<br>Increased % of State History Collection on display |

## E) Risk Register

The risk register below relates to the business case finalisation / project approval phase (March – December 2022).
A risk register for delivery of the AMoSAH proposal will be available at final business case stage and will include input from relevant internal Government stakeholders.

| Risk ID | Risk Title or Description | Consequence / Impact Description | Likelihood | Consequence | Risk Rating | Treatment | Residual Risk Rating |
|---|---|---|---|---|---|---|---|
| 1 | Insufficient time to complete final business case | Unable to align with Freemasons SA & NT timeframe for construction project; opportunity for joint venture lost | 3 - may occur | 5 - catastrophic | High | - Approval & funding allocation scheduled for April<br>- Project plan set with reasonable timeframes and time contingency<br>- Consultancy contracts to have clear timing requirements<br>- Project manager to monitor and manage project progress | Medium (2L, 3C) |
| 2 | Insufficient budget | Unable to complete all elements of business case to meet Cabinet, DTF and ISA requirements | 3 - may occur | 4 - significant | Medium | - Budget has been informed by consultation with internal Govt. providers, market research and previous contracts<br>- Budget allocated to each project element and prioritised<br>- Procurements will be undertaken as early as possible in order to confirm budget commitments<br>- HTSA in-house resources to be used where possible<br>- Budget to be monitored by CEO and HTSA Board | Low (2L, 2C) |
| 3 | Unable to identify suitable site / building (Option 1 & 2 only) | Major elements of business case impacted, such as proposal costs, income and visitation estimates, project schedule and preliminary concept design | 4 - likely | 4 - significant | High | - Renewal SA to be engaged asap to commence property search<br>- Property requirements (e.g. proximity to North Terrace) could be broadened if initial search unsuccessful<br>- If necessary, business case to be finalised with estimates based on expert advice | Medium (3L, 2C) |

| Risk ID | Risk Title or Description | Consequence / Impact Description | Likelihood | Consequence | Risk Rating | Treatment | Residual Risk Rating |
|---|---|---|---|---|---|---|---|
| 4 | Settlement of suitable commercial terms with Freemasons (Option 3 only) | Government interests re project timing & roles, Freemasons financial commitment, asset ownership, lease arrangements, etc are not fully protected. | 3 - may occur | 4 - significant | Medium | - CSO, Renewal SA, DIT and DTF to be involved in relevant components of negotiations and contract development<br>- Sufficient time allowed (6 months) to complete contract negotiations<br>- Project will not proceed without Govt. interests being fully protected | Low (1L, 3C) |
| 5 | Lack or loss of internal resources | Elements of the business case that utilise internal Govt. resources are delayed | 3 - may occur | 4 - significant | Medium | - Project plan to identify internal resource requirements, inc timing and workload demand<br>- Project resource commitments to be confirmed with relevant internal Govt. providers at commencement of project<br>- Project manager to monitor project progress including delivery of milestones allocated to internal Govt. resources<br>- In the case of loss of key resources, alternate resources to be identified and allocated | Medium (2L, 3C) |
| 6 | Consultancy market unable to meet project needs within time and budget | Elements of the business case that utilise external resources are delayed or unable to be delivered | 2 - unlikely | 3 - moderate | Medium | - Market research to be conducted prior to procurement<br>- Procurement documents to clearly state time and budget restrictions<br>- Consultancy procurement/s to be undertaken as soon as possible to maximise available time for work to be undertaken<br>- Utilise existing Govt. panel providers where possible | Low (2L, 2C) |
| 7 | Consultancy contract/s requirements and milestones not met | Delay in finalising business case; impact on subsequent 'dependent' project tasks | 2 - unlikely | 4 - significant | Medium | - Procurement documents, including contracts, to clearly state contract outputs and timelines<br>- Project plan to include task dependencies<br>- Contract manager to monitor consultant/s progress and hold regular contract review meetings<br>- Project manager to monitor project progress and adjust project schedule if required | Low (2L, 2C) |

| Risk ID | Risk Title or Description | Consequence / Impact Description | Likelihood | Consequence | Risk Rating | Treatment | Residual Risk Rating |
|---|---|---|---|---|---|---|---|
| 8 | Key elements of business case unable to be defined | Data quality in business case reduced | 3 - may occur | 3 - moderate | Medium | - Project manager to ensure DTF and ISA requirements are clearly understood<br>- Project manager to use ISA Assurance Review Report to guide completion of the final business case<br>- Project manager to consult with internal Govt. providers re information required and methodology to produce<br>- Procurement documents for external consultant/s to clearly state deliverables; procurement evaluation to assess proposed methodology and outputs | Low (2L, 2C) |

# Risk Matrix

| Likelihood | 1 - insignificant | 2 - minor | 3 - moderate | 4 - signifiant | 5 - catastrophic |
|---|---|---|---|---|---|
| 5 - almost certain | MED | MED | HIGH | HIGH | HIGH |
| 4 - likely | LOW | MED | MED | HIGH | HIGH |
| 3 - may occur | LOW | LOW | MED | MED | HIGH |
| 2 - unlikely | LOW | LOW | MED | MED | MED |
| 1 - rare | LOW | LOW | LOW | MED | MED |

Consequences

LOW/MED = May be Accepted

HIGH = Must be mitigated

| **Likelihood** | | |
|---|---|---|
| **Level** | **Description** | **Detail** |
| 5 | Almost Certain | The event is expected to occur in most circumstances (1> per year) |
| 4 | Likely | The event will probably occur in most circumstances (1 per year) |
| 3 | May occur | The event may occur at sometime (1 per 5 years) |
| 2 | Unlikely | The event is unlikely to occur (1 per ten years) |
| 1 | Rare | The event may only occur in exceptional circumstances (<1 per 10 years) |

| **Consequences** | | |
|---|---|---|
| Level | Description | Detail |
| 5 | Catastrophic | Death(s) or permanent disability/extensive production stoppages/ total product recall/Offsite substance release with environmental damage/ National and or International news coverage/ Major financial loss |
| 4 | Significant | Extensive or permanent injury/ Loss of production/Batch recall/ Offsite substance release – no environmental damage/National news coverage/High financial loss |
| 3 | Moderate | First aid and/or medical treatment/Lost time injury/Product reclassification / Onsite substance release – contained, clean-up without outside assistance/State news coverage/Significant financial loss |
| 2 | Minor | Minor first aid treatment/minimal time loss/Low loss of function or utility/Onsite substance release and contained/Low financial loss |
| 1 | Insignificant | No injuries/No time loss/minimal product/equipment damage/Procedural rather than function concern/procedural review required/Immediate work area clean-up/Minor financial loss |

## F) Benchmarking Report

# Comparator Benchmarking Report

History Trust of South Australia

14 | 12 | 2021

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## Comparator facilities

The HTSA advised that the following facilities are appropriate benchmarks because they meet the criteria of being located in the central city, established operations, appealing to similar audiences.

- Melbourne Museum (MM)
- Museum of Sydney (MS)
- National Maritime Museum, Sydney (NMM)
- Australian Centre of the Moving Image, Melbourne (ACMI)
- Tasmanian Museum and Art Gallery (TMAG)
- Museum of New Zealand (MNZ)
- Wellington Museum, NZ (WM)
- Auckland War Memorial Museum (AWMM)

Note that the Art Gallery of SA (AGSA) and South Australian Museum (SAM) have also been benchmarked for reference purposes given their long established operations in central Adelaide.

When interpreting the benchmarking data, the relative scale of the facilities is an important consideration. At this stage, SGS understands that the HTSA is developing concept plans for AMoSAH with a building footprint of between 6,000 and 8,000 sqm.

All efforts have been made to present the benchmarking data in consistent terms. However, this is not always possible given the form in which available data is published.

The data collected reflects the 2018-19 financial year (except for ACMI which is 2017-18), given that we aimed to remove the adverse impacts of the Covid19 pandemic for benchmarking purposes; the underlying assumption of the AMoSAH business case being that by the world and domestic economy is likely to have recovered by the time the Museum opens.

## 1.1 Facility establishment, location and scale

The following table summarises comparator facilities, including scale, location and key focus.

**Table 1. comparator facilities, summary**

| Facility | Type | Location | Building date | Building scale (sqm) |
|---|---|---|---|---|
| Melbourne Museum | Culture/natural history museum | Melbourne, VIC, Australia | 2000 | 70,000 |
| Museum of Sydney | History museum | Sydney, NSW, Australia | 1995 | 16,967* |
| National Maritime Museum | Maritime museum | Sydney, NSW, Australia | 1989 | 3,700 |
| Aust. Centre of Moving Image | Screen culture museum | Melbourne, VIC, Australia | 2002 | 4,651 |
| Tas Museum and Art Gallery | Natural history/art museum | Hobart, TAS, Australia | 1846 | 6,316* |
| Museum of New Zealand | National/art museum | Wellington, New Zealand | 1992 | 36,000 |
| Wellington Museum | History museum | Wellington, New Zealand | 1972 | 50,248 |
| Auckland War Mem. Museum | Military/natural history museum | Auckland, New Zealand | 1852 | 25,600 |
| Art Gallery of South Australia | Art museum | Adelaide, SA, Australia | 1881 | 10,000 |
| South Australian Museum | Culture/history museum | Adelaide, SA, Australia | 1800's | 15,660 |

Source: SGS Economics and Planning

Note * = Estimated area based on building footprint

## 1.2 Visitation and its composition

The following table summarises key visitation data for comparator facilities, including mix of visitation between locals and tourists.

**Table 2. comparator facilities, vistitation**

| | Annual visitation # | Paid visitation (#, %) | Visitor composition (%) | | |
|---|---|---|---|---|---|
| | | | Local | Interstate | International |
| Melbourne Museum | 1,191,800 | - | 80.8% | 10.1% | 9.1% |
| Museum of Sydney | 103,534 | 77,999* | 56.0% | 13.0% | 31.0% |
| National Maritime Museum | 236,832 | 236,832 | 50.0% | 20.0% | 30.0% |
| Aust. Centre of Moving Image | 1,379,295 | 590,484 | 58.8% | 26.9% | 8.3% |
| Tas Museum and Art Gallery | 451,653 | 56,000 | 42.0% | 40.0% | 18.0% |
| Museum of New Zealand | 1,548,646 | - | 25.0% | 28.0% | 47.0% |
| Wellington Museum | 132,953 | - | - | - | - |
| Auckland War Mem. Museum | 757,358 | - | - | - | - |
| Art Gallery of South Australia | 731,000 | 160,000 | 75.0% | 23.0% | 2.0% |
| South Australian Museum | 759,316 | 191,934 | 61.1% | 21.0% | 18.0% |

Source: SGS Economics and Planning

Note* paid visitation is in addition to annual visitation

## 1.3 Major events

The following table summarises key event information and entry fees charged for these events.

**Table 3. Comparator facilities, major events**

| | Major events per annum (#) | Adult entry fee ($AUD) | Visitation (#) |
|---|---|---|---|
| Melbourne Museum | 10 | 29 | - |
| Museum of Sydney | 5 temporary exhibitions | 15 | Street Photography': 44,618 visits<br>'How Cities Work': 32,577 visits |
| National Maritime Museum | 7 | 20 | More than 236,832 |
| Aust. Centre of Moving Image | 4 | 25 | 179,000 wonderland, 660,000 DreamWorks animation, 365,484 other exhibitions* |
| Tas Museum and Art Gallery | 1 (paid event) | 15 | 56,000 |
| Museum of New Zealand | 8 domestic exhibitions, 1 international touring exhibition | 22.6 | 580,486 |
| Wellington Museum | 11 exhibitions | General admission is free | - |
| Auckland War Mem. Museum | - | 26 | - |
| Art Gallery of South Australia | 7 temporary exhibitions, 3 touring exhibitions | 26 | 160,000 Colours of Impressionism |
| South Australian Museum | 23 exhibitions and displays | 10 | 191,934 |

Source: SGS Economics and Planning

Note: *includes visitation numbers for tours of the exhibitions

## 1.4 Financial resourcing

The following table sets out key financial data associated with comparator institutions.

**Table 4. comparator institutions, key financial data**

| | Employees (#) | Annual employee costs ($) | Total operating costs (S) | Self-generated revenues ($)* |
|---|---|---|---|---|
| Melbourne Museum* | 429 | 52,632,000 | 155,320,000 | 32,434,000 |
| Museum of Sydney* | 181 | 19,784,000 | 28,251,000 | 31,549,000 |
| National Maritime Museum | 125 | 16,148,000 | 41,789,000 | 18,948,000 |
| Aust. Centre of Moving Image | 166 | 17,674,904 | 31,079,157 | 8,782,270 |
| Tas Museum and Art Gallery | 58 | 6,979,000 | 12,656,000 | 12,883,000 |
| Museum of New Zealand | 336 | 31,220,000 | 59,560,000 | 37,470,000 |
| Wellington Museum* | 52 | 6,471,716 | 14,146,195 | 13,018,844 |
| Auckland War Mem. Museum | 280 | 16,803,603 | 39,343,547 | 9,097,829 |
| Art Gallery of South Australia | 85 | 7,808,000 | 23,401,000 | 50,730,000 |
| South Australian Museum | 90 | 9,361,000 | 20,054,000 | 6,800,000 |

Source: SGS Economics and Planning

Note: * Self-generated revenue is the total revenue received by the museum other than recurrent government funding. Self-generated revenue includes entrance fees, sponsorship, donations and non-recurrent government grants.

## 1.5 Key ratios

The table below sets out key ratios for comparator institutions.

**Table 5. comparator institutions, key ratios**

| | Building costs/ Building floorspace ($ per sqm) | Building floorspace/ Annual visitation (sqm per visitor) | Local visitation/ Total visitation (%) | Total operating cost/ Total visitation ($ per visitor) | Total operating cost/ Building floorspace ($ per sqm) | Employee costs/ Total operating costs (%) | Self-generated revenues/ Total operating costs (%) |
|---|---|---|---|---|---|---|---|
| Melbourne Museum* | 6,729 | 0.059 | 81% | 17.20 | - | 34% | 21% |
| Museum of Sydney* | - | 0.164 | - | 26.38 | - | 70% | 112% |
| National Maritime Museum | 41,038 | 0.004 | 50% | 41.05 | 11,294 | 39% | 45% |
| Aust. Centre of Moving Image | 29,235 | 0.003 | 59% | 22.53 | 6,682 | 57% | 28% |
| Tas Museum and Art Gallery | - | 0.014 | 42% | 28.02 | 2,004 | 55% | 102% |
| Museum of New Zealand | 13,926 | 0.023 | 25% | 38.46 | 1,654 | 52% | 63% |
| Wellington Museum* | - | 0.378 | - | 18.36 | - | 46% | 92% |
| Auckland War Mem. Museum | 1,137 | 0.034 | - | 51.95 | 1,537 | 43% | 23% |
| Art Gallery of South Australia | - | 0.014 | 75% | 32.01 | 2,340 | 33% | 217% |
| South Australian Museum | - | 0.021 | 61% | 26.41 | 1,281 | 47% | 34% |

Source: SGS Economics and Planning

Note * = Data from wider museum groups (Museums Victoria, Sydney Living Museums, Experience Wellington)

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## G) Market Research Summary Report

Refer separate file: AMoSAH Business Case Attachment G Market Research Summary Report

## H) Teacher Survey Responses

The market research survey sent to history network educators included a section for teachers to provide further information on two questions. The questions and a selection of comment are provided below.

**Q9c. Why would you expect to take students to this museum?**

- ….. it would fit in well with many areas of History, Geography and Civics. As a big believer in excursions to emphasise the curriculum I would take students. Sounds like a great idea and hopefully it goes forward!
- It would provide access to information and resources linked to the curriculum. Physical interaction, first-hand experiences to enhance learning, providing tangible evidence of people, places and events.
- I could fit the units of learning Re history around a visit. Lots of opportunities for cross curricula activities.
- If the museum was spacious and interactive with unique exhibits students would be interested.
- The proposed themes relate to several of the topics I teach across secondary school, such as globalisation, inventions and innovation, women's suffrage, and local agriculture.
- As a History, Society & Culture and Legal Studies teacher, the goals and themes of this museum align strongly with my subject areas.
- Be fantastic for our Year 5 HASS curriculum: learning about Aboriginal culture, systematic colonisation, settlement, suffrage.
- This sounds like it will have great links to HASS and the Indigenous Studies topics we teach.
- To celebrate South Australia. To learn about our place in the world and the achievements South Australians have contributed to our state, our country and the world. To experience history as exciting and fun.
- Finding relevant content to SA is hard. It would be great to let children see the relevance of their state to the nation's history, and show them that opportunities exist right here for them to become innovators, just as others have before them.
- Located in the CBD it would supplement our current visit to other cultural institutions. It would allow for deeper understanding of concepts covered in other museums.
- It is the opportunity for students to have an authentic experience and experience and see things first hand which is always better than in a classroom.
- In-depth and authentic learning.
- Relevant to many aspects of the subjects I teach
- It is part of the History curriculum.
- For an engaging excursion, to excite, to provide curriculum I am unable to fully cover, as additional connection making.
- Relevance to topics such as industrial revolution which are in our curriculum, chance for them to see where their area fits in to wider history
- The exhibits and themes would reinforce learning in Civics and History with an Aboriginal Perspective. I feel that a Museum dedicated to SA History could provide this engagement and topic exploration with students.
- It would show up to date information and history on South Australia which is needed for the primary curriculum.
- What an amazing opportunity to immerse students in our South Australian history. I would love the opportunity to take students to a museum which provides education and opportunity to explore South Australian history - this would be unique.
- So many students do not know South Australian history. Many adults don't. Any exposure and learning of our state is important. Everything that has happened and happens shapes our state to what it is. It is important to know and be able to see more. I work in a very multicultural school and so many students have very limited exposure and pretty much no knowledge or our state so this is a brilliant idea.
- This sounds like the perfect match for year 11/12 Society & Culture. It would also be useful for Research Project and Modern History at senior level, as well as HASS subjects at lower secondary level. Our students seem to get a lot more learning out of going on an excursion. They get particularly excited about going to 'the big smoke' for an excursion.
- It sounds like a solid experience for students from the country to access.

- The content of the museum is extremely relevant to our students - for those whose families have a long history in SA and for students who are new to the SA to discover its past and how we have progressed since becoming colony/state.
- Provide some hands-on learning. Provides authentic links and experiences that relate to the HASS learning area.
- This museum would offer a unique experience and compliment the other museums without duplication. Students would experience first hand a range of primary and secondary sources that are relevant to their understanding of the Australian Curriculum. Visiting and seeing, touching and interacting with a range of multi sensory experiences brings History to life and creates a greater understanding.
- This museum would be an excellent opportunity for students to experience and learn about their local history and geography - it would very strongly support access to the curriculum.
- For our students they may not ever access this with families so it would be a very important social and educational experience for them
- It sounds as if the museum will link very well into my Year 9 History unit: Making a Nation. Seeing that there are considerations on including South Australia's firsts (suffragette movement etc) and First Nations perspectives are particularly exciting.
- Sounds like the museum would allow teachers to focus on broad topics and units within the Australian curriculum but with a SA focus.
- The planned museum appears to have a large connection to a lot of the Australian curriculum. Students can benefit greatly when studying history from easily being able to identify and connect the relevance to them. By being to show students physical evidence this can pique interest in history but also cement teaching.
- The SA museum is great when teaching ancient Egypt for yr 7 but year 9 history isn't touched on as much. From the survey questions it appears as though this new museum will create a lot of connections to other aspects of the curriculum which is really exciting to see, and would encourage more excursions and the ability to take learning outside the classroom.
- Close alignment to the Australian Curriculum: HASS and SACE Society and Culture
- Trips to a museum etc depend on the curriculum unit topic being studied. It is great to have different options available. The history of SA is an important topic to teach in SA and therefore its own museum would be a plus.
- If it focused on innovation in SA I would take them to support curriculum outcomes.

**Q11. Do you have any further comments you would like to make about the possible Museum of SA History?**

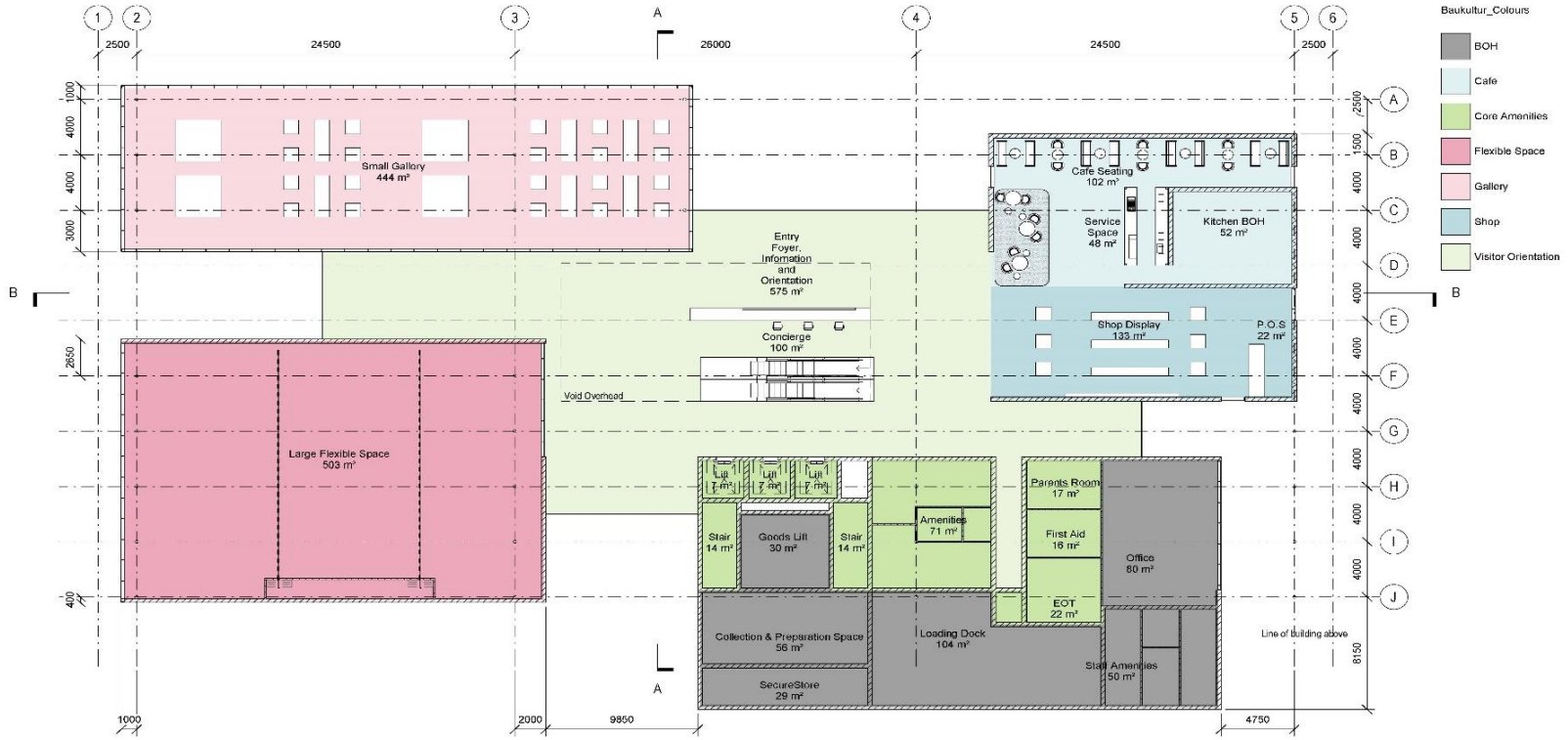
- I think if the museum is to be useable in education, it needs to be state of the art and highly interactive to keep students immersed in the exhibitions.
- I find the proposed museum to be an exciting innovation.
- Go for it!
- I hope it goes ahead!
- It sounds wonderful and it's great that teacher input is being sought. I'd love to see foci on South Australian women and Indigenous perspectives in particular; both from the past and into the modern day.
- Very excited by this proposal!
- Having experts available to run workshops for students is the MOST desirable service that could be provided. We would use a service like that very frequently.
- I look forward to the creation and opening of this museum. This is very exciting.
- Looks like a great opportunity to offer point-of-difference experience and to fill possible gaps in current offerings
- I think it is a great idea. I am glad you have asked the input of educators.
- As we are outer suburbs, access to resources online would be of great benefit. The ability to have background prior to visiting as well as supplementing what is offered would be great.
- Having online options is essential for non-city based schools.
- It sounds like it would be an asset with its South Australian focus
- Centrally located, easy access with public transport
- Public transport is an easy way for students from all local areas to visit the North Terrace precinct

- Have the opportunity for speakers to come to regional/remote schools to provide information about aspects from the Museum.
- Must be child friendly and hands on. Guides familiar of different age groups and have appropriate expectations
- It sounds exciting. It's always been a bit odd that our existing museums have so little local content.
- It sounds exciting and a great opportunity for educators to engage students further with learning in history that is local.
- I am very much looking forward to having the opportunity to visit the Museum of SA History, what an excellent investment.
- An online space with research database for the topics/events covered at the museum would be really useful for post-excursion work.
- This is a very exciting proposal. Bring it on!
- The possibility of providing incursions or online education programs to schools as per the National Motor Museum and State Library would be beneficial as schools in the country would not have to cover high transport costs and we could still access programs during COVID lockdowns.
- As a country school, it would be great to have lead up activities, specific program when we visit and follow up activities. Having museum boxes that come to us would also be greatly appreciated.
- This sounds like an incredible opportunity for all South Australians. I am excited by this, not only for the education of my students - but also personally.

# I) AMoSAH Design Brief

Refer separate file: AMoSAH Business Case Attachment I Design Brief - Final

## J) AMoSAH Concept Design – New Build

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| Project | Sheet | Title | Scale | Rev | Date | Issue |
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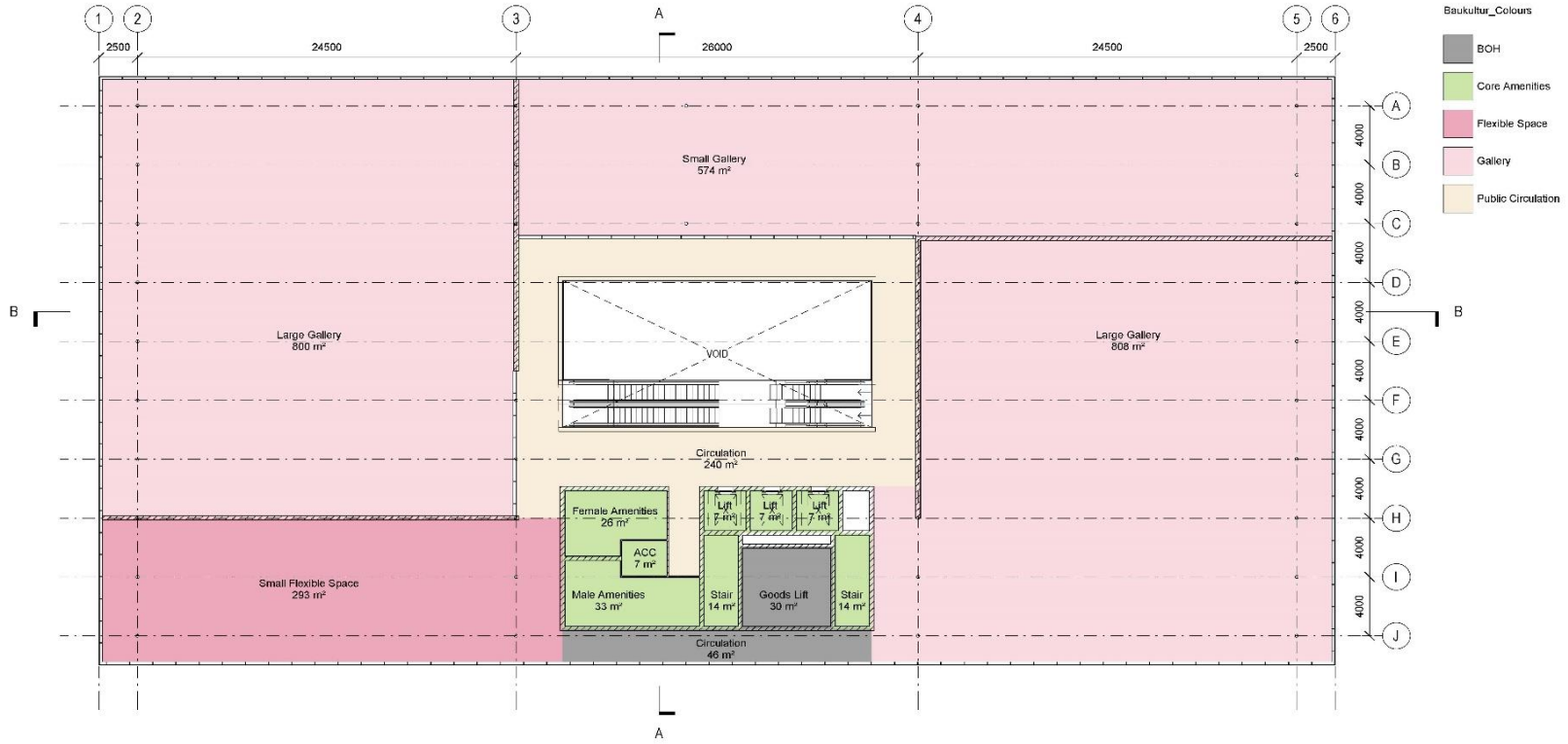
| AMoSAH - Business Case | SK_1100 | GA Floor Plan - L00 | 1 : 200@A2 | A | 17.12.2021 | Business Case |

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| Project | Sheet | Title | Scale | Rev | Date | Issue |
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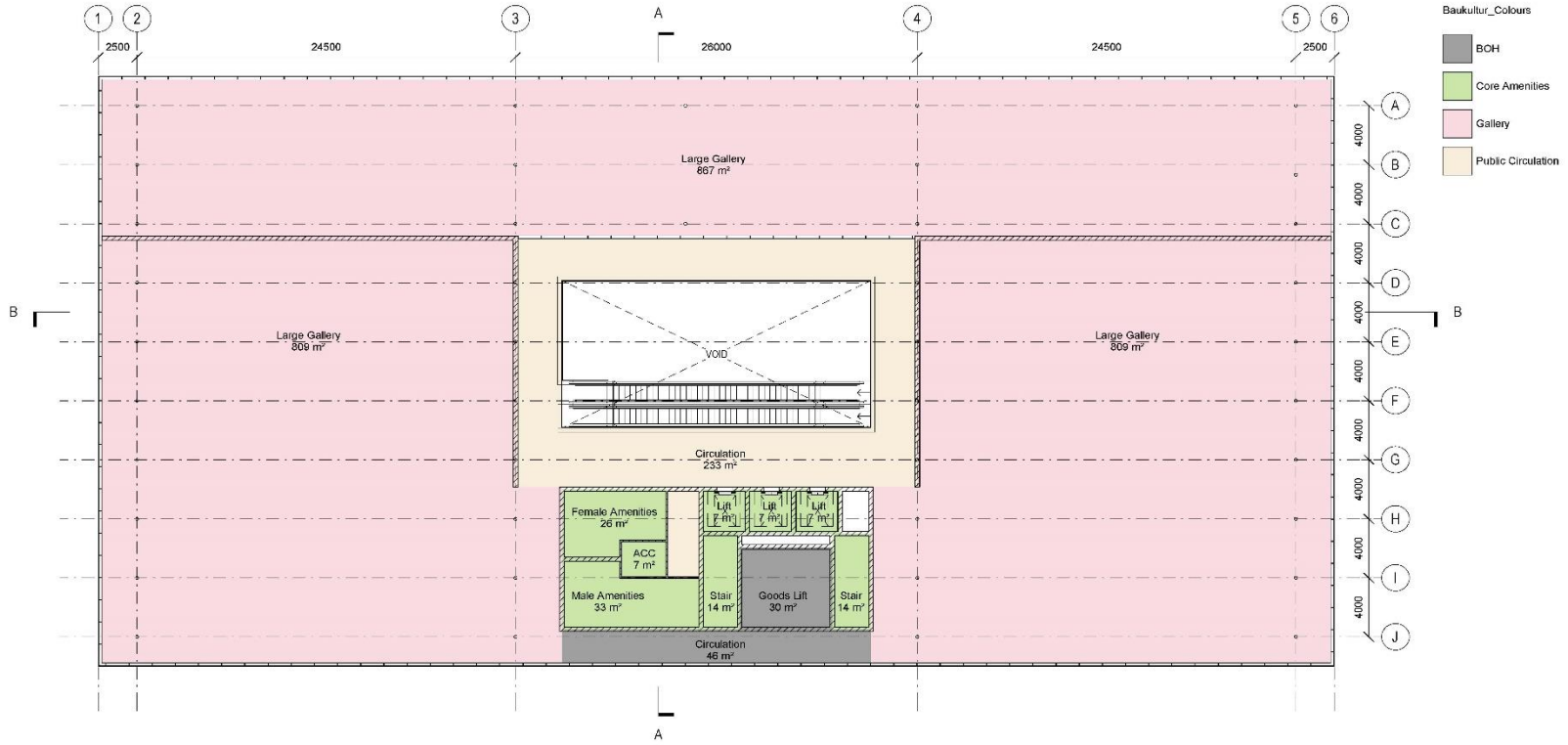


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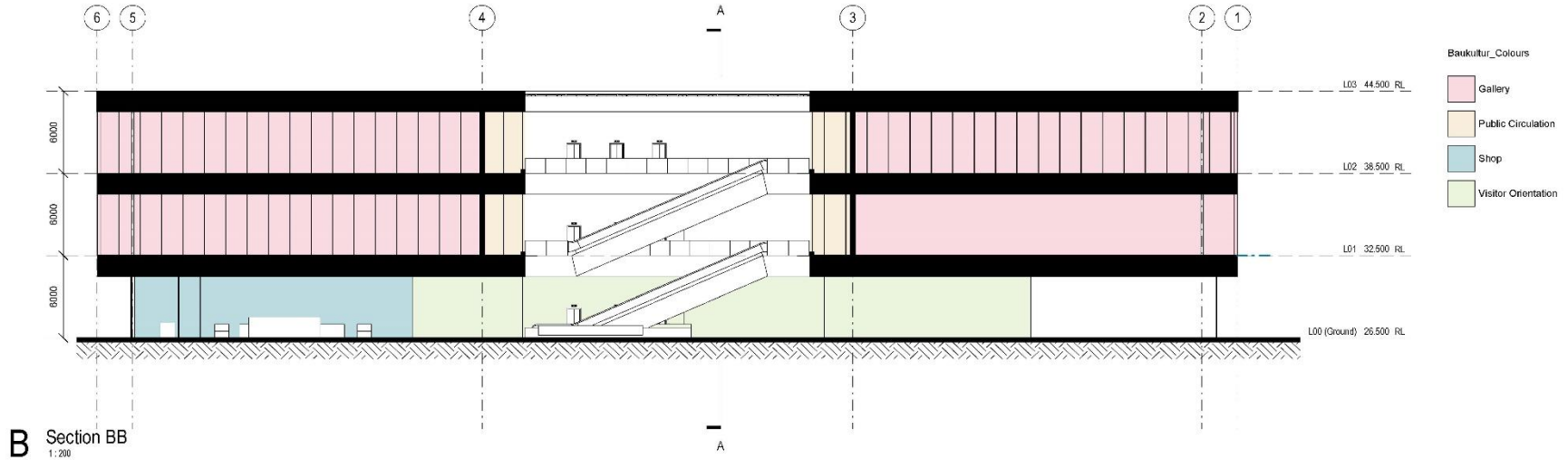
|---|---|---|---|---|---|---|
| AMoSAH - Business Case | SK_1102 | GA Floor Plan - L02 | 1 : 200@A2 | A | 17.12.2021 | Business Case |

A Section AA
1 : 200




B Section BB
1 : 200

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| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH - Business Case | SK_3000 | Sections | 1 : 200@A2 | A | 17.12.2021 | Business Case |

## K) AMoSAH Concept Design – Freemasons Hall

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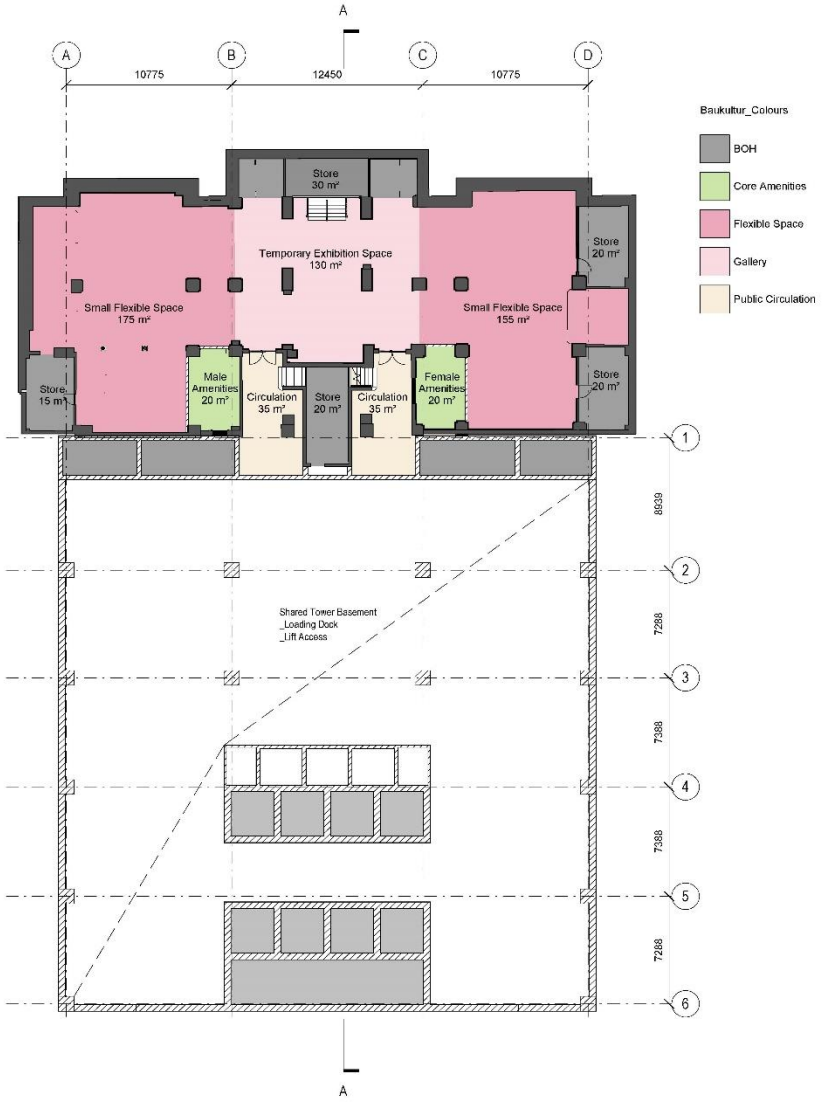
| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_3000 | Section | 1 : 200@A2 | A | 17.12.2021 | Business Case |

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| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_1000 | GA Floor Plan - B01 | 1 : 200@A2 | A | 17.12.2021 | Business Case |

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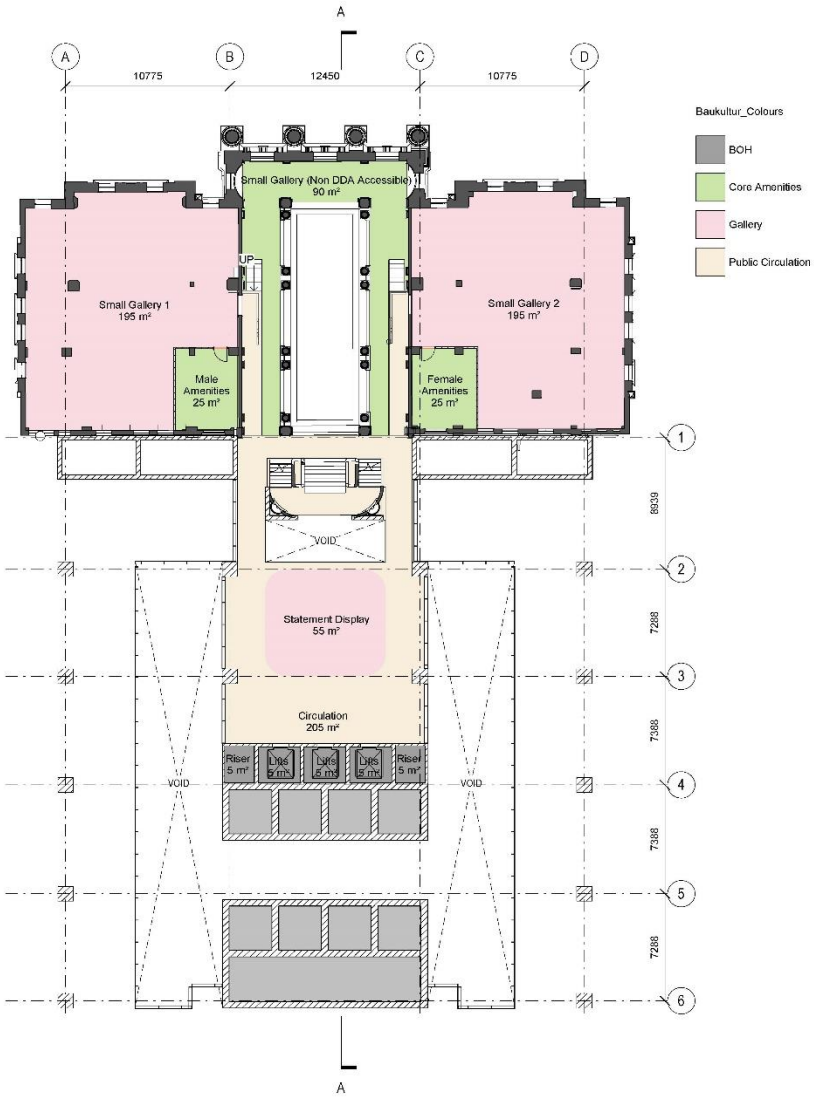
| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_1100 | GA Floor Plan - L00 | 1 : 200@A2 | A | 17.12.2021 | Business Case |

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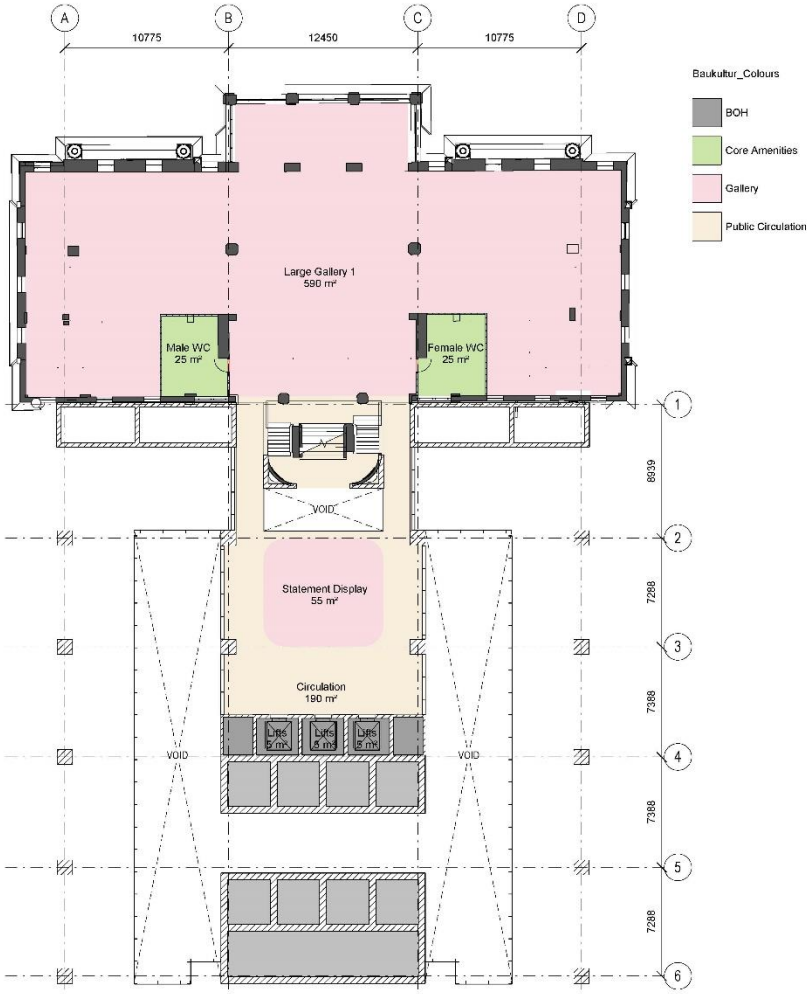
| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_1101 | GA Floor Plan - L01 | 1 : 200@A2 | A | 17.12.2021 | Business Case |

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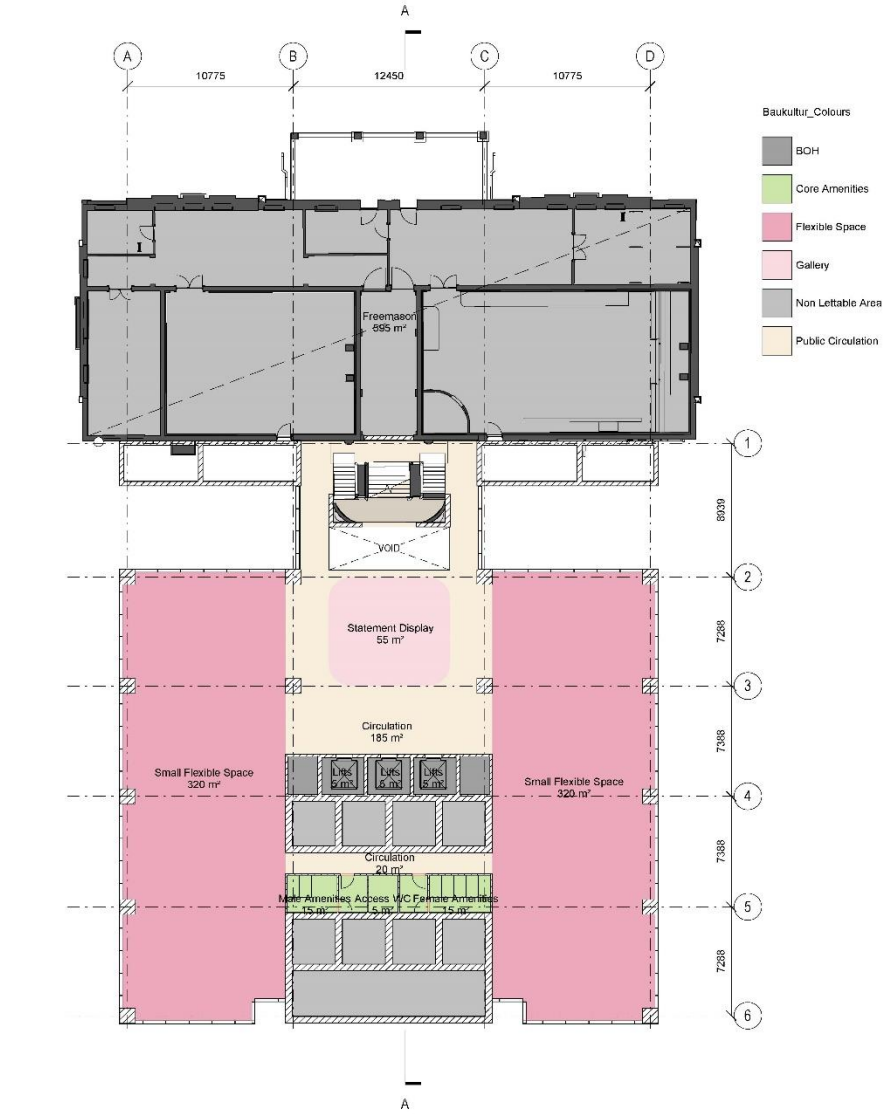
| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_1102 | GA Floor Plan - L02 | 1 : 200@A2 | A | 17.12.2021 | Business Case |

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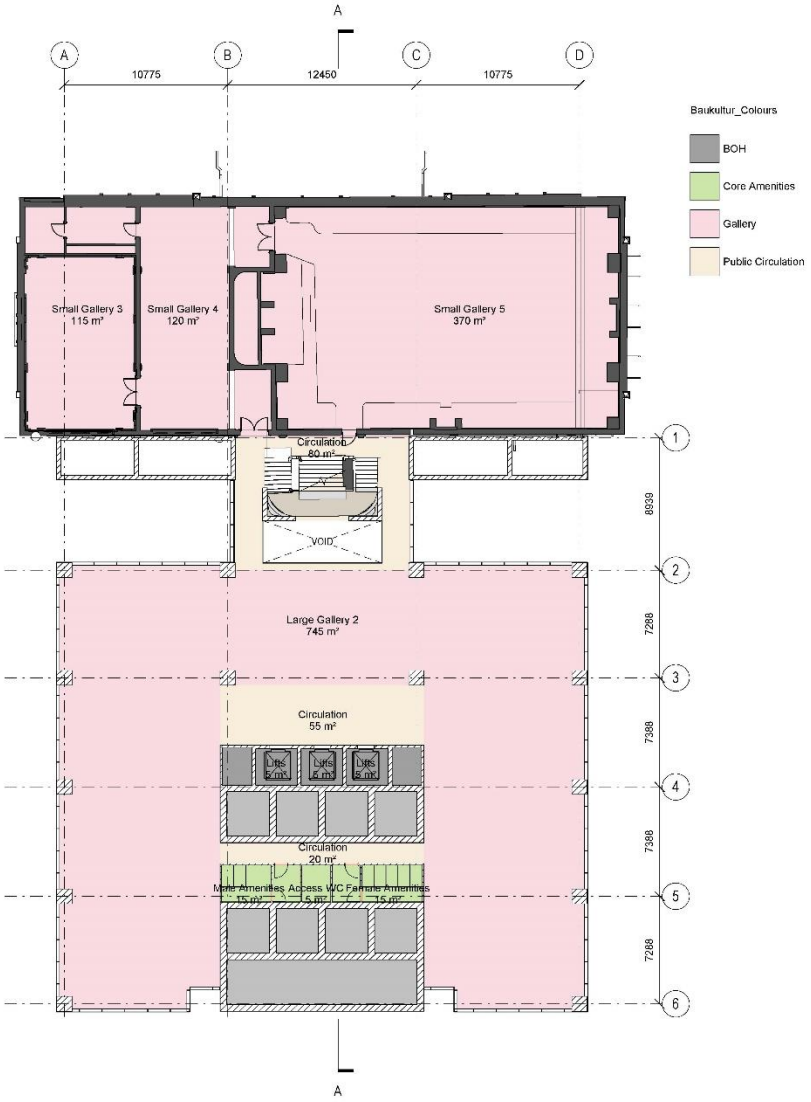
| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_1103 | GA Floor Plan - L03 | 1 : 200@A2 | A | 17.12.2021 | Business Case |

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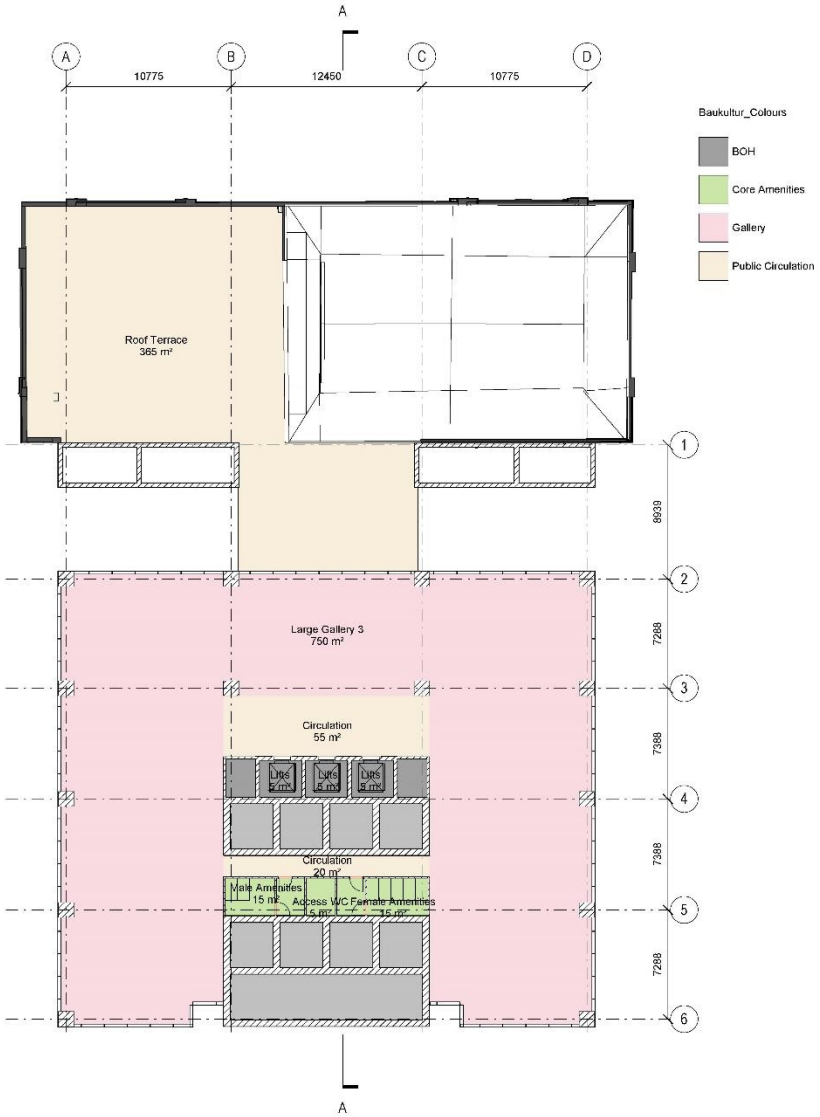
| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_1104 | GA Floor Plan - L04 | 1 : 200@A2 | A | 17.12.2021 | Business Case |







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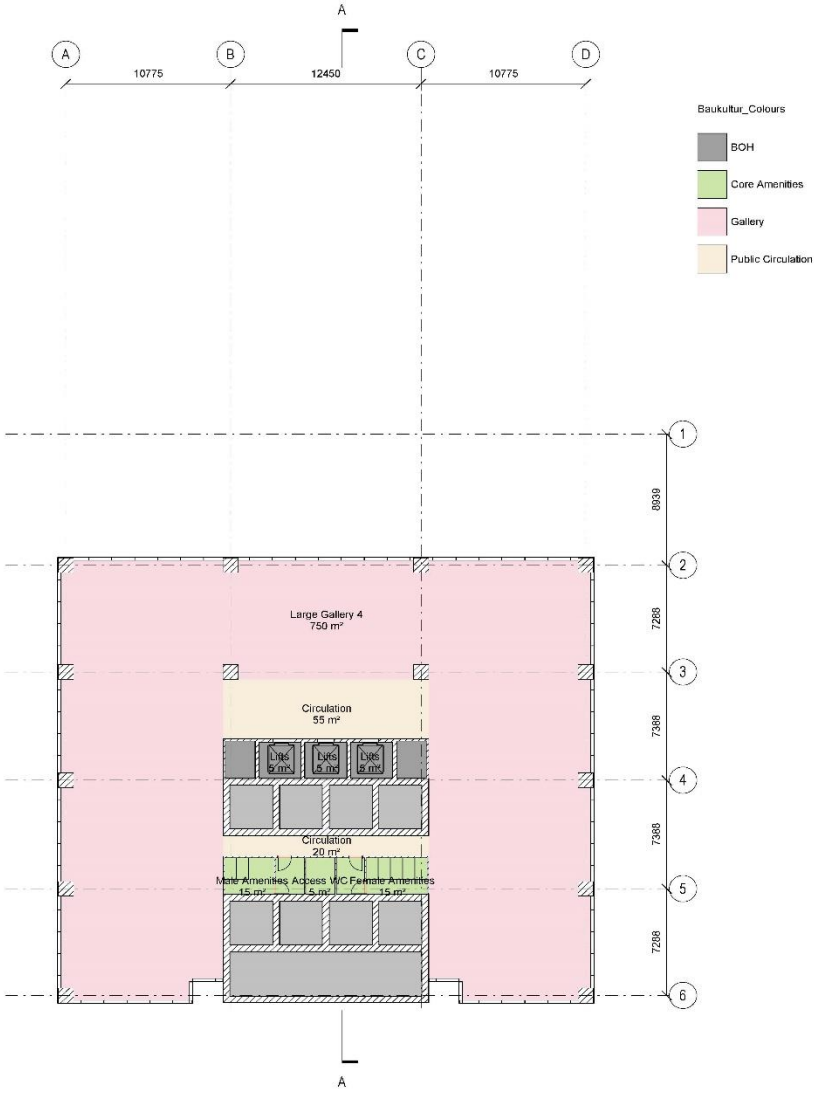
| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_1105 | GA Floor Plan - L05 | 1 : 200@A2 | A | 17.12.2021 | Business Case |

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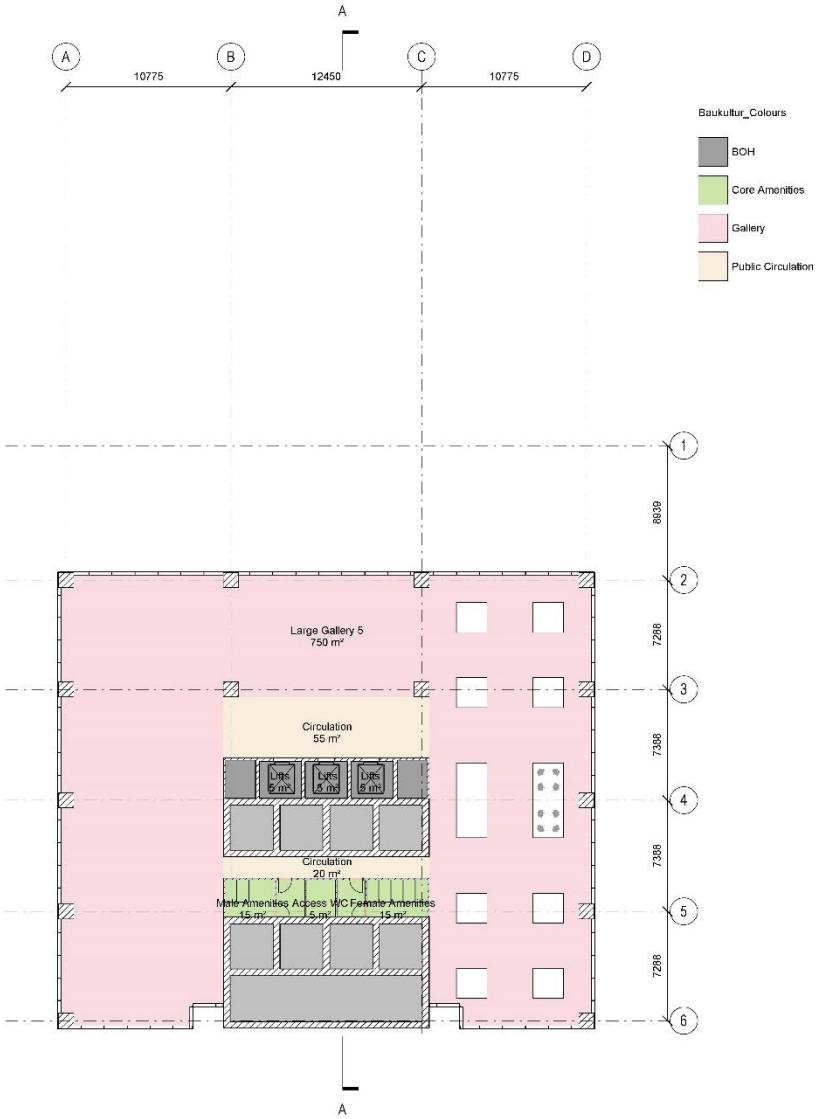
| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_1106 | GA Floor Plan - L06 | 1 : 200@A2 | A | 17.12.2021 | Business Case |




Baukultur_Colours

- BOH
- Core Amenities
- Gallery
- Public Circulation

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| Project | Sheet | Title | Scale | Rev | Date | Issue |
|---|---|---|---|---|---|---|
| AMoSAH Business Case | SK_1107 | GA Floor Plan - L07 | 1 : 200@A2 | A | 17.12.2021 | Business Case |