

PROJECTS

Cost Benefit Analysis of the Rockhampton Art Gallery Development

Evaluating an expansion and relocation of the Rockhampton Art Gallery

**LOCATION**

Rockhampton

CLIENT

Rockhampton Regional Council

COST BENEFIT ANALYSIS

Background

The Rockhampton Art Gallery (RAG) is situated along the Fitzroy River in the heart of Central Queensland. The Gallery is focused on the Australian modernist movement, with its collection being one of the most significant collections in regional Australia.

Given the limitations at the existing site, maintaining the existing collection was becoming increasingly difficult and expansion of the collection was challenging. To help increase the size of the collection, provide additional innovative education and public programs, and increase awareness throughout the community, a new art gallery development was proposed.

Our role

NineSquared was engaged to undertake a cost-benefit analysis (CBA) and economic output assessment of a proposed relocation and upgrade of Rockhampton Art Gallery. The existing Rockhampton Art Gallery collection embodies a government and community asset that is currently not achieving its potential in terms of its contribution to the community, society and culture. Its sustainability in the current era is entirely dependent on expanding and diversifying audiences. The Quay Street Cultural Precinct Masterplan, focused on developing a vibrant, connected and diverse heart of the city, describes the RAG's location at Quay Street as the key element to the masterplan, connecting important historical and heritage elements of the precinct with contemporary art and culture.

The economic analysis quantified and monetised the expected change in utility associated with additional visitations. To monetise the increase in demand, the travel cost method was used. This establishes a minimal value of the trip by estimating the trip cost associated with travelling to and from the art gallery.

The cost-benefit analysis analysed the expected economic benefits associated with the increase in visitations to the region. Three approaches to benefit quantification were adopted, including the replacement value and travel cost methods. A range of sensitivity and break-even tests were also conducted. The economic output assessment quantified the potential economic impact of the project to the Rockhampton region. This included the impact of visitor spend throughout the community.

As a result of this analysis, Rockhampton Council endorsed the plans for A \$31 million investment in the gallery.

FOR FURTHER INFORMATION

For more information, find one of our experts at ninesquared.com.au/people