



Business Case

Construction of Pingelly Recreation & Cultural Centre



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The Vision

To create a sustainable multipurpose building accommodating year-round sport, recreation, cultural and community activities.

1. EXECUTIVE SUMMARY

This Business Case describes the Pingelly Recreation & Cultural Centre Project, its outcomes, options available, financial information and economic benefits. The facility will be constructed in accordance with Australian standards and cater for sport, recreation, cultural, community activities and an emergency evacuation centre.

This Project has been estimated to cost \$8,130,000 (exclusive of GST), including in-kind, and construction is intended to commence in October 2016 with an official opening in October 2017.

Financial contributions have been confirmed from the Shire of Pingelly (\$4,065,000), Pingelly Times (\$10,000), Pingelly Development Association (\$5,000), Pingelly Recreation & Cultural Centre Focus Group (\$1,405) and the Bendigo Bank (\$150,000). The Shire intend to seek \$3,888,595 (excluding GST) under the Department of Infrastructure and Regional Development's National Stronger Regions Fund (Round 2). Local businesses have also confirmed \$10,000 in-kind contributions.

Overall the proposed development is expected to make a valuable contribution to the local economy with the injection of new employment and tourist visitation. During construction the project is expected to add around \$10.95 million in output, around \$3.8 million to the Gross Regional Product and create 18 local jobs. This includes the total of all direct, indirect and consumption effects. The ongoing impacts of the project are also important and highlight the economic benefit to the region beyond the period of construction, with benefits generated over the short, medium and long term. The combination of the everyday community facility operations and its ability to draw regional visitation is expected to add around \$580,000 in output, around \$250,000 million to Gross Regional Product and create around 4.2 ongoing jobs.

There will also be numerous ongoing volunteer opportunities due to the establishment of a Management Association to operate the facility.

This facility will be utilised all year round for multiple activities and therefore have significantly more of an impact, particularly with its capability of catering for large functions.

2. PROJECT SCOPE

2.1. Project Purpose

The ultimate purpose of this Project is to create a better place to move, work, interact and live. This Project intends to achieve a multipurpose facility adequate for regional sports games, large functions, conferences, visiting services and as an emergency evacuation centre.

This Project will provide a year round facility available to continually engage local and regional communities in sport, recreation, cultural and community activities, thereby

increasing the regional economy by drawing in players, sponsors, events and spectators. Potential new activities for the venue include visiting services (such as the Aboriginal Health Service), playgroups, corporate and charity challenges, school holiday clinics, arts performances, concerts, school graduation ceremonies, emergency evacuation and much more. This Project will:

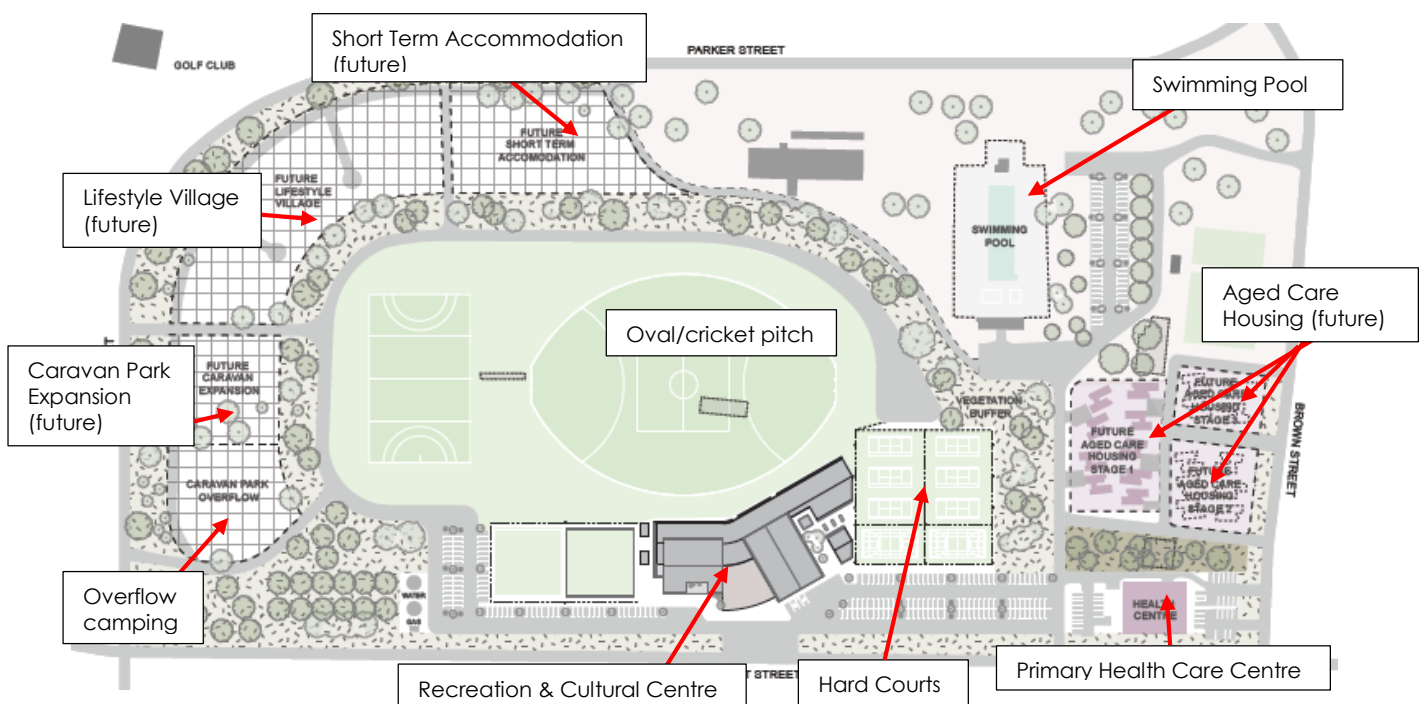
- Demonstrate the benefits of co-locating facilities.
- Encourage increased use of all infrastructure that surrounds the proposed venue.
- Improve the level of regional economic activity.
- Create a stable and viable community.
- Improve partnerships between local government, state government, not-for-profit organisations and businesses.

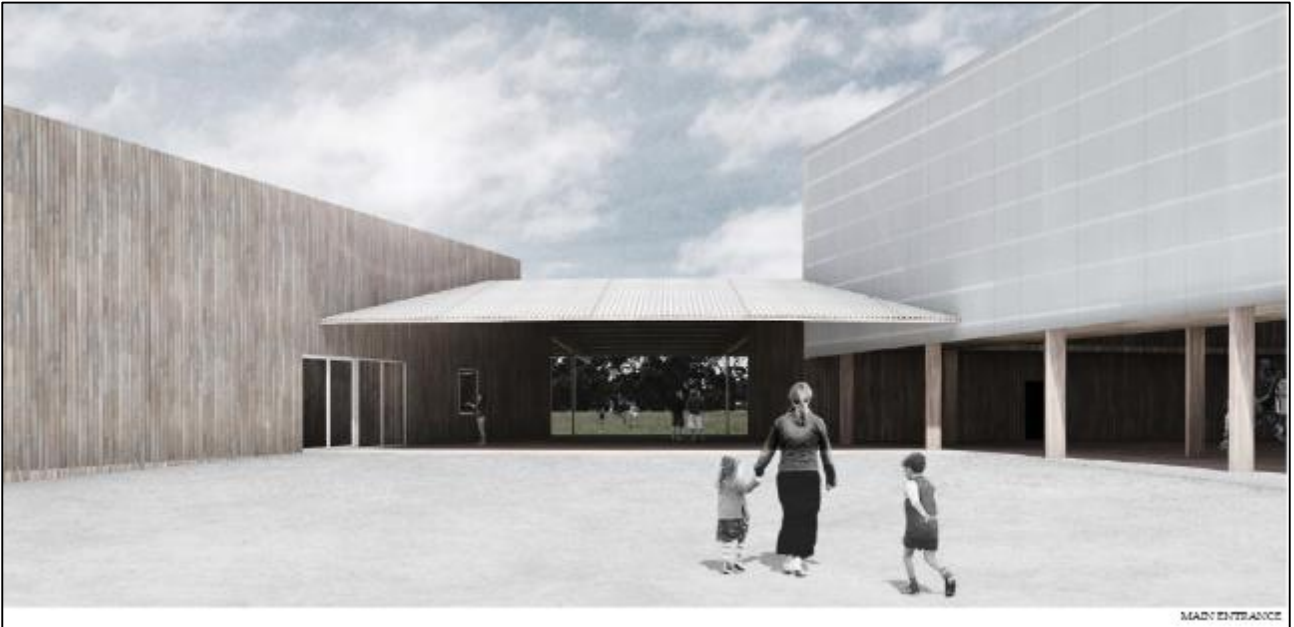
2.2. Description

This Project involves the construction of a combined indoor sport, recreation, cultural and community facility situated within close proximity to the existing town oval, tennis courts, swimming pool, future Age Friendly Housing Cluster and future Primary Health Care Centre. The exact location of the new Centre will be at Lot 482 Somerset Street, Pingelly, situated on the south-eastern side of the oval as depicted below:



The facility will be a 5,114sqm multipurpose venue in the sporting precinct, comprising of multi-use building and an indoor court as shown in the concepts and floor plan below:







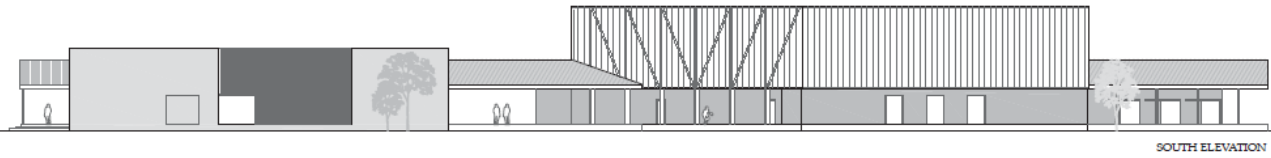
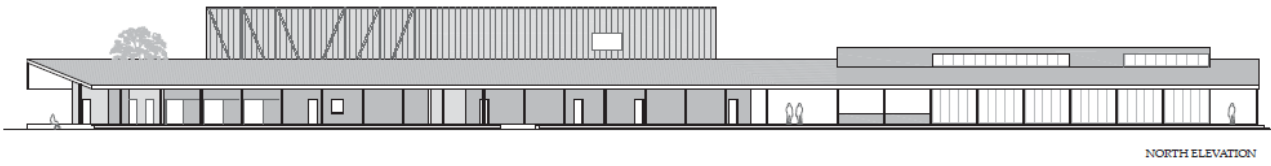
VIEW FROM CULTURAL CENTRE COURTYARD



VIEW FROM FUNCTION ROOM TOWARD OVAL



VIEW FROM GYMNASIUM TOWARD FUNCTION/CULTURAL CENTER



1. function room
2. bowlers bar
3. bar
4. kitchen
5. lounge/creche
6. cultural hall
7. entry
8. sports hall
9. gymnasium
10. tennis + netball clubrooms
11. multi-purpose courts pavillion & storage



The table below summarises the proposed accommodations and sizes:

Accommodation	Approx. Size sqm	Notes
Bowls Function & Bar Area	222	•Includes coolroom, kitchenette
Function Room	220	•
Kiosk	96	•Includes coolroom, dry store
Main Entry & Memorabilia Room	72	•Includes multipurpose office
Cultural Hall	96	•
Lounge Area Creche	109	•
Male and Female Toilets	39	•
Storage	121	•Includes cleaners storage, bar dry storage, general passage, bin store, secure loading zone
Bowls Manager Room	30	•
Cultural Hall Garden	85	•
Changerooms	165	•
Sports Court	1500	•Lower and upper level, includes lift, commentary box and staircase
Retractable Seating and storage	60	•600 seats
Public showers and toilets	60	•
Gymnasium	96	•
Netball/Tennis Clubroom	105	•Includes kitchenette and storeroom
Netball Pavilion	156	•Includes storeroom
BBQ/Playground	378	•Includes paving, turf, landscaping
Sheltered BBQ Area	30	•
Verandah	1500	•Includes ramps and steps
Approximate Total Space	5114	
Car Parking		•276 bays plus six ACROD bays and two dedicated set down and pick up areas

The different functional areas are separated and attached to a wide verandah which serves as an outdoor foyer to each of the elements of the project. This allows for:

- maximum natural ventilation for active areas like the sports hall, the function rooms and the gymnasium.
- an easily accessed spill out or overflow area for those occasions when crowds are large.
- the separate functional areas to be designed for appropriate day to day use rather than designing for the maximum potential numbers.

The following design criteria were established at an early stage in the project:

- Design to optimise use of outdoor or sheltered areas to complement indoor functional areas.
- Design to optimise construction technologies to make most efficient use of prefabrication and off –site assembly of major components.

- Design to optimise the use of locally available skills and service providers.

The building is designed to be constructed on a platform or deck that floats over the natural ground level, thus minimising ground, excavation and filling works. To achieve the same result with a conventional slab on filled ground a volume in excess of 4500cu.m. of fill material would need to be trucked into the site and compacted in situ.

The building is designed as a timber structure, using a combination of solid timber and engineered timbers (ie. Plywoods, Glulam, Laminated Veneer Lumber). There are many advantages of this system in terms of construction efficiency, environmental benefit, lifecycle costing and user appeal. We have also designed the building to make appropriate use of local West Australian Hardwoods and plantation softwoods wherever possible.

As designed, the Centre will qualify for the highest energy rating and will meet the highest level of green star assessment given by the Green Building Council of Australia.

Lighting systems in the indoor court space will be adaptable to suit a wide range of sporting and community events. Low reverberation acoustics will also be included to ensure arts performances can be held and retractable seating (600 capacity) will be installed in the sports hall. The cultural centre aspect will be a multi-use meeting place and exhibition space with importance for the indigenous community. The feature verandah will be a fair weather extension to the main function room and to the other activities that are hosted in the facility.

Project Costs and Timeframe

The detailed designs and procurement for this Project will be completed by September 2016, with construction anticipated to commence in October 2016, with completion by October 2017. This Project is anticipated to cost \$8,130,000 with funding being sought from various contributors as described within this Business Case.

2.3. Background

A Recreation Centre currently exists within the Shire's sporting precinct however is no longer fit for purpose and does not meet the community's needs or expectations. It was constructed in the mid 1970's and it is intended to demolish the building to make room for the construction of the new Recreation & Cultural Centre as proposed within this Business Case.

During consultation undertaken for the Shire's Strategic Community Plan 2013-2023, local recreational infrastructure was given a very high priority. It was listed as one of the community's greatest wishes for the future and is listed as Outcome 1.3 of the SCP.

The Shire's Sports & Recreation Plan (2013) summarises that there is a distinct lack of integration between many of the sporting and recreational assets, as well as some being in a poor condition. A clear theme of the document is to seek the co-location of clubs and hence rationalise and maximise the use of supporting buildings.

In 2014, the Shire developed a site master plan for the sporting precinct which proposed the upgrade of sport and recreation facilities and the introduction of health campus components including a primary medical care centre and age friendly housing cluster.

Initial drivers for this Project included:

- The current sports hall facility does not serve the community – it is of poor quality and not compliant with regulations.
- Town hall is in poor condition and not an attractive social venue

- The existing hard courts have been relocated with the remaining synthetic courts being relocated in September 2015 to make way for new Pingelly Health Centre.
- The bowling green will be repositioned to take advantage of the new social facilities
- The oval is one of the best in the region and is to have sporting boundaries slightly reoriented to better address the proposed social and spectator accommodations. The current clubroom and changeroom facilities are not up to standard.
- There is a strong aboriginal community in town that is looking for a venue to place static displays of local history and artefacts. They want to run traditional activities and also a playgroup.
- Pingelly is without an emergency evacuation centre and the new complex should serve that purpose.

The Shire's Corporate Business Plan 2013-2017 identifies this Project as a high priority:

		Key: Plan Build			
Strategic link	Strategic capital project	Year 1 (2013-2014)	Year 2 (2014-2015)	Year 3 (2015-2016)	Year 4 (2016-2017)
St.2.6.1	Road resealing program				
St.2.6.1	Footpath network improvement/expansion				
St.4.2.2	Staff Housing				

SUMMARY OF "ACTIVE PURSUIT" STRATEGIC CAPITAL PROJECTS

The following high priority projects are being actively pursued but are subject to external funding.

- Multi-purpose recreation facility
- Aged Care
- North Wandering Road
- 20 Mega Litre Dam

In September 2013 a Focus Group was established with representatives from the main user groups of the existing Recreation Centre. Concept plans were prepared by Creative Design Concepts in July 2014 and the Focus Group provided feedback and alterations in accordance with needs.

In October 2014 the Shire engaged CCS Strategic to undertake a Needs Analysis and Feasibility Study for the proposed facility.

A community survey undertaken via telephone interviews in February 2015 addressed the Recreation and Cultural Centre project. It delivered results with a margin of error of +/-9.34% at the 95% confidence level.

Key findings from the survey reveal:

- Sports/Recreation/Culture are considered to be important activities for the Shire to focus on now and for the future.
- The perceived performance of Halls and recreation leaves room for improvement and residents state to be willing to pay more for those services and facilities in order to see improvements.
- Bush fire control, the Community Resource Centre and the Oval are amongst the most important and best performing services and facilities.
- The services and facilities that require a focus for improvement are Roads, Economic development, Medical services and Sports/Recreation/Culture.
- Over two thirds (69%) of respondents state they would increase their use of any of the proposed facilities if the development were to proceed.

In March 2015, the Shire teamed with ATC studio at the University of Western Australia to further develop the design of the facility. In June 2015, more extensive consultation was undertaken with 33 groups; 12 sporting groups and 21 community groups.

In July 2015, additional refinement of the design and costings were undertaken and are presented within this Business Case. On 15 July 2015, Council endorsed the allocation of \$4,065,000 towards this Project across three financial years (2015/16-2017/18).

Other nearby facilities include oval, tennis courts, cricket nets, playground, bowling green, swimming pool and parking (see images below).



Oval



Cricket Nets



Playground



Hard Courts



Synthetic Bowling Green and Bowling Club



Swimming Pool

2.4. Policy & Strategic Framework

This Project aligns with the objectives of the following local, state and federal plans and strategies:

Local

Shire of Pingelly Strategic Community Plan 2013-2023

Goal 1: A Healthy and Cohesive Community

Outcome 1.1 A cohesive and supportive community

- 1.1.1 Promote and support community and cultural events
- 1.1.2 Promote, support and work in partnership with community groups in attracting new volunteers
- 1.1.3 Upgrade the Community Centre facilities
- 1.1.4 Actively promote and assist community groups and clubs
- 1.1.5 Promote, support and work in partnership with indigenous groups

Outcome 1.2 A safe community

- 1.2.1 Support the community in emergency and fire management planning, preparedness, response and recovery in partnership with the Shire of Wandering

Outcome 1.3 Access to recreation, sporting and leisure opportunities

- 1.3.1 Maintain and improve sporting and recreation facilities
- 1.3.2 Promote sporting, recreation and leisure facilities and programs to encourage increased patronage

Outcome 1.4 Development and participation of young people

- 1.4.1 Promote programs that assist in youth development and leadership
- 1.4.2 Provide and promote appropriate and accessible facilities and activities for youth
- 1.4.3 Support activities and programs for youth and children
- 1.4.4 Provide facilities for children groups
- 1.4.6 Continue to build partnerships with UWA

Outcome 1.6: Quality of life for the aged and disabled

- 1.6.1 Support and advocate for services and facilities that meet the needs of the aged and disabled
- 1.6.2 Support the provision of active ageing activities for seniors

Goal 2: Enhanced Natural and Built Environment

Outcome 2.7: Shire of Pingelly buildings and facilities that meet community needs

- 2.7.1 Ensure Shire of Pingelly buildings, facilities and public amenities are provided and maintained at an appropriate standard and are appropriate to the services provided
- 2.7.2 Develop new buildings and facilities in accordance with asset management principles and based on a planned and prioritised approach
- 2.7.3 Promote the availability of Shire of Pingelly buildings and facilities for public use

Goal 3: Prosperous and Sustainable Local Economy

Outcome 3.4: Sustainable population growth in Pingelly

3.4.1: Identify and pursue opportunities to attract new residents

Regional/State

Wheatbelt Development Commission Regional Blueprint

This Project directly aligns with the Regional Blueprint's aspiration of safe, healthy and resilient communities where services and infrastructure reflect the needs and aspirations of current and future residents through the priority action of innovative design and management of multipurpose, multi user community facilities in small towns. This Project will deliver ongoing social and community benefits including providing sustainable and modern facilities that will improve the social, leisure and recreational services and facilities offered in the community.

The Wheatbelt Development Commission's Regional Economic Strategy identifies economic opportunities including the Future Farm, Primary Health Care Demonstration Site and Age Friendly Housing. Funding has been confirmed for the Health Care Centre and Age Friendly Housing, evidencing alignment with the regional vision. To effectively leverage the opportunities identified, it is necessary to deliver infrastructure that will support them. This Project will be central to the planned future opportunities and be heavily utilised by the region (see p.3 for Map). In particular, the University of Western Australia ("UWA") who own the Future Farm, have confirmed utilisation of the complex to bring international, national state and local outreach activities into the region, boosting social and economic impact.

Department of Fire & Emergency Services Strategic Plan 2012-2024

- To support communities to become resilient and for DFES to establish a sustainable level of preparedness.
 - Manage hazard response effectively through tailored protocols.
- To achieve economies of scale by capitalising on the efforts of others, harnessing benefits of effective relationships and recognising that it cannot be done alone.
 - Actively drive intergovernmental, inter agency and intra agency collaboration to influence emergency management.

Department of Local Government and Communities Strategic Plan 2014-2018

- State and local service options providing an innovative and responsive range of services to community members
 - Strengthen and coordinate local solutions by supporting local government and community services
- Stronger and more sustainable local government and community services sectors.
 - Build local government capacity.
 - Support sector development in the community services sector.
 - Strengthen the sustainability of community services organisations.
 - Support the local government and community services sector to work collaboratively to enhance local community sustainability.

Department of Sport & Recreation Strategic Plan 2013-2015

- The value and benefits of sport and active recreation is recognised across the community.
 - Facilitate opportunities for economic and tourism benefits through sport and active recreation.
- All Western Australians have access to quality sport and active recreation settings.
- Sport and active recreation organisations in Western Australia deliver world class programs to all Western Australians
 - Positively influence and partner with sport and recreational organisations in Western Australia.
- A more physically active society in which sport and active recreation contributes significantly to community well-being.
 - Facilitate initiatives to increase community participation in sport and active recreation.

Federal

Department of Infrastructure & Regional Development Corporate Plan 2015/16

- Strengthening the sustainability, capacity and diversity of regional economies including through facilitating local partnerships between all levels of government and local communities, and providing grants and financial assistance.
 - Develop and implement policies and programmes to support economic growth and services to regional communities.
 - Support effective planning and coordination across all levels of government on matters affecting local government and regional communities.
 - Deliver the National Stronger Regions Fund to support the economic growth of regions.
 - Support a network of regional development committees to ensure that policy making, programme implementation and advice is informed by local input and priorities.

2.5. Key Deliverables

Outputs	Performance Measure	Performance Measure Method
A 3,685sqm multipurpose indoor recreation, cultural and emergency evacuation centre in Pingelly	Completed in accordance with timeframes, budget, building codes and regulations.	Inspection by the Shire's Works Supervisor to certify that quantity and quality of works comply with the Council and provision of builder's certificate.

Outcomes	Performance Measure	Performance Measure Method
Increase in sport and recreation participation.	A 20% increase in court sports memberships within the first five years.	Comparison of before and after registration statistics maintained by the Shire and clubs.
Increase in paid employment opportunities.	Creation of 18 jobs during construction period and three FTE equivalent post construction.	Contractor/sub-contractor statistics provided by the successful contractor and the Shire.
Increase in community connectivity.	At least two new regional events to occur at the Centre in the first 12 months.	Statistics maintained by the Shire and through booking sheets.

Outcomes	Performance Measure	Performance Measure Method
	At least five new events to occur in the second year of operation.	
Increase in local and regional tourism activity.	Hosting two Australian Campervan and Motorhome Club rallies in the first two years of operation.	Information provided by the Shire, visitor information centre and tourism service providers.

2.6. Stakeholders

The following internal and external stakeholders may be affected by or may influence this Project:

Stakeholders	Interest/Impact	Comments
Shire of Pingelly residents and business owners	Growth within the Shire and provision of quality services and facilities.	Consultation during the development of the Strategic Community Plan and consultation relating to the concept plans as described within this Business Case.
Neighbouring local governments (Brookton, Corrigin, Wickpin, Cuballing, Wandering)	Growth within the southern Wheatbelt region. Potential to benefit from increased economic activity and facilities.	This Project has been discussed with neighbouring local governments and letters of support have been provided.
User groups (Bowls, Netball, Tennis, Basketball, Football)	Core user groups of the sporting infrastructure.	Representatives from the existing core user groups have been and continue to be involved in the design of the facility as described within this Business Case.
TCA at University of Western Australia	Building design and engineering	Developed concept plans and elevations
Pingelly State Emergency Services Unit	Use of the facility as an emergency evacuation and control centre for emergencies	Conversations have been held with the Pingelly SES who have provided a letter in support.
Educational institutions	Use of the facility for school sporting and recreation activities or presentations, graduations, events etc.	Discussions have been had between the Shire and the Pingelly Primary School who are interested in utilising the Centre.
Cultural / community organisations	Use of facility for cultural activities.	The Shire's Chief Executive Officer has discussed the potential uses of the facility with MYFAC who are interested in delivering Aboriginal Playgroup classes and using space for the Aboriginal Progress Association.

Stakeholders	Interest/Impact	Comments
		A letter of support has been provided.
Department of Health - Wheatbelt Aboriginal Health Service	Use of facility for visiting health care services for Aboriginals.	Discussions have been had with the Department of Health and a letter of support has been provided.
Australia's Golden Outback	Tourism growth	Discussions have been had with Australia's Golden Outback who have provided a letter in support of this Project.
Country Arts WA	Promotion and growth of arts and culture in regional Western Australia	Highly supportive of this Project and have provided a letter in support.
Bendigo Bank Pingelly	Supports strong communities	Have provided a financial contribution to this Project.
Pingelly Progress Association	Supports growth in Pingelly	Have provided a financial contribution to this Project.
Pingelly Times	Supports growth in Pingelly	Have provided a financial contribution to this Project.

2.7. Critical Assumptions

It is assumed that:	Comments/Impact if not addressed
Funding will be met by the Department of Infrastructure & Regional Development.	This Project will not proceed as planned per the timeframes outlined in this Business Case. A reduction in the scope and delay in project commencement is likely to occur.
The funding sought is sufficient for this Project.	Accurate cost estimates have been obtained in July 2015.
Ongoing maintenance costs will be the responsibility of the Shire of Pingelly.	A concept design and associated life cycle costs has been developed to ensure ongoing financial viability.

2.8. Economic & Financial Analysis

This Project is economically viable given that the ongoing costs of operation will be minimal due to extensive volunteer contributions. Further details of the community and economic benefits are detailed below in addition to socio economic benefits.

2.8.1 Socio Economic Benefits

According to the Socio Economic Index for Areas, the Shire of Pingelly is ranked 13th in Western Australia (out of 139) and 78th in Australia (out of 564). The Shire has a population of 1,163, with 11.5% being Aboriginal or Torres Strait Islander (ABS, 2011). This percentage is 8.4% higher than the WA figure and 9% higher than the Australian figure (see below). The percentage of Aboriginal and Torres Strait Islanders increased by 1.8% between 2006 and 2011.

People — demographics & education
 demographics & education | cultural & language diversity | employment

People	Pingelly (S)	%Western Australia	%	Australia	%	
Total	1,163	–	2,239,170	–	21,507,717	–
Male	591	50.8	1,126,178	50.3	10,634,013	49.4
Female	572	49.2	1,112,992	49.7	10,873,704	50.6
Aboriginal and Torres Strait Islander people	134	11.5	69,664	3.1	548,369	2.5

In 2011, the Shire's population median age was 44 years and 42.9% aged above 50 years. This percentage is 12.5% higher than WA and 10.6% higher than Australia, demonstrating its disadvantage (ABS). With an ageing population, it is critical that Pingelly provide infrastructure that will keep them engaged in community life, thereby contributing to their wellbeing and quality of life. It also indicates that the Shire must develop infrastructure that is attractive for younger people and families and will entice them to live in Pingelly. This Facility is to be located within close proximity to the new Primary Health Care Centre, Men's Shed and Age Friendly Housing Cluster. This location will make it very accessible and appealing to this age group as they won't have to travel to enjoy community events or activities that are held at the new Facility.

The non-financial economic benefits to the Project's target audience relate to the socio-economic advantages, including:

- Providing new and upgraded facilities will improve the leisure and recreational services and facilities offered in the community.
- Expanding on existing facilities contributes to the amenity of the Shire's facilities and the health and wellbeing of the community.
- Users will have a direct involvement in the running of programs from the facility, imparting a sense of ownership by the community in the facility.
- Accessibility will be a primary, integral part of the design.

2.8.2 Community Wellbeing & Development

Despite the large portion of over 50s, Pingelly has a very social and active lifestyle and are great participants of team sports. As at 2014, the Pingelly Bowls Club has 66 playing members and 30 social members and the Tennis Club has 80 playing members and 20 juniors (an increase of 66 from 2013 memberships). The Upper Great Southern Hockey Association has 48 senior members, 14 junior members and 20 children participating in the introductory hockey program.

This Project will substantially increase the capacity for non-organised sporting activities such community challenges, corporate and charity challenges, school holiday clinics, club development activities, cultural activities etc. This Project has enormous scope to involve people of all ages and abilities in whole of community activities.

Community cohesion and connectedness will be increased through the capacity for events such as assemblies, sport or community presentations, art exhibitions, concerts, markets, bingo, swap meets, graduations and events to be held within the facility, as well as its use as an emergency evacuation centre. All of these community events aim to deliver a sense of togetherness and interaction and strengthen the physical and mental wellbeing of users.

A display of proactive measures to fortify the relationship between the Shire and the community is the delivery of an emergency evacuation centre. The Shire of Pingelly and neighbouring Shire of Wandering have a joint Emergency Management Plan in place. The State Emergency Services (SES) have a unit based in Pingelly with 25 active members and require regular training opportunities to remain up to date with skills. This facility will enable SES volunteers to undertake regional training in all tasks performed by the SES throughout the Great Southern Region of Department of Fire and Emergency Services. Pingelly is situated on the earthquake fault line running through the Avon River Catchment area and, in the event of a natural disaster, the SES will use this facility as the control centre for information and equipment to search and rescue. The SES will also use the facility as an Evacuation Centre in conjunction with the Department of Human Services and Child Protection (Hazard Management Agencies) for setting up evacuation centres in the event of a natural or man-made emergency where a State of Emergency has been declared and the community are evacuated from their residences. The Centre will facilitate rooms for private counselling, temporary accommodation, first aid, public meetings and smaller emergency management committee meetings as well as provide separate male/female ablutions and a kitchen capable of meal preparation for large quantities of people. The existing space within the Shire of Pingelly does not have capacity to meet all of these needs.

The Shire has a large percentage of Aboriginal and Torres Strait Islanders within the community. MYFAC have expressed an interest in delivering a 0-4 years Playgroup for Aboriginal children in partnership with Playgroup WA. Additionally, the Aboriginal Progress Association will utilise meeting spaces and the Wheatbelt Aboriginal Health Service will provide visiting services from the facility. This will increase the quality of life for Aboriginal residents and adhere to cultural sensitivities.

The anticipated new user groups include:

Community	Commercial
Aboriginal Playgroup	Concert promoters
Wheatbelt Aboriginal Health Service	Conference organisers
Volunteer Bushfire Brigade and Pingelly State Emergency Services	Commercial operators including – dancing schools, gymnastic programs, martial arts, yoga
Special interest groups	Exhibition & Expo promoters
Shire of Pingelly Civic Events	Local government authorities
Fundraising events – Swap Meets	Local businesses; Total Farming Services
Silverchain	University of WA
Country Arts WA (arts and cultural performances)	
Pingelly Men's Shed	

2.8.3 Economic Growth

This Project will demonstrate the advantages of multipurpose facilities in regional Western Australia. It will engage a broad range of volunteers and contractors with a vast array of experience and skills and bring them to Wheatbelt area.

Overall the proposed development is expected to make a valuable contribution to the local economy with the injection of new employment and tourist visitation. During construction the project is expected to add around \$10.95 million in output, around \$3.8 million to the Gross Regional Product and create 18 local jobs. This includes the total of all direct, indirect and consumption effects. The ongoing impacts of the project are also important and highlight the economic benefit to the region beyond the period of construction, with benefits generated over the short, medium and long term. The combination of the everyday community facility operations and its ability to draw regional visitation is expected to add around \$0.58 million in output, around \$0.25 million to Gross Regional Product and create around 4.2 ongoing jobs.

The employment impact of this project is particularly important in helping reverse the job decline in the Beverley - Brookton - Pingelly region. There were 1,382 jobs located in the Beverley - Brookton - Pingelly in the year ending June 2014, down from 1,808 jobs in 2006.

The 18 local jobs will be in the fields of construction, engineering, architecture, trades, administration and landscaping. The ongoing full time equivalent positions include a Recreation and Cultural Centre Manager, additional cleaning and maintenance staff and an Aboriginal trades trainee. An addition of three jobs in Heritage, Creative and Performing Arts industry in Pingelly translates into an immediate \$115,000 direct value-added to the economy. On 14 July 2015 the Shire entered a Memorandum of Understanding with Skilled Hire who facilitate work opportunities for those on government support. Skilled Hire will assist with providing local workers for this Project. The number of volunteering opportunities will also increase with the establishment of a new Pingelly Recreation & Cultural Centre Management Association who will be responsible for the day-to-day operation of the complex. Members will include representatives from the core user groups, plus an independent person as described under 2.10.2 Operational/Management Model of this Business Case.

There will also be numerous opportunities for visiting professionals, particularly within the sport and recreation industry including injury management, fitness and personal training, coaching, mentoring, club management etc.

The construction phase will constitute an \$8.1m impact from the Construction industry, irrespective of ongoing economic benefits. This direct construction effect has flow-on to other industries and consumption effects as well. Using the NIEIR Impact Assessment Module to assess an economic shock gives an idea of the likely flow-on effects. An \$8.1m Construction investment in Beverley - Brookton - Pingelly region translates into an immediate \$2.51m direct value-added to the economy. In addition there is a flow-on effect of \$0.65m in Industrial impacts – value-add from other industries associated with the construction sector (suppliers and users), plus \$640,000 in consumption impact, from extra money flowing into the economy.

During the facility's use for community events, this will target personnel in the hospitality industry for catering, entertainment industry for sound and equipment, entertainment industry for artists, singers, bands and events specialists for decoration and management.

Pingelly and the Southern Wheatbelt lack a signature event to attract people to the region, mostly due to the inability to offer infrastructure that will cope with a large number of attendees. Currently, the largest indoor facility in Pingelly can engage an audience of 216 (Town Hall). This Project will construct a venue of regional significance due to its capacity to accommodate more than 600 people seated for conferences, large civic events and

functions, performances, concerts and regional sporting championships. The nearest similar large multipurpose facility is in Narrogin which is 52km from Pingelly. The low reverberation acoustics to be included in this Project will encourage performing arts and other forms of art and culture such as comedy, musicals and dances, which are all events sought by the community (as per feedback surveys from Audience Development Program).

The Shire hosts an annual Shearer's Event which is unique to the Southern Wheatbelt region. In 2014, this attracted shearers from interstate and internationally. This Project will enable growth of this event to maximise its potential and attract people to the region.

The Shire recently constructed quality hard courts (project completed in May 2015 for a total of \$268,500) however it does not have the amenities to support an event such as the D'Arcy Slater Cup or Foundation Cup (under 13 years tennis tournaments) in which players across Western Australia participate. The Cup tournaments are across four day and generally held in Bunbury, Geraldton or Kalgoorlie, which are 241km, 555km and 540km (one way) respectively from Pingelly. This means that children, coaches and parents of those participating in the tournaments have to travel these distances to participate in the tournaments. This can be challenging for not only Pingelly players, but for all players residing in the Wheatbelt due to the lack of public transport and reliance on independent driving. Further, participants and spectators have to afford appropriate accommodation during the four day tournaments, adding to the financial pressure. This Project will deliver infrastructure that can support the D'Arcy Slater Cup, Foundation Cup and other tennis tournaments that will generate significant income for the region, particularly in the areas of accommodation, food, beverage and retail. In 2013, the Foundation Cup involved 64 players, at least 64 parents of players and more than 30 tennis personnel (officials, umpires etc). Therefore, hosting this event will generate a minimum \$58,302 for the region, based on 158 domestic overnight visitors each spending three nights (\$123 per night) in Australia's Golden Outback (Tourism Research Australia Regional Visitor Profile 2012/13). Using the same figures, hosting the D'Arcy Slater Cup will also generate nearly \$60,000, equating to approximately \$117,000 just for hosting these two events.

In 2013, the Southwest Wanders (a group of campervans and motorhomes) travelled from Collie to Pingelly (185km) to attend a rally, staying 16 full days, as per the Community Booking Sheets retained by the Shire (extract below). This group noted that the provision of toilets and showers are needed. Discussions with the Southwest Wanderers has confirmed that they would return to Pingelly if these facilities were provided. This will generate additional income in relation to room hire at the Centre, sites for campervans and motorhomes either at the Caravan Park or overflow on the oval and increase expenditure within the local and regional communities on fuel, food, beverage and experiences.

24/09/2013	Sister Kates Home 4 Kids	Canmington 6107	CC	Meeting	8 Hours	\$230.00	\$140.00
4/10/2013	Southwest Wanderers	Collie 6225	PAV	Showers/Toilets	Rally	16 Full Days	\$685.00 \$40.00
12/10/2013	CANWA	Perth 6850	PAV	Work Shop	1 Full Day	\$240.00	\$140.00

The current Pingelly Caravan Park has 11 caravan bays. In 2014/15 there were 139 caravans that stayed one night or more, totalling 325 nights, bringing \$39,975 to Australia's Golden Outback (based on Tourism Research Australia Regional Visitor Profiles 2012/13 and expenditure of \$123 per domestic night visitor). At the end of winter, the Caravan Park is usually at capacity for up to three months as the sites are booked by the shearing teams undertaking work in the region and for the annual Shearer's Event. With the Caravan Park at capacity, touring vans have had to be turned away. Although the oval located adjacent to the Caravan Park can be used for overflow camping, there are currently no amenities to support visitors. This Project will deliver publicly available toilets and showers for use by

touring visitors who can stay the night on the oval during at-capacity periods, to keep them in Pingelly and in the region for longer.

This Project will deliver a facility in accordance with Western Australian Football League (WAFL) requirements for country games. The WA Football Commission has provided a letter in support for this Project and the South Fremantle Football Club have confirmed playing at the opening of the facility. The average crowd number for WAFL games in the 2014 season was 1,978, with spectators travelling from across the State. As per TRA RVP, 1,978 domestics day visitors will equate to an economic boost of \$243,294 per WAFL game in the Golden Outback. Australia's Golden Outback has provided a letter in support of this Project.

The facility will be used by a number of organisations that do not currently travel to Pingelly or use existing buildings including Bendigo Bank, University of Western Australia (Institute of Agriculture), Department of Health, MYFAC, West Australian Football League, Department of Sport & Recreation, Shire of Brookton, Shire of Wandering, State Emergency Services and Tennis West. The following table is an indication of the estimated usage and economic benefit:

Activity	Times per month	Est. number of people each time	Total person usage per month
LGA meetings	8	30	240
UWA meetings	2	30	60
Conference/Seminars	16	50	800
Bendigo Bank activities	8	30	240
Special events	4	75	300
Playgroup	8	30	240
Aboriginal Health Service	2	20	40
Arts/Performances	1	150	150
Assemblies/Graduations	2	150	300
SES training	1	50	50
Total			2,420

The table above displays that a minimum 2,420 people will use the facility per month, equating to 29,040 people per annum. This figure does not include large ad hoc events such as sporting windups, tournaments, large civic events etc which will considerably increase the economic benefit to the region.

The WA Institute of Agriculture (at University of Western Australia) has provided written confirmation of their foreseeable use of the facility. The Project Leader of UWA Future Farm 2050 has advised they need such a facility for working with industry groups, international visitors, large university classes, and groups of schools students from the city and regions. This new building would thus become a focus for a bigger, broader range of activities for UWA. Furthermore, the Project Leader advises they would be bringing their international, national state and local outreach activities into the town, therefore the facility would be adding greatly to their engagement with the community, both socially and economically.

2.9. Assessment of Options

Considerable consultation has been undertaken to create a high quality facility adequate for local and regional sporting competitions whilst also having capacity for a number of community development purposes. With the purpose of the facility confirmed, the options

for consideration revolved around the design and structure of the facility. The following three options were assessed for this Project:

Option	Benefits	Implications	Cost
1. Do nothing	<ul style="list-style-type: none"> • No interruption to services or noise complaints. • No financial cost. 	<ul style="list-style-type: none"> • Community expectations and needs not met. • Missed opportunity to provide quality infrastructure. • Missed opportunity to provide essential community and emergency management infrastructure. • Missed opportunity to attract art, culture, heritage and sporting events. • Indicates a lack of commitment to the community. • Missed opportunity to increase local and regional tourism activities. • Missed opportunity to create jobs and additional volunteering roles that enhance community connectivity. • Missed opportunity to boost local and regional economies. 	\$0
2. Only construct the Cultural Centre aspect	<ul style="list-style-type: none"> • Partially meets the community's need for multipurpose meeting rooms. • Reduces construction period. • Provides amenities for clubs and organisations. 	<ul style="list-style-type: none"> • Missed opportunity to further increase economic benefit. • Doesn't complete the whole project. • Doesn't completely meet community needs and expectations. • Won't deliver quality infrastructure for a variety of sports, large scale events or arts performances. • Minor disruptions to sporting precinct during construction. • Doesn't support local or regional sporting groups. 	\$5.4millino
3. Complete entire project	<ul style="list-style-type: none"> • Meets community needs and expectations. • Provides value for money. • Will enable large functions, performances, events to occur. 	<ul style="list-style-type: none"> • Minor disruptions to sporting precinct during construction. 	\$8,130,000

The preferred option is Option 3 – Complete entire project as it provides the most value for money and meets the current and future needs of the community.

2.10 Funding Strategy

This Project has an estimated cost of \$8,130,000 as depicted in 2.10.1 below. At the Ordinary Council Meeting on 15 July 2015, Council endorsed a commitment of \$4,065,000 as follows:

- \$2,500,000 of loan funds for the Recreation and Cultural Centre already secured and invested.
- \$500,000 from the Building and Recreation reserve account with current balance of \$861,328.
- \$250,000 for the 2015/16 and 2016/17 financial years that totals \$500,000 to cover design, tender documents, demolition, site works and utility upgrades prior to construction commencing.
- \$250,000 in the 2017/18 financial year to cover any financial variations and contingencies.
- \$105,000 for the 2015/16, 2016/17 and 2017/18 financial years that total \$315,000 to fund a Project Manager for three years who will oversee and coordinate the development of the Recreation and Cultural Centre project from start to finish.

Additionally, community cash contributions totalling \$165,000 have been confirmed from Bendigo Bank (\$150,000), Pingelly Times (\$10,000), Pingelly Recreation & Cultural Centre Focus Group (\$1,405) and Pingelly Progress Association (\$5,000) and community in-kind contributions totalling \$10,000 have been confirmed from Wheatbelt Electrics (\$5,000) and Tianco (\$5,000).

2.10.1 Total Budget

Summary

Item	Amount
Recreation & Cultural Centre	\$5,861,095.00
External Works	\$91,751.47
External Services	\$376,030.00
Builders Preliminaries	\$632,887.65
Subtotal (construction costs)	\$6,961,764.12
Design Contingency	\$208,852.92
Contract Contingency	\$215,118.51
Building Fees	\$24,742.21
Furniture and Fittings	\$117,300.00
Professional Fees	\$376,388.89
District Allowance - Pingelly	\$225,833.33
Subtotal (other costs)	1,168,235.86
Total (ex gst)	\$8,130,000.00

The Shire has budgeted \$250,000 in the 2017/18 financial year to cover any financial variations and contingencies. Additionally, the Shire has funds in the Building and Recreation Reserve Account in the event of any cost overruns.

(c) Building and Recreation Reserve		
Opening Balance	715,988	715,988
Amount Set Aside / Transfer to Reserve	145,340	19,079
Amount Used / Transfer from Reserve	0	0
	<u>861,328</u>	<u>735,067</u>

2.10.2 Operational/Management Model

The current recreation centre is remotely managed by the Shire of Pingelly using administration centre based officers and cleaning staff. User groups book the facilities; either the playing field, hard courts, indoor sports court or clubroom (with the appropriate toilet and change/shower amenities as required) and access the facility with a key picked up from the Shire office.

The key is returned to the office after use and the Shire subsequently schedules cleaners to attend the facility and prepare it ready for the next use. Current use by the football, hockey and cricket clubs requires little involvement from the Shire who after many years operate somewhat independently.

Once constructed, the Shire of Pingelly will formally lease the complex to the Pingelly Recreation & Cultural Centre (PRACC) Management Association Inc ("the Association"), a new organisation to be constituted from the existing Community Focus Group that has been instrumental and highly involved in the planning phase for the complex.

The Association will be led by an independent chairperson with business acumen and comprise representatives of the various organisations using the complex on a regular basis to constitute the centre's Board of Management.

The Board shall be required to administer the complex within the scope of the lease agreement which will require the Board to prepare and submit a 5 year strategic plan, 3 year business plan and annual financial plan to the Council for approval. The Association will operate within the endorsed budget and business plan and provide routine financial and management reports to the Shire (quarterly) and an annual report and audited financial statements each year. The lease fee shall be established as a facility renewal fee requiring the payment into an interest bearing trust account held by the Shire for agreed capital works associated with routine refurbishment and facility renewal items over the term of the lease. The ongoing servicing and maintenance costs will be met by the association.

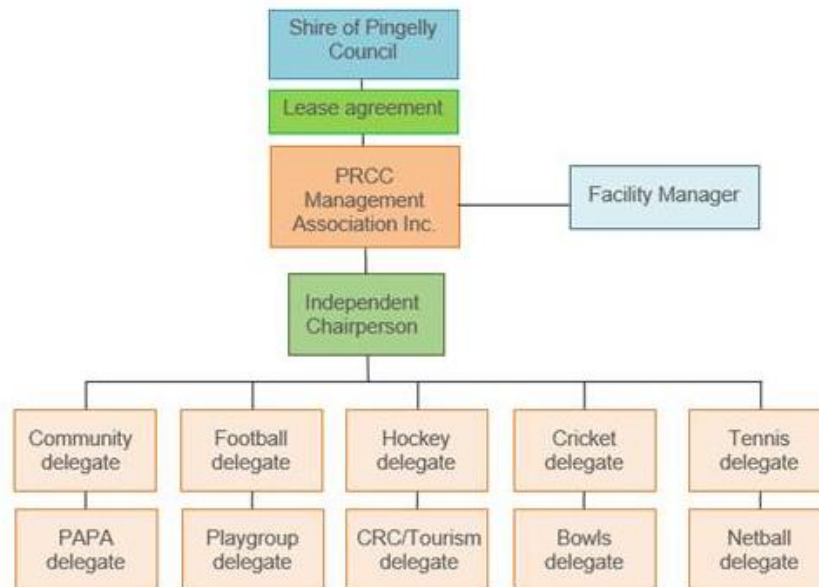
Subject to Council endorsement of the Association's strategic, business and financial plans for the centre, the Shire proposes to fund a PRCC Manager's position, answerable to the Board of Management as a key component of its contribution to the operation and management of the complex. The Shire will retain responsibility for matters of structural maintenance and will continue to maintain the oval, hard courts and landscaping around the centre.

The Board of the Association will engage a full time coordinator to dramatically increase the level of use of the complex with new activities, coordinate use between the various regular user groups and to attract facility use from outside the town.

The operations of the complex will be further supported by the Shire's Community Development Officer- Youth, who will initiate targeted programs for youth and become a principal user of the venue.

The cultural space within the complex will be utilised primarily by the local Aboriginal community under the leadership of the Pingelly Aboriginal Progress Association (PAPA) for historical and cultural displays and as a venue for cultural celebrations and events. It is intended that Aboriginal community will make extensive use of the complex for a variety of meeting, planning and social activities and to showcase their culture to the broader community.

The proposed organisational structure is shown below.



2.10.3 Sustainability and Ongoing Viability

As depicted above, the most sustainable mode of operation is to establish a management association with representatives from the core user groups. This operational model will impart a sense of ownership by the community and facilitate appropriate use of the facility.

The ongoing service and maintenance costs will be met by the Association. The Shire will retain responsibility for matters of structural maintenance.

This facility is included in the Shire of Pingelly's Asset Management Plan which includes long term planning for ongoing and maintenance costs. The Shire's Asset Management Plan states that the Shire of Pingelly will undertake to provide the appropriate service levels for its assets, in a whole-of-life and economically, environmentally and socially sustainable manner. In providing and managing assets, the Shire will take into account an appropriate balance between service delivery, risk, reliability, safety and cost. This Project is identified on pages 23, 49 and 55 as follows:

8.2.1 Recreation Centre

8.2.1.1 The development

The most significant strategic building project to be undertaken by the Shire is the development of a new Recreation Centre in 2016/17.

The new centre will replace the existing Community Centre and Pavilion, which will be demolished to make way for the new development. The existing gymnasium will be made available for use as a Youth Centre at no on-going cost to the Shire.

Outline schematic designs have been prepared by ATC research centre at the University of Western Australia, which will provide architectural and design services for the project.

The new centre will include a sports oval, tennis and basketball courts, netball pavilion, lawn bowls, gymnasium, sports hall with a commentary box and seating for 800 people, cultural hall, conference and food and beverage, barbecue area, children's playground, car parking, and office and administration accommodation.

The development will recycle as many of the fixtures and materials from existing facilities as possible. The centre will be designed for a 7-star energy rating.

8.2.1.2 Development Costs and Financing

The Shire anticipates a full development cost of \$8 million, including professional fees, contingencies etc., all of which will be expended in 2016/17.

Funding is expected from the following sources:

- Loan: \$2.5 million (received)
- Contribution from Reserves: \$0.5 million
- Grants & Community Funding: \$5.0 million

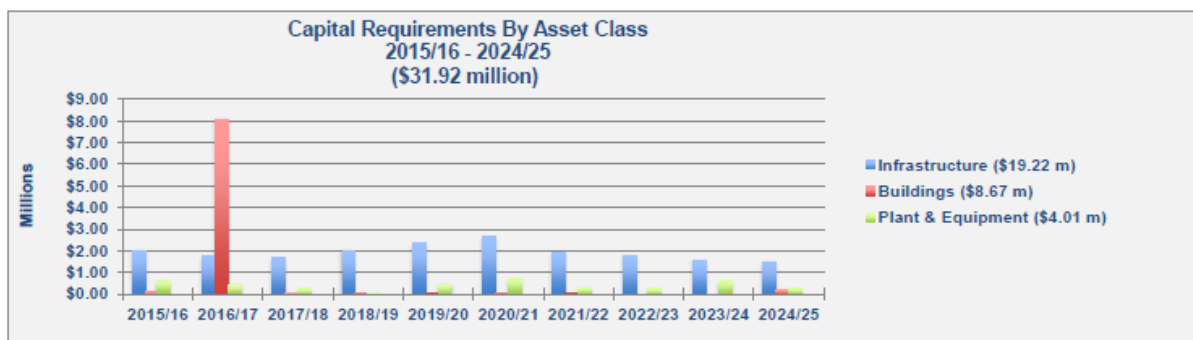
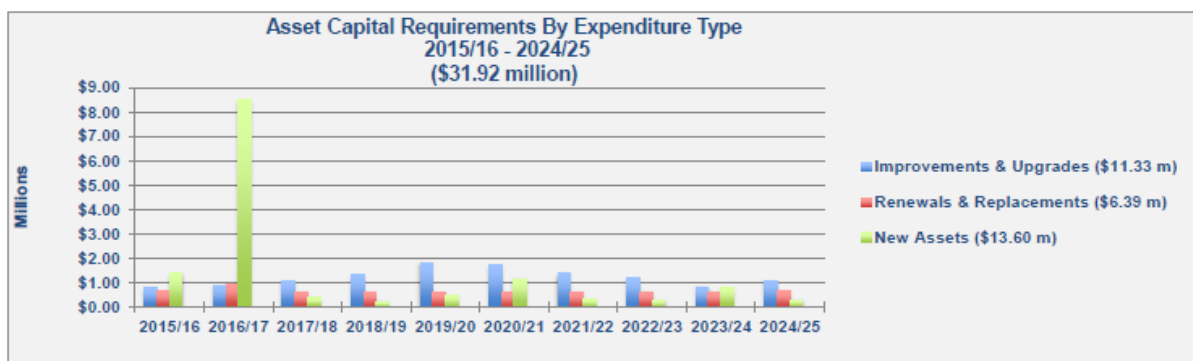
The Shire will be using the project's professional consultants to advise upon, and assist in the development of a whole-of-life costing cash flow for the centre and its principal components.

8.2.2 Dog Pound

A new Dog Pound will be built in 2015/16 at a budgeted cost of \$15,000.

Appendix 7: Financial Implications of Asset Plan

A7.1 Summary of Capital Requirements by Expenditure Type and Asset Class



A7.3 Buildings 10-Year Expenditure, Funding, and Funding Gaps

Buildings (\$m)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Expenditure											
Improvements & Upgrades											
Residential	0	0	0.01	0	€ 0.01	€ 0.01	0.00	€	€	0.02	0.08
Community	0.014	0.01	0	0	0	€ 0.05	€	€	€	0.15	0.246
Specialised	0.013	0.009	0	0	€ 0.13	0	€	€	€	€	0.094
Total Improvements & Upgrades	0.051	0.078	0.01	0	€ 0.23	€ 0.06	0.00	€	€	0.17	0.422
Renewal & Replacement											
Residential	0	0	0	0	0	0	€	€	€	€	0
Community	0.035	0	0	0	0	0	€	€	€	€	0.035
Specialised	0	0	0	0	0	0	€	€	€	0.045	0.045
Total Renewal & Replacement	0.035	0	0	0	0	0	€	€	€	0.045	0.081
New Assets											
Recreation Centre	0	0	0	0	0	0	€	€	€	€	0
Residential	0	0	0	0	0	0	€	€	€	€	0
Community	0	0	0.065	0.06	0	0	€	€	€	€	0.125
Specialised	0.04	0	0	0	0	0	€	€	€	€	0.04
Total New Assets	0.04	0	0.065	0.06	0	0	€	€	€	€	0.165
Total Buildings Expenditure	0.127	0.078	0.075	0.06	€ 0.23	€ 0.06	0.00	€	€	0.215	0.663

Budgeting priority will be given to the operation, maintenance and renewal of existing assets and services, and adequate resources will be provided to manage them in a cost effective manner.

The Shire's Long Term Financial Plan provides a robust, consistent and sustainable approach to establishing and maintaining a stable and prudent financial basis on which improvement and transformation of the organisation's services can progress. This facility is identified in the 10 year capital works program as follows:

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	\$000s	\$000s	\$000s	\$000s	\$000s
LAND AND BUILDINGS					
Land & Buildings Acquisition	1,271,778	80,000	1,500,000	1,500,000	24,250
New Buildings	-	-	-	-	-
Total Land and Buildings	1,271,778	80,000	1,500,000	1,500,000	24,250
Proceeds from Sale of Land	-	-	-	-	-
Book Value Assets Sold	-	-	-	-	-
Profit / (Loss) on Sale	-	-	-	-	-

The LTFP is to be updated to reflect the larger financial contribution and timeframes of this Project.

Additionally, a fee structure will be imposed for activities to supplement the operating costs of the facility. The Shire has developed a long term Projected Income & Expenditure schedule below which forecasts the sustainability of the facility:

Projected Income & Expenditure

EXPENDITURE	2014/15 Actual	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Power Charges	\$3,402	\$3,800	\$2,500	\$4,500	\$5,635	\$6,486	\$6,810	\$7,151	\$7,508	\$7,884	\$8,278
Gas Bottles	\$1,309	\$1,400	\$1,200	\$1,500	\$1,545	\$1,622	\$1,703	\$1,789	\$1,878	\$1,972	\$2,070
Public Liability / Building Insurance	\$11,466	\$13,000	\$14,000	\$16,000	\$16,480	\$17,000	\$17,850	\$18,743	\$19,680	\$20,664	\$21,697
Pest Control	\$520	\$570	\$280	\$650	\$670	\$704	\$739	\$776	\$814	\$855	\$898
Cleaner / Materials	\$16,950	\$17,500	\$12,500	\$25,000	\$25,750	\$26,780	\$28,119	\$29,525	\$31,001	\$32,551	\$34,179
Bin Collection	\$2,583	\$2,600	\$2,500	\$3,000	\$3,090	\$3,245	\$3,407	\$3,577	\$3,756	\$3,944	\$4,141
Water Charges	\$1,942	\$2,500	\$2,000	\$3,000	\$3,090	\$3,245	\$3,407	\$3,577	\$3,756	\$3,944	\$4,141
Gardener	\$44,000	\$40,000	\$37,000	\$56,000	\$57,680	\$60,564	\$63,592	\$66,772	\$70,110	\$73,616	\$77,297
General Building Maintenance	\$1,119	\$2,000	\$500	\$5,000	\$5,150	\$5,408	\$5,678	\$5,962	\$6,260	\$6,573	\$6,901
Major planned Maintenance	\$397	\$1,500	\$500	\$2,000	\$2,060	\$2,163	\$2,271	\$2,385	\$2,504	\$2,629	\$2,761
Plumbing Maintenance	\$642	\$1,000	\$1,000	\$1,000	\$1,030	\$1,082	\$1,136	\$1,192	\$1,252	\$1,315	\$1,380
Electrical Maintenance	\$5,703	\$5,500	\$2,500	\$3,500	\$3,605	\$3,785	\$3,975	\$4,173	\$4,382	\$4,601	\$4,831
Phone Charges / IT	\$659	\$700	\$500	\$1,500	\$1,545	\$1,622	\$1,703	\$1,789	\$1,878	\$1,972	\$2,070
Air Conditioning	\$391	\$1,000	\$500	\$1,500	\$1,545	\$1,622	\$1,703	\$1,789	\$1,878	\$1,972	\$2,070
Septic Pump Out	\$568	\$800	\$800	\$900	\$927	\$973	\$1,022	\$1,073	\$1,127	\$1,183	\$1,242
PRRC Facility Manager	\$0	\$0	\$15,000	\$72,100	\$74,250	\$77,963	\$81,861	\$85,954	\$90,251	\$94,764	\$99,502
Bar Stock	\$0	\$0	\$0	\$45,000	\$35,000	\$45,000	\$50,000	\$55,000	\$60,000	\$65,000	\$70,000
Vandalism	\$1,575	\$1,500	\$1,500	\$1,500	\$1,545	\$1,622	\$1,703	\$1,789	\$1,878	\$1,972	\$2,070
Other Expenses	\$360	\$500	\$500	\$1,200	\$1,236	\$1,298	\$1,363	\$1,431	\$1,502	\$1,577	\$1,656
Capital expenses	\$0	\$1,000	\$0	\$0	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078	\$6,381	\$6,700
Facility renewal fund contribution	\$0	\$0	\$0	\$0	\$88,968	\$91,225	\$93,529	\$95,881	\$98,280	\$100,728	\$103,224
Total	\$93,586	\$96,870	\$95,280	\$244,850	\$335,801	\$358,658	\$377,083	\$396,113	\$415,774	\$436,096	\$457,110
			Construction Demo Year	Transition Year	3% Increase	5% Increase	5% Increase	5% Increase	5% Increase	5% Increase	5% Increase

INCOME	2014/15 Actual	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Brookton Pingelly Football Club	\$902	\$924	\$950	\$3,000	\$3,500	\$4,000	\$4,200	\$4,410	\$4,630	\$4,862	\$5,105	
Pingelly Cricket Club	\$902	\$924	\$950	\$3,500	\$3,800	\$4,000	\$4,200	\$4,410	\$4,630	\$4,862	\$5,105	
Pingelly Netball	\$0	\$924	\$950	\$2,000	\$2,100	\$2,200	\$2,310	\$2,425	\$2,546	\$2,673	\$2,806	
Pingelly Basketball	\$0	\$0	\$450	\$500	\$520	\$540	\$567	\$595	\$625	\$656	\$688	
Pingelly Hockey Club	\$902	\$924	\$950	\$3,000	\$3,200	\$3,400	\$3,570	\$3,748	\$3,935	\$4,132	\$4,338	
Pingelly Tennis Club	\$0	\$0	\$950	\$3,500	\$3,800	\$4,000	\$4,200	\$4,410	\$4,630	\$4,862	\$5,105	
Pingelly Bowles Club	\$0	\$0	\$0	\$3,500	\$3,800	\$4,000	\$4,200	\$4,410	\$4,630	\$4,862	\$5,105	
Pingelly Badminton Club	\$792	\$800	\$840	\$900	\$950	\$1,000	\$1,050	\$1,100	\$1,150	\$1,200	\$1,250	
Pingelly Shears	\$147	\$250	\$270	\$550	\$600	\$650	\$700	\$750	\$800	\$850	\$900	
Community Gym	\$0	\$0	\$0	\$6,500	\$7,500	\$8,500	\$9,500	\$10,500	\$11,500	\$12,500	\$13,500	
Bar Income	\$0	\$0	\$0	\$60,000	\$80,000	\$100,000	\$110,000	\$120,000	\$130,000	\$140,000	\$150,000	
Kitchen Lease	\$0	\$0	\$0	\$12,000	\$20,000	\$22,500	\$25,000	\$27,500	\$30,000	\$32,500	\$35,000	
Equipment Hire	\$500	\$500	\$500	\$700	\$1,200	\$1,500	\$2,000	\$2,500	\$3,000	\$3,500	\$4,000	
Function Room Hire	\$0	\$0	\$0	\$5,000	\$7,000	\$10,000	\$12,000	\$14,000	\$16,000	\$18,000	\$20,000	
Conference Events	\$0	\$0	\$0	\$5,000	\$7,000	\$10,000	\$11,000	\$12,000	\$13,000	\$14,000	\$15,000	
Play Group	\$0	\$0	\$0	\$1,000	\$1,500	\$2,500	\$3,500	\$4,500	\$5,500	\$6,500	\$7,500	
Aboriginal Progress Association	\$0	\$0	\$0	\$3,500	\$4,000	\$4,300	\$4,512	\$4,737	\$5,222	\$5,430	\$5,700	
Sheep Sale Yard Hire	\$220	\$250	\$280	\$310	\$350	\$450	\$550	\$650	\$750	\$850	\$950	
Oval Bookings / Events	\$3,200	\$3,500	\$3,700	\$3,900	\$4,100	\$5,000	\$5,500	\$6,500	\$7,500	\$8,000	\$8,500	
Caravan Group Bookings	\$650	\$1,100	\$1,500	\$5,000	\$6,500	\$7,500	\$8,500	\$9,500	\$10,500	\$11,500	\$12,500	
Sale of Surplus / Existing Equipment	\$0	\$0	\$3,500	\$4,000	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	
Performing Arts	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000	\$20,000	\$22,000	\$24,000	\$26,000	\$30,000	\$34,000	
Total	\$18,215	\$20,096	\$25,790	\$137,360	\$179,420	\$216,040	\$239,059	\$262,645	\$286,548	\$311,739	\$337,052	
			Construction Demo Year	Development Years to set Revenue Targets			5% Increase	5% Increase	5% Increase	5% Increase	5% Increase	
							Plus Set Increases					
NET OPERATING POSITION	-\$75,371	-\$76,774	-\$69,490	-\$107,490	-\$156,381	-\$142,618	-\$138,024	-\$133,468	-\$129,226	-\$124,357	-\$120,058	
Shire of Pingelly Contribution	\$75,371	\$76,774	\$69,490	\$128,100	\$131,930	\$138,527	\$145,453	\$152,725	\$160,362	\$168,380	\$176,799	
Management Association Position	\$0	\$0	\$0	\$20,610	-\$24,451	-\$4,091	\$7,428	\$19,258	\$31,136	\$44,023	\$56,741	
Annualised cash position				\$20,610	-\$3,841	-\$7,933	-\$504	\$18,753	\$49,889	\$93,912	\$150,653	

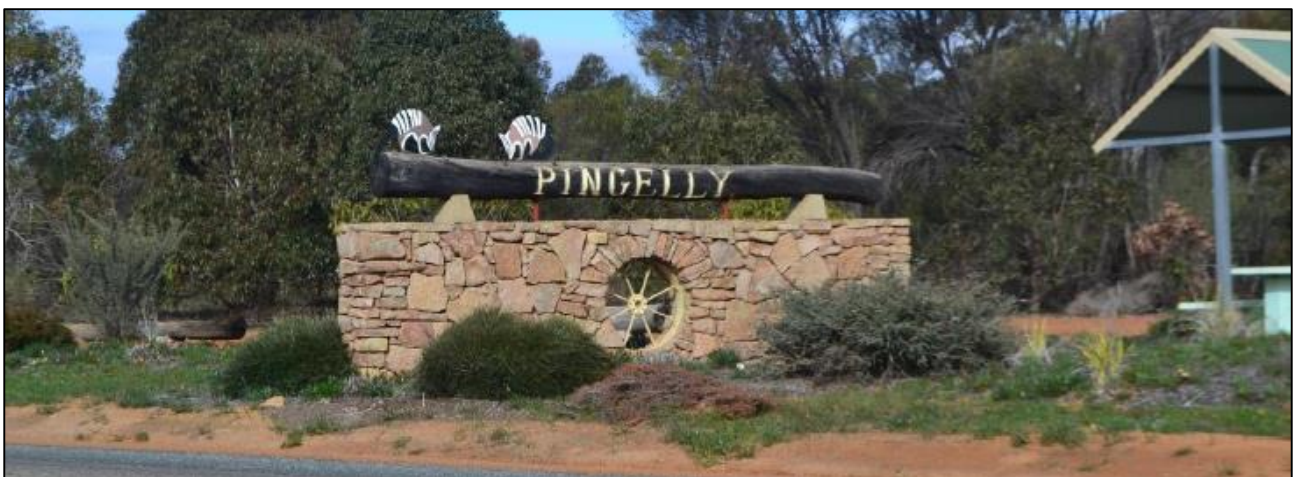
The schedule shows the long term viability of this Project. Due to the relationships formed during development of this Project, new user organisations will include:

- Bendigo Bank
- University of Western Australia
- Localise
- Pingelly State Emergency Services Unit
- Armadale State Emergency Services Unit
- Silverchain
- Wheatbelt Aboriginal Health Service
- Shire of Brookton
- Shire of Wandering
- Country Arts WA
- Pingelly Early Years Network
- Pingelly Men's Shed

New activities that are not currently being delivered will include:

- Aboriginal Playgroup (0-4) years
- Walking Group
- Early Years Family Play Days
- Aboriginal Men's Group
- D'Arcy Slater Cup (tennis)
- Foundation Cup (tennis)
- Inter League Round Robin for Men and Women (Bowls)
- Inter Zone Bowls Events
- League Men's A and B Grade Pennant finals
- South Fremantle Football Club (WAFL)

Other activities including conferences, seminars, workshops, community and training. Users will be charged a hire fee and the anticipated income from these groups has been factored into the above projected income, further evidencing its sustainability.



2.11 Project Timeframe and Key Milestones

2015/16												
Activity	July 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016
Submit NSRF application												
Notification of NSRF Application												
Procurement												

2016/17												
Activity	July 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	June 2017
Finalise design/documentation												
Construction of facility												

2017/18												
Activity	July 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	June 2018
Construction of facility												
Final inspection/handover												
Official facility opening												
Audit/Acquittal												

2.12 Risk Analysis

The following risk matrix will be used as the basis for the assessment of risks at 2.12.1. A Risk Management Plan has been prepared for this Project in accordance with the Shire's Risk Management Policy and Procedures.

Level of Risk

CONSEQUENCE	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
LIKELIHOOD	1	2	3	4	5
A – Almost Certain	High	High	Extreme	Extreme	Extreme
B – Likely	Moderate	High	High	Extreme	Extreme
C – Possible	Low	Moderate	High	Extreme	Extreme
D – Unlikely	Low	Low	Moderate	High	Extreme
E- Rare	Low	Low	Moderate	High	High

2.12.1 Risk Assessment

#	Risk	Likelihood	Consequence	Risk Score	Strategies on Risk
1.	Project objectives differ from community expectations	Rare	Minor	Low	<ul style="list-style-type: none"> Future users and community members are representatives on the Focus Group.
2.	Differing Focus Group expectations	Possible	Minor	Moderate	<ul style="list-style-type: none"> Involve all stakeholders in development of concept plans.
3.	Failure to secure adequate funding for entire project	Possible	Moderate	High	<ul style="list-style-type: none"> Shire funds listed and approved by Council in budget and Long Term Financial Plan. Financial contributions from community groups has been received. External funding sources including Department of Infrastructure and Regional Development to be approached for additional funds.
4.	Inadequate funding to complete the project or sections of the project	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Re-scope project focusing on time and resources. Regularly review budget and expenditure.
5.	Inaccurate capital cost estimates/contingencies if funding not used within timeframe	Possible	Minor	Moderate	<ul style="list-style-type: none"> Sign contract for construction by set project milestone. Ensure accurate budgets are prepared and subsequently managed by qualified staff. Ensure allocated funds are utilised in a timely and cost effective manner.
6.	Delayed delivery of design and construction component, therefore delays in progress of project	Possible	Minor	Moderate	<ul style="list-style-type: none"> Ensure Purchasing Policy followed and contractors advised to follow timeframes to ensure payment and continuing business. A detailed schedule of works to be developed upon appointment of contractors. Regular project team meetings to be had to ensure projects are progressing on schedule.
7.	Budget exceeded	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Separate GL account created for project which all income and expenditure is to be credit/debited. Passed and forthcoming expenditure to be reviewed at each project team meeting ensuring it is on budget. Up to date cost estimates obtained.
8.	Contractor non compliant with legislation	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Periodic audit of contractor's project plan. Contractor documentation fully verified prior to commencement. Implementation of Project Manager.

9.	Principal Contractors not adhering to safety standards	Unlikely	Major	High	<ul style="list-style-type: none"> Ensure OSH guidelines are in place. Identify all risks at all stages of the project. Manage and mitigate the risks identified – risk register to be updated and controlled by Project Manager. Provide advice, procedures and site risk assessments.
10.	Risk of litigation, public liability and professional negligence	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Ensure all contractors follow Shire procedures. Use on the Shire template for engagement. Ensure all insurance covers required are authorised LGIS.
11.	Project unable to source adequate equipment	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Manage the progress of program and timeline – extend it required to finalise installations.
12.	Operational Management change/issues	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Project Plan to include contingencies.
13.	Negative impact on the environment	Possible	Minor	Moderate	<ul style="list-style-type: none"> Compliance with environmental legislation and approvals.
14.	Meeting project milestones	Possible	Minor	Moderate	<ul style="list-style-type: none"> Continual review of project and scheduling at project team meetings. Detailed schedule of works to be completed upon appointment of contractor.
15.	Contractors go out of business	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Due diligence completed during tender process to ensure contractors have proven track record, are financially sound and have the capability to complete works.
16.	Extreme weather conditions	Unlikely	Minor	Low	<ul style="list-style-type: none"> Include contingencies for inclement weather and/dangerous work conditions. Ensure appropriate safety equipment provided and used. Additional time has been allowed for during construction phase in the event of unexpected weather or natural disaster
17.	Site security	Unlikely	Minor	Low	<ul style="list-style-type: none"> Completion of a site security assessment. Necessary security in place from construction.
18.	Negative impact on Council via media/public comment	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Communication plan developed and implemented. Community information kept up to date. Support confirmed from stakeholders regularly.
19.	Insufficient supply of materials	Unlikely	Minor	Low	<ul style="list-style-type: none"> Materials to be sourced well in advance of construction.
20.	Delay in reporting and acquitting any funding received.	Rare	Minor	Low	<ul style="list-style-type: none"> Project manager to monitor reporting dates, obtain relevant report templates and ensure completion well prior to deadlines.

2.13 Local Content

It is intended to engage local and/or regional contractors and suppliers for this Project's implementation as it has the following benefits:

- Fosters government and non-government partnerships.
- Demonstrates investment in the community.
- Local suppliers would place considerable value on serving their local community and the benefits associated with it.
- Close proximity makes it far easier to travel to them for supplier development and contract management purposes, as well as for site inspections which minimises costs.
- The local knowledge of local suppliers means that they are well-placed to appreciate and satisfy local preferences - this is particularly relevant where specialised products and services are concerned.
- Supply chains are generally shorter, leading to greater certainty and predictability of delivery times.

This Project will provide full, fair and reasonable opportunity to regional businesses in its planning, tendering and contract management through advertisement of the tender via local, regional and state publications.

A Procurement Plan has been developed and will be implemented and adhered to as per the Shire's Procurement Policy, enabling an ethical and fair approach to securing contractors. All contractors tendering for work offered by this Project (i.e. design and construction) are required to nominate subcontractors, the local content of which is encouraged and assessed.

On 14 July 2015 the Shire and Skilled Hire entered into a Memorandum of Understanding with a view to delivering recruitment services. The programs being offered by Skilled Hire will target Aboriginal and youth unemployment. As part of demolishing the existing recreation centre, the floorboards and ceiling panels will be retained and reconditioned for use within the new Centre. Given the timeframe of this Project, the Shire intends to employ a trainee in the area of building and construction to work with the Shire's skilled trades.

Public artworks are expected to be delivered within the surrounds of the Centre. It is intended to engage local Aboriginal artists to create artworks for display.

3 IMPLEMENTATION STRATEGY

3.1 Communication Plan

A communication plan has been developed and is located at pages 11 and 12 of the Project Management Plan.

External press releases and advertising will require the approval of the Chief Executive Officer prior to distribution.

Any promotional materials/media will make reference to external funding received. Any advertising or printed material (website, media) will display funding provider logos in accordance with their requirements.

Signage will be installed at the site of construction referring to external funding received. Further discussions will be had with funding providers regarding requirements.

3.2 Project Management

The Shire of Pingelly will be responsible for this Project's administration, financial obligations and implementation.

The Chief Executive Officer will be delegated the authority to act as the Project Sponsor under a mandate from the Shire of Pingelly. The Project Sponsor will define the project parameters, oversee (but not manage) the project, make strategic decisions, direct the Project Manager in regard to issues and problems with the project and review project status reports.

The Project Sponsor is responsible for the dissemination of reports to funding agencies and other relevant organisations.

The Project Manager will be responsible for the delivery of the project and accomplishing the project objectives including:

- Proactively managing the project day to day;
- Establishing clear and achievable objectives and timelines;
- Balance the competing demands for quality, scope, time and cost;
- Adapt the project specifications to mitigate risks and issues; and
- Deliver the project in accordance with the specification.

The project team will be supported by a project focus group which will meet as required to provide input into the design and development of the project at relevant stages (see separate Project Management Plan).

The details and capabilities of contractors to deliver this Project are not yet known as the tender process has not commenced, however the Shire has access to a number of qualified and professional architects and consultants to assist with design and planning of this Project.

3.2.1 Resourcing

Internal

The entire project team has extensive large scale infrastructure project experience from their various employment capacities at other organisations. In particular, the Shire's CEO and Project Manager have been involved in:

- Hartfield Park Redevelopment: Sporting field lighting, facility and clubroom design (\$6million)



- Agonis Civic Centre (\$11 million)



- Tom Bateman Sporting Complex (\$15million)



- South Hedland Sports Complex (Wanangkura Stadium): A 4,500sqm recreation centre including multipurpose indoor sporting courts, gym and associated facilities, three outdoor courts, landscaped parks and external spaces (\$34million)



The Shire employs a dedicated finance team consisting of two full time staff who are well adept at managing the Shire's finances, including the process for acquittals.

The Shire has not been required to return funding from sources due to a breach in contract.

External

The Shire intends to engage suitably qualified contractors to undertake the necessary components as detailed in the suggested scope of works at Project Description of this Business Case. Contractors will be required to submit applications upon opening of the tender process detailing their experience, knowledge, qualifications and capabilities.

3.3 Project Governance

It is anticipated that the Project Team will consist of the Shire's Chief Executive Officer, Project Manager, Environmental Health & Buildings Services Officer, Works Supervisor, Executive Manager Corporate and Community Services, Executive Manager Engineering and Development Services, architects, the successful contractor representatives and other personnel as desired. At this time a Terms of Reference will be developed to confirm the responsibilities of project team members.

The Project Team is anticipated to have weekly meetings to discuss this Project's progress against milestones and the proposed budget during the construction phase.

The Shire is committed to this Project which is evidenced through the submission of funding applications, engagement of consultants for the preparation of a detailed Business Case and its identification in all strategic and corporate planning documents.

3.4 Licences and Approvals

The Shire has identified the following applicable licences and approvals:

- Building – Up to 25 working days but will be fast tracked if required to meet any required time frames.

- Planning – Up to 15 working days
- Health – Up to 15 working days
- Environmental – Nil as no clearing required

Native title and heritage approvals are not relevant to this site or proposed development.

3.5 Procurement Strategy

The Shire of Pingelly will utilise a robust selection process as per the *Local Government Act 1995* for the appointment of contractors. As this Project is above the threshold of \$100,000 a public tender process is to be conducted. The Shire will procure as per the separate Procurement Management Plan developed in accordance with the Procurement Policy.