CM14.6. Contract 25/02438 - Albury Entertainment Centre Redevelopment

Purpose of Report

To recommend to Council a preferred contractor for Contract No. 25/02438 Albury Entertainment Centre - Convention Wing Redevelopment, through a qualitative and quantitative assessment.

Summary

The scoring for the qualitative and quantitative assessment is summarised in the following table:

Company	Qualitative (Non-price Score)	Quantitative (Price Score)
Zauner Construction Pty Ltd	85	100

The tender submitted by Zauner Construction Pty Ltd totals $36,083,043.70 including GST ($32,802,767 excluding GST), which falls within the Council endorsed project budget of $43.45 million including GST ($39.5 million excluding GST).

In proceeding with the tender by Zauner Construction Pty Ltd, Council will be required to contribute $7.8 million (excluding GST), in addition to the $25 million committed in grant funding, to fully fund this contract.

If the project does not proceed, Council would still need to allocate approximately $9.2 million for essential plant replacement and maintenance required to keep the existing facility operational, making the redevelopment a more financially viable option.

Zauner Construction Pty Ltd's tender program is 22 months in duration which is shorter than Council's pre-tender estimate.

The $25M grant payments allow a positive cash flow position for Council for the majority of the construction contract. It is forecast that Council will not be required to draw upon its own funds until FY27/28, as the entire project will be cash flow positively funded by the grant until the construction is 70% financially complete.

Based on the qualitative and quantitative assessment, it is deemed the submission from Zauner Construction Pty Ltd provides value for money to deliver this project.

Recommendation

That Council pursuant to section 178 (1)(a) of the *Local Government (General) Regulation* 2021 NSW, resolves to accept the tender from Zauner Construction Pty Ltd and awards the contract for 25/02438 Albury Entertainment Centre Convention Wing Redevelopment for the tendered lump sum price of $36,083,043.70 including GST.

Background

Refer Attachment 1 - Albury Entertainment Centre Project Proposal as presented to Council 13 October 2025.

The Albury Entertainment Centre (AEC) is a key civic, cultural and business events venue in the Albury Wodonga region, providing the largest convention space between Melbourne and Canberra.

The Convention Wing (CW) was constructed in 1972 and has not undergone any significant redevelopment for 32 years, since 1993. Recognising the age of the facility and potential demand for significant asset renewal, investment was first investigated in 2015-16 and a feasibility study was completed.

Following numerous Council endorsements during the past decade including;

- 26 June 2017 – Accept the feasibility study,
- 26 March 2018 – Shortlist two preferred designs,
- 10 September 2018 – Endorse Option 2C,
- 22 June 2020 – Approve to undertake final concept design and Development Consent based on Option 2C,
- 8 July 2024 – Accept a tender for Detailed Design,
- 23 June 2025 – approve budget of $39.5M, (All amounts herein exclude GST unless stated otherwise), and
- 13 October 2025 – endorsement to seek tenders for the construction.

This volume of work from Concept, Feasibility, Development Consent, Detailed Design and open market tender is now completed.

As design progressed, advocacy efforts and continued commitment to the project secured $25M in Government funding, comprising $10M from the Commonwealth Government and $15M from the NSW Government. The Funding Deed, duly executed in December 2023, relates specifically to the AEC redevelopment project and its objectives to expand capacity of the CW and to provide a function venue to cater for large scale events. This funding deed included two special conditions, the first regarding independent Project Management and the second required that contractors engaged on the project were accredited under the *Australian Government Building and Construction WHS Accreditation Scheme*.

The endorsed budget for the proposed redevelopment is $39.5M to effectively demolish and rebuild the AEC-CW to accommodate large-scale business events, conference, exhibitions tourism and civic events. Key improvements include:

- Doubling conference seating capacity to 2,000 patrons;
- Enhancing exhibition and flat floor space;
- The addition of eight new function rooms; and
- A formal plaza together with improved connection to the Cultural Precinct.

The redevelopment is expected to act as a key catalyst for the revitalisation of the Albury CBD and will be complimented by the recently completed Lauren Jackson Sports Centre (LJSC) redevelopment, which is now also capable of hosting up to 2,000 patrons as a supporting venue for large conferences/functions.

The proposed redevelopment does not impact the operation of the Theatre Wing during the construction period.

The redevelopment aligns with the strategic objectives of the Albury Cultural Precinct Master Plan and responds to the growing regional demand for modern event infrastructure. Upon completion, the AEC will be positioned as a premier regional destination for conferences, exhibitions, business events, arts and cultural activities and community functions.

Objectives and Strategic Alignment

The planned outcomes seek to address the following considerations that align to the themes within AlburyCity's Community Strategic Plan – *Towards Albury 2050*;

Theme One – A Growing Sustainable Economy.

1.1 Albury is a vibrant city, providing high quality sustainable infrastructure, industry-leading services and amenities.
- 1.1.1 Encourage sustainable residential and commercial development Leader.

Theme Three – A Caring Community.

3.4 Albury is inclusive and accessible for all ages and abilities.
- 3.4.1 Plan and develop infrastructure that is accessible for all.

Theme Three – A Caring Community.

3.6 Albury has a diverse and thriving arts and cultural life.
- 3.6.1 Create engaging public and cultural spaces and places through placemaking.
- 3.6.2 Encourage and support participation in creative industries and the cultural economy.
- 3.6.3 Provide and support a diverse range of arts and cultural experiences.

In addition to the above, the Albury Entertainment Centre Convention Wing Redevelopment has been, and continues to be, referenced as a key Major Project in the following endorsed documents:

- Albury Cultural Precinct Master Plan 2021
- Albury Economic Development Strategy 2023 - 2027
- Albury Wodonga Destination Management Plan 2019 – 2023
- Albury Wodonga Destination Management Plan 2024 – 2028
- Riverina Murray Destination Management Plan 2018
- Murray River Tourism Destination Management Plan 2023
- NSW Government Albury-Wodonga Regional Economic Development Strategy 2018 – 2022
- NSW Government Albury-Wodonga Regional Economic Development Strategy 2023 Update

Opportunities

The AEC is the largest purpose-built convention centre between Canberra, Sydney and Melbourne and is the only venue of its kind within a 300km radius capable of hosting large scale business events. It draws delegates and attendees from across New South Wales, Victoria and beyond. The redevelopment positions Albury to compete within the national events market, particularly considering developments such as the new Geelong Conference and Event Centre, which will open in July 2026 with capacity for 1,100 patrons. Currently there are only three conference venues in regional NSW, being Tamworth, Wollongong and the Hunter Valley, that can cater for business events with 500 people or more. The redevelopment of the AEC-CW aims to capitalise on this market opportunity.

To avoid repetition, the strategic importance, relevance to *Towards Albury 2050*, economic impact, revenue profile, business plan, industry analysis of other regional convention centres, social, and civic benefits of the AEC redevelopment are detailed in the Albury Entertainment Centre Project proposal of Council meeting 13 October 2025. (Attachment 1).

Requirement for Immediate Maintenance if the Redevelopment Does Not Proceed

As noted above, in 2015/16 it was recognised that significant asset renewal investment for the CW would be required over the next 10 years. As little investment has been made on the CW in the past decade, should the redevelopment not proceed, substantial investment in asset renewal (more than $9.2M) will be required to maintain the facility at a basic service level without delivering the increased capacity, enhanced functionality or economic benefits associated with the proposed redevelopment. In addition, future budget allocation will be necessary over the longer term to address the asset decline inherent in aging infrastructure. This is detailed in Attachment 1.

Scope

The scope of this tender is to effectively demolish 90% of the existing building and rebuild the CW to accommodate large-scale business events, conference, exhibitions tourism and civic events.

Key improvements include:

- A new modern 2,000 seat auditorium (800 seat banquet style) offering exceptional acoustics, flexible seating configurations and the ability to partition spaces for concurrent events, catering to a wide range of performances, conferences and presentation requirements.
- Eight state-of-the-art function rooms featuring integrated audio-visual technology, high-speed connectivity and adaptable layouts to accommodate small to medium-sized corporate or community functions.
- Exhibition and conference spaces designed for versatility and scale, capable of hosting large conferences, trade shows and cultural and civic events with open plan layouts, seamless access and modern amenities to enhance delegate experience.
- Arrival plaza and tourism event space providing a welcoming and functional entry point and improved wayfinding.
- New food and beverage kitchens and bars designed to deliver a comprehensive experience with diverse catering options, new hospitality facilities and spaces that enhance networking, social interaction and overall visitor satisfaction.

- Enhanced sound and light systems in the retained Theatrette with tiered seating up to 177 people and improved disabled access, supported by a new pre-function foyer with balcony access and additional toilet facilities. An enlarged green room with dedicated amenities and accessible stage entry will offer greater opportunities to host a variety of small-scale events not previously achievable. Flexible operable doors will allow the green room to double as a function/rehearsal space or integrate into the level 2 foyer, significantly improving versatility and user experience beyond current offerings.

Value Management completed during design development

The project was initiated and structured as a design and construct model to ensure alignment with funding stages and approval processes. The design drawings are issued ready for stamping for construction purposes upon award of this contract. Throughout this process, AlburyCity Officers and designers have implemented a range of value management cost saving measures to maintain budget integrity, including targeted reductions in building size and scope, the adoption of simpler and more cost-effective construction techniques, the reuse of existing equipment and spaces and the selection of more economical finishes with examples as follows.

- Reduced feature canopy complexity, structure and materials – save $455,000
- Reduced ceiling finishes – save $877,000
- Reuse of existing Theatrette timber wall panelling – save $230,000
- Reduced feature elements to façade – save $212,000
- Simplified glazing to façade – save $185,000

These and many other smaller strategies totalling over $10M have generated notable savings without compromising the overall functionality and quality of the facility or the grant requirements.

Value Management completed immediately prior to this tender

After Council's endorsement to go to tender and immediately prior to finalising the tender documents, further value management savings of $521,000 were implemented, as follows.

- Reduced external works and re-use of existing paving – save $285,000
- Simplified façade cladding to loading dock – save $108,000
- Archaeological services during construction – save $43,000
- Substitution of precast concrete in lieu of in situ concrete walls – save $85,000

Similar savings strategies continue to generate notable savings without compromising the overall functionality or quality of the facility.

Invitation to Tender

Tenders were invited by Council for Contract No. 25/02438 Albury Entertainment Centre - Convention Wing Redevelopment, and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on 19 December 2025.

Tender Close

At the close of tender, submissions were received from the following;

- Zauner Construction Pty Ltd

The received tender was reviewed and evaluated in accordance with the local government legislation of NSW, Council's Social and Sustainable Procurement Policy and Guidelines.

The assessment panel for the tender comprised of Project Lead – Brendan Maher, Team Leader Project Delivery – Miguel de Oliveira, Sourcing Coordinator – Paul Dwyer, Facility and Operations Coordinator – James Poole and Senior Architect – Doug Howard.

Conformity Check

A conformity assessment was undertaken to ensure the submission received was in accordance with the contract documentation and specification.

Company	Schedules returned with supporting information	WHS & Insurance Documentation accepted	Conformity Status
Zauner Construction Pty Ltd	Yes	Yes	Conforming

As indicated above, the submission was assessed as a conforming tender, with Zauner Construction Pty Ltd already WHS registered with Council.

Qualitative Assessment (Non-price aspects)

A qualitative assessment considered a range of criteria including:

- Experience – relevant experience in performing same or similar projects; developing experience including research and innovation.
- Methodology/program of work – work methods, project/scope understanding, proposed product, program and timeline.
- Capacity – availability of resources, current and future commitments and workload.
- Capability – skills, specialisation, certification, business systems to deliver required goods/services/works, contract management capabilities; and
- Benefit to the region and Australian manufacturing – local impact on social, economic and community outcomes to benefit the Albury/Wodonga region and Australian producers.

Company	Experience (30%)	Methodology & Program (30%)	Capacity (20%)	Capability (10%)	Local Benefit (10%)	Total (100%)
Zauner Construction Pty Ltd	26	26	16	9	8	85

Zauner Construction is a locally based company (Lavington, NSW) and has extensive experience in large scale construction projects for both private and government sectors, which has included numerous entertainment and cultural venues.

Notable projects that directly relate to the development of entertainment venues, completed or currently being delivered by Zauner Construction, include the Commercial Club Albury, Corowa RSL, and cultural venues including the Ulladulla Civic Centre, Goulburn Performing Arts Centre and The Cube Wodonga.

Zauner Construction indicated that their current commitments include the $6.8M Narooma Arts, (anticipated completion, April 2026), the $11M Scots School Junior School Stage 1A/1B (anticipated completion, April 2026), $16.2M Queanbeyan South Preschool (anticipated completion, April 2026) and the $15M combined Preschools Far South Stream 6 – Riverina (anticipated completion May 2026), as well as numerous other large construction-related projects.

Zauner Construction's tender program is 22 months in duration which is shorter than Council's pre-tender estimate. They demonstrated a detailed appreciation of activities and logic required to complete the project. They nominate all key off-site and on-site activities, provided excellent program logic, and identified key relationships between activities, including the interfaces with our Library Museum, Theatre Wing and QEII Square.

Zauner Construction's methodology and logic was clearly conveyed through both written and graphical representation, which was linked to program staging. They provided 3D renders of the project (both inside and outside), which demonstrated their full appreciation of our vision, as well as the technical requirements and methodologies required to successfully undertake the works.

Referee reports indicated that Zauner Construction generally perform well, with projects delivered to high quality, to time and budget. Zauner Construction has previously delivered the Murray Art Museum Albury (MAMA), Albury Library Museum for AlburyCity and have just completed the Lauren Jackson Sport Centre (LJSC) redevelopment in December.

Zauner Construction is well resourced internally, utilising mostly the same staff that delivered LJSC, and nominated appropriate (local wherever possible) sub-contractors to complete the works, including many of the specialised components of the work. Financial statements and external assessments indicate that Zauner Construction has the required financial capacity to undertake the project.

Zauner Construction has indicated that, should they be awarded this contract, majority of the materials, plant, equipment and labour will be sourced from the local region following their own competitive tendering process held during the tender period. Their submission also demonstrated numerous sponsorships, donations, and funding of local sporting teams and community groups.

From the information provided, Zauner Construction demonstrated they have the required FSC-WHS certification, management systems, experience, capacity, plant and equipment, resources and availability to provide AlburyCity with a quality product and meet project objectives.

Quantitative Assessment (Pricing)

The request for tender was issued seeking a lump sum contract from Principal Contractors to complete the project as documented, plus pricing of tender options. Tender options were included in the tender documentation to enable reduction of the expenditure, if required while avoiding re-tendering / re-design delays should tenders be over budget.

Cost Plan and Quantity Surveyor Report

An independent Cost Plan was prepared and revised at each design phase, by Rider Levett & Bucknall (RLB), a leading independent global construction, property and management consultancy firm providing cost management and quantity surveying, among other services. The Cost Plan reported in September estimated the construction cost to be $38.9M (Attachment 1). RLB's estimate was increased by $0.5M in November 2025 (Attachment 2) based on the tender drawing set to $39.4M. In accordance with the above, an Executive Summary is attached (Attachment 3).

The tendered price submitted is tabled below.

Company	**Estimated Contract Value (incl GST)**	**Rating (100)**
Zauner Construction Pty Ltd	$36,083,043.70 including GST ($32,802,767 +GST)	100

The budget allocation for the project is $39.5M (ex GST), with the submission being well within the allocated budget. The lump sum tender received is $32,802,767.00 (ex GST). This is lower than expected and estimated by RLB Quantity Surveyors.

Risk

Business Risk

- Financial risks during construction are possible if adverse site conditions are encountered. Risks during construction have been mitigated through extensive site investigations within the building envelope, with underground services and geotechnical investigation completed which informed detailed requirements within the design contract.
- To date, substantial financial resources have been invested in design and preliminary works. In addition, Council Officers have dedicated considerable time and effort to progressing the project thus far. Through the detailed design phase, and the corresponding value management process, the project scope has been refined to a level that significantly reduces the likelihood of variations during the construction phase.
- The AEC redevelopment has secured $25M in Government funding. Under the AEC Funding Deed AlburyCity is obligated to make a co-contribution of at least $5M in addition to the $25M grant. In addition, AlburyCity has an obligation to contribute $1.5M to an Albury Wodonga Regional Project in relation to the transfer of Commonwealth land as part of the Albury Wodonga Regional Projects agreements. Accordingly, a total of $31.5M has been committed towards to this project.

- Even though Council recently endorsed a contribution of $14.5M, thereby totalling $39.5M in the 2025-26 4YDP, Council will now only need to contribute $7.8M plus the $25M grant to fund the construction contract.
- Further, and significantly, should the redevelopment project not proceed, Council would need to allocate approximately $9.2M for (known) essential replacement of plant and maintenance of the existing facility. This investment would not deliver any additional benefits to AlburyCity or the community but would merely maintain the current level of operations. This amount only includes the known maintenance required now, however as with any aging asset maintenance needs will continue to rise and adequate budget allocation would need to be made for such circumstances.
- There is an increased risk in business interruptions, undertaking staged rectifications to maintain the CW facility. These works are likely to take an extended period to complete, as they would be required to be scheduled around operational bookings incurring additional remobilisation costs.
- In anticipation of construction commencing in March 2026, forward bookings for the CW have not been accepted for some time and should the redevelopment project not proceed, this immediate cessation in activity is anticipated to have a detrimental impact on Council's financial position.
- Should the project not proceed, lead times to re-scope, document and obtain planning approvals to complete alternative building renewal works to the value of $9.2M, will take 12-18 months before being able to go to tender.

Corporate Risk

- If the redevelopment project does not proceed, AlburyCity faces a significant risk to its reputation relating to its ability to deliver projects and fulfilling Funding Deed obligations and may potentially impact future funding bids.
- Delays would result in missing the secured grant funding milestones each quarter, likely leading to the forfeiture of funds and undermining confidence in any future grant applications.
- Not proceeding with the project could compromise Council's ability to deliver on its strategic vision and objectives, as endorsed by Council and expected by the community, specifically *Towards Albury 2050*, Albury Cultural Precinct Master Plan and the Albury Wodonga Destination Management Plan.

WHS and Public Risk

- WHS risks due to the construction works will be controlled in accordance with AlburyCity procedures. Whilst the construction site will be fenced from the public, there is potential of mixing of public and construction traffic, entering and exiting the site could be a potential risk. The contractor will be WHS registered with AlburyCity and will be required to implement a relevant WHS Management Plan, including Safe Work Method Statements and safety inspections.
- A comprehensive WHS and public risk assessment will be carried out by the successful tenderer and inspected by Council WHS Officers.

- WHS and public risk continues should the redevelopment not proceed given the aging of the facility and the need for maintenance works to be undertaken in the medium term, especially considering the two recent occurrences of collapsing ceilings.

Environmental Risk

- Development consent (10.2021.38793.1) has been obtained for these works, which includes the preparation and assessment of environmental risks via a Statement of Environment Effects (SEE). The risks identified were considered low, particularly given the works predominately relate to the refurbishment of an existing building, and that the work area is heavily disturbed.
- Standard risks associated with construction are possible, including delays due to inclement weather, changes due to latent/unknown construction issues, contractor caused delays and supply chain lead times. Notwithstanding, the worksite is a constructed environment with existing structures and drainage, which will provide good access, minimising potential site access/cranage delays. Extensive site investigations have been undertaken during the design and planning phase, with results indicating the risk to delivery is low.
- The Contractor will be responsible for demolishing Council's last remaining Cooling Tower that carries a Legionnaires disease risk. Should the project not proceed, the cooling tower will have to remain operational as it is key to the cooling system.

Four Year Delivery Program or General Program Risk

- Any further major value management/redesign now, would increase delivery risk and cost whereas proceeding directly to contract ensures the project remains on track within agreed funding timelines and maintains strong governance and accountability. Being under budget and priced on completed detailed design documents, the risk to not award would be a program, funding and budget risk.
- The $25M grant payments allow a positive cash flow position for Council. With $2.25M already received from NSW and a further $8.25M invoiced in January 2026, it is forecast that Council will not be required to draw upon its own funds until FY27/28. The entire project will be cash flow positively funded by the grant until the construction is 70% financially complete.
- The Albury Entertainment Centre – Theatre Wing will remain an operating venue during construction, with some minor impact on the delivery timeline possible through delays. Event schedules are written into the draft contract for the head contractor to mitigate any delay. Strong communication between Project Managers will seek to mitigate this risk during the construction.
- The tender received is under budget and will be delivered 3 months faster than expected. Losing time to re-document or re-tender the project will diminish this advantage of starting immediately, with other large regional projects like the Albury Wodonga Hospital and Department of Defence works likely to commence their tender phases soon and expose Council to further inflationary pressures.

Value Management

As with all major construction projects, there is an inherent level of latent risk due to market volatility, potential unforeseen site conditions, and compliance related design changes. While the project has been thoroughly scoped, planned, and value-managed, cost variances may occur during delivery. If the

final contract amount exceeds the approved contract price by more than 10%, the AEC Project Team will either:

1. Undertake further value management activities to identify opportunities to reduce costs while maintaining core project outcomes; or-management activities to identify opportunities to reduce costs while maintaining core project outcomes; or
2. Prepare a report to Council outlining the variance, its causes, and options for Council's consideration and decision.

Existing Contract Management Business Rules and Delegations provide the CEO and DCEOs with authority to implement these actions to ensure value management post contrast execution.

Engagement

Community engagement has been undertaken throughout the course of the project in addition to consultation during the development of the Albury Cultural Precinct Master Plan in May 2021.

Further engagement was undertaken to inform design work and understand needs in a redeveloped AEC-CW as well as continual media and website updates as the design phase progressed.

In addition to key stakeholder workshops, the community consultation was live on the Have Your Say Page, with 1,691 website sessions resulting in 187 responses. Findings from the survey indicated:

- 87% of respondents were at least somewhat excited by the concept design, with almost half very excited about the concept design; and
- 96% of respondents believed that it is at least somewhat important that Albury has a modern and fit for purpose Convention Centre.

In addition to direct engagement, the community has also been informed of the project's progression through the Major Projects section of the AlburyCity website in addition to updates through News from AlburyCity and via social media.

Further, the redevelopment project has been included in the current works program which was placed on public exhibition prior to adoption by Council on 28 June 2025.

Summary

The scoring for the qualitative and quantitative assessment is summarised in the following table:

Company	Qualitative (Non-price Score)	Quantitative (Price Score)
Zauner Construction Pty Ltd	85	100

From the qualitative assessment, Zauner Construction has the required management systems, experience, resources and availability to successfully undertake this project and in 66% of the time expected.

From a quantitative perspective the submission from Zauner Construction was assessed as being value for money, as it is well under the RLB cost plan (Attachment 3) and endorsed project budget.

Therefore, based on the qualitative and quantitative assessments, it is deemed that the submission from Zauner Construction provides value for Council to deliver this project.

Options

1. Council resolves to accept the tender from Zauner Construction Pty Ltd and awards the contract for 25/02438 Albury Entertainment Centre - Convention Wing Redevelopment for the tendered lump sum price of $32,802,767.00 (excl GST). **Recommended.**

   The tender received is under budget and will be delivered three months faster than expected. Losing time now to re-document or re-tender the project will diminish this advantage of starting immediately with other large regional projects like the Albury Wodonga Hospital and Department of Defence works due to commence their construction tender phases soon and expose Council to further inflationary pressures.

2. Council resolves to grant delegation to the CEO to enter negotiations with Zauner Construction Pty Ltd with the view to enter into a contract in relation to the subject matter of the tender. **Not Recommended.**

   Given the proposed contract sum is 4% ($1,302,767) more than the original $31.5M allocated to the project (note: that the endorsed budget is now $39.5M), it is not recommended that further negotiations take place as any delays risk missing funding deadlines, exposes Council to further inflationary increases and Council to potentially significant corporate and reputational risk. This option introduces significant uncertainty when compared to the fully documented specifications that have been developed through the detailed design phase. Furthermore, event bookings have ceased to enable Council officers to vacate in anticipation of the works commencing in March 2026.

3. Pursuant to section 178 (1)(b) of the Local Government (General) Regulation 2021 NSW, resolves to decline to accept all tenders for the contract 25/02438 Albury Entertainment Centre - Convention Wing Redevelopment. **Not Recommended.**

   Given the proposed construction contract sum requires a Council contribution of $7.8M, which is below the alternative building renewal works anticipated to cost $9.2M, making the redevelopment a more financially viable option.

Conclusion

Council invited tenders for 25/02438 Albury Entertainment Centre - Convention Wing Redevelopment.

The AEC is the largest convention venue between Melbourne and Canberra, serving as a key civic, cultural, and business events hub for the region. While the Theatre Wing was upgraded in 2010, the Convention Wing has seen no major redevelopment since 1993, prompting feasibility studies and design investigations from 2015 onwards.

The strategic importance, relevance to *Towards Albury 2050*, economic impact, revenue profile, business plan, industry analysis of other regional convention centres, social, and civic benefits of the AEC redevelopment have been tested and proven to be robust and very worthwhile for Albury and its surrounding regions (Attachment 1).

After extensive planning and Council's investment in design documentation and multiple Council endorsements over the past decade, the project is ready to commence the final demolition and construction phase.

The redevelopment will double seating capacity to 2,000, expand exhibition space, add eight function rooms and multiple foyer spaces, and create a formal plaza connecting to the Cultural Precinct, positioning AEC as a premier regional destination for conferences and events.

Under the AEC Funding Deed AlburyCity is obligated to make a co-contribution of at least $5M in addition to the $25M grant. In addition, AlburyCity has an obligation to contribute $1.5M to an Albury Wodonga Regional Project in relation to the transfer of Commonwealth land as part of the Albury Wodonga Regional Projects agreements, totalling a minimum contribution of $6.5M.

Value management design changes totalling approximately $10M have been made to date to bring the project well below the June 2025 estimate of $41M when the budget was endorsed at $39.5M.

Even though the Quantity Surveyors (QS) estimate increased by $0.5M between August and November 2025 based on the final tender documents, market conditions and inflationary pressures, competitive market pricing in an open tender (and particularly between sub-contractors and suppliers) has provided a lump sum price well below the QS estimate.

A quantitative and qualitative assessment indicated that the tender submission from Zauner Construction Pty Ltd demonstrated value for money. The tender totals $36,083,043.70 including GST ($32,802,767 excluding GST), falls well within the current project budget of $40.95 million including GST ($39.5 million excluding GST).

In proceeding with the tender by Zauner Construction, Council will be required to contribute $7.8 million, in addition to the $25 million committed in grant funding, to fully fund the construction contract.

If the project does not proceed, Council would still be required to allocate approximately $9.2 million for essential plant replacement and maintenance required to keep the existing facility operational making the redevelopment a more financially viable option. The $25M grant payments allow a positive cash flow position for Council for the majority of the construction contract. Council will not be required to utilise its own contribution until the project is 70% financially completed in FY 27/28.

Zauner Construction are considered capable to deliver the project with a qualitative score of 85% and hold the necessary WHS requirements and systems while remaining under the current endorsed budget to deliver a transformative project for the Albury and regional community.

File ref.	FIL25/02438-02
Reporting team	Business & Lifestyle

Attachments	1. Project background and report to Council seeking endorsement to proceed to public tender for the construction – Council Meeting 13 October 2025 [19 pages] - (DOC25/279233) 2. Revised Cost Plan based of Request for Tender (RFT) documents – November 2025 [67 pages] - (DOC26/17728) 3. RLB Cost Plan Executive Summary – November 2025 [1 page] - (DOC26/18003) 4. Concept Design Video (Confidential) *Confidential item, exclusive of press or public on the grounds that the matter and information is commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.* *[Local Government Act 1993 No.30 Section 10A(2)(d)(i)]*