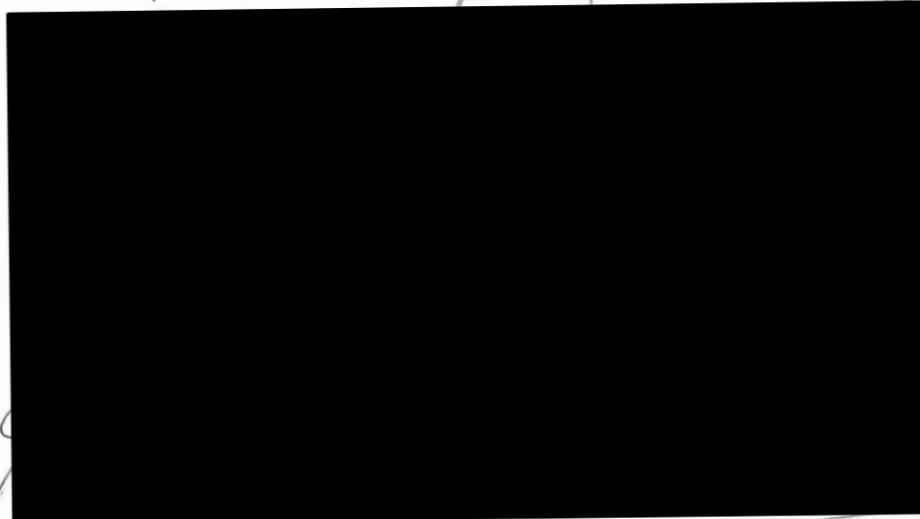
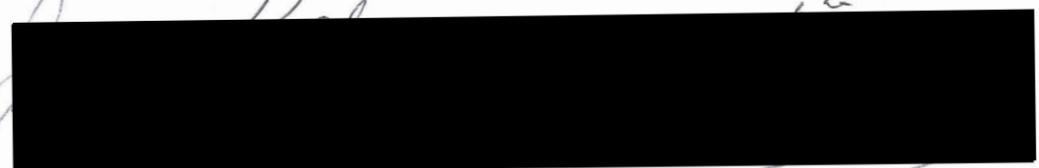


Dear CEO , and Council ,  
 I am strongly opposed to the Lower Chittering Sports Centre project for the following reasons ,

1. The proposal to loan \$2m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults .
2. It is very clear to anyone connected to our community that sporting clubs have no intention of using the proposed facility , preferring to stay with their own local sporting facility.
3. The Lower Chittering Sports Centre is not supported by the majority of Shire of Chittering ratepayers , who cannot afford the intended rate increases .
4. The project has been intentionally progressed prior to being advertised for public comment , in breach of the Local Government Act .
5. The business case is flawed , in that the participation rate is unrealistic and lists 20 activities not catered for .
6. The estimates of usage is misleading , linking the percentage of survey responses to the Shire population , when there is no provision of activities for our substantial retired elderly community.

Signed



SHIRE OF CHITTERING  
RECEIVED

26 JUL 2019

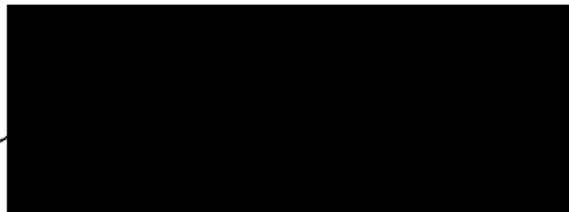
027 CEO/EA  
 15/07/19  
 119103175

per

I am strongly opposed to the Lower Chittering Sports Centre project for the following reasons ,

1. The proposal to loan \$2m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults .
2. It is very clear to anyone connected to our community that sporting clubs have no intention of using the proposed facility , preferring to stay with their own local sporting facility.
3. The Lower Chittering Sports Centre is not supported by the majority of Shire of Chittering ratepayers , who cannot afford the intended rate increases .
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Signed



SHIRE OF CHITTERING  
RECEIVED

31 JUL 2019

Officer..... CEO/EA  
 File..... 15/01/16  
 Ref..... 119108175 119108295

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Email to: chatter@chittering.wa.gov.au

5<sup>th</sup> August 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

1. The proposal to loan \$1.625m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults.
2. No other Shire or local government body in WA has provided an unsecure loan to a 3<sup>rd</sup> party for more than one million dollars.
3. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the building.
4. IHC is **NOT** contributing \$2m as published and documented by the Shire. This is incorrect and misleading.
5. The inclusion of the funds to be received from of the sale of land to be included as IHC's contribution towards the Sports and Rec Centre Project is factually incorrect and needs to be dealt with as a separate contract. As the Shire will be receiving these funds **if the land is sold to IHC**, then the Shire can choose where to contribute those funds including towards the proposed project, therefore the money becomes part of the Shires contribution, **NOT** IHC's.
6. At all of the public and community meeting, majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility.
7. The Lower Chittering Sports Centre is not supported by a significant proportion of the Shire of Chittering ratepayers and residents.
8. The project has been intentionally progressed prior to being advertised for public comment, **in breach of the Local Government Act.**
9. The arrangement for the sale of land to IHC has been progressed and agreed upon without seeking public comment **which is in breach of the Local Government Act.**

10. All business cases including the recently released one in June 2019 are flawed. All businesses cases do not take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services; the recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. The recent report does not establish a NPV, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project; the participation rate is unrealistic and lists 20 activities not catered for; the contribution of IHC is misrepresented and incorrectly documented. The estimates of usage is misleading, linking the percentage of survey responses to the Shire population, when there is no provision of activities for our substantial retired elderly community.
11. Opportunity costs have not been investigated. As this project will have an impact over the local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified in this working. As this is a community project, adverse impacts on the community should be assessed in detail.
12. For projects running over a long period of time, like this one, replacement cost of assets (depreciation) as the asset depletes overtime should be taken into account. This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire.

Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total over the 20 years this amounts to a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.



Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Email to: chatter@chittering.wa.gov.au

4<sup>th</sup> August 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

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Regards

[REDACTED]



Loan Payments

Enter Values	
Loan Amount	\$ 4,625,000.00
Annual Interest Rate	3.65 %
Loan Period in Years	20
Number of Payments Per Year	12
Start Date of Loan	1/06/2019
Optional Extra Payments	\$ -

Loan Summary	
Scheduled Payment	\$ 27,181.00
Scheduled Number of Payments	240
Actual Number of Payments	240
Total Early Payments	\$ -
Total Interest	\$1,898,438.88

Lender Name: \_\_\_\_\_

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest		
1	1/07/2019	\$ 4,625,000.00	\$ 27,181.00	\$ -	\$ 27,181.00	\$ 13,113.29	\$ 14,067.71	\$4,611,886.71	\$ 14,067.71		Interest expense
2	1/08/2019	4,611,886.71	27,181.00	-	27,181.00	13,153.17	14,027.82	4,598,733.54	28,095.53	Yr1	\$ 166,153.13
3	1/09/2019	4,598,733.54	27,181.00	-	27,181.00	13,193.18	13,987.81	4,585,540.36	42,083.34	Yr2	\$ 160,213.74
4	1/10/2019	4,585,540.36	27,181.00	-	27,181.00	13,233.31	13,947.69	4,572,307.05	56,031.03	Yr3	\$ 154,053.89
5	1/11/2019	4,572,307.05	27,181.00	-	27,181.00	13,273.56	13,907.43	4,559,033.49	69,938.46	Yr4	\$ 147,665.41
6	1/12/2019	4,559,033.49	27,181.00	-	27,181.00	13,313.94	13,867.06	4,545,719.55	83,805.52	Yr5	\$ 141,039.81
7	1/01/2020	4,545,719.55	27,181.00	-	27,181.00	13,354.43	13,826.56	4,532,365.12	97,632.09	Yr6	\$ 134,168.29
8	1/02/2020	4,532,365.12	27,181.00	-	27,181.00	13,395.05	13,785.94	4,518,970.07	111,418.03	Yr7	\$ 127,041.72
9	1/03/2020	4,518,970.07	27,181.00	-	27,181.00	13,435.79	13,745.20	4,505,534.27	125,163.23	Yr8	\$ 119,650.64
10	1/04/2020	4,505,534.27	27,181.00	-	27,181.00	13,476.66	13,704.33	4,492,057.61	138,867.57	Yr9	\$ 111,985.22
11	1/05/2020	4,492,057.61	27,181.00	-	27,181.00	13,517.65	13,663.34	4,478,539.96	152,530.91	Yr10	\$ 104,035.28
12	1/06/2020	4,478,539.96	27,181.00	-	27,181.00	13,558.77	13,622.23	4,464,981.19	166,153.13	Yr11	\$ 95,790.27
13	1/07/2020	4,464,981.19	27,181.00	-	27,181.00	13,600.01	13,580.98	4,451,381.18	179,734.12	Yr12	\$ 87,239.23
14	1/08/2020	4,451,381.18	27,181.00	-	27,181.00	13,641.38	13,539.62	4,437,739.80	193,273.74	Yr13	\$ 78,370.80
15	1/09/2020	4,437,739.80	27,181.00	-	27,181.00	13,682.87	13,498.13	4,424,056.93	206,771.86	Yr14	\$ 69,173.20
16	1/10/2020	4,424,056.93	27,181.00	-	27,181.00	13,724.49	13,466.51	4,410,332.44	220,228.37	Yr15	\$ 59,634.22
17	1/11/2020	4,410,332.44	27,181.00	-	27,181.00	13,766.23	13,434.76	4,396,566.21	233,643.13	Yr16	\$ 49,741.18
18	1/12/2020	4,396,566.21	27,181.00	-	27,181.00	13,808.11	13,402.89	4,382,758.10	247,016.02	Yr17	\$ 39,480.94
19	1/01/2021	4,382,758.10	27,181.00	-	27,181.00	13,850.11	13,370.89	4,368,908.00	260,346.91	Yr18	\$ 28,839.87
20	1/02/2021	4,368,908.00	27,181.00	-	27,181.00	13,892.23	13,338.76	4,355,015.76	273,635.67	Yr19	\$ 17,803.84
21	1/03/2021	4,355,015.76	27,181.00	-	27,181.00	13,934.49	13,306.51	4,341,081.27	286,887.17	Yr20	\$ 6,558.19
22	1/04/2021	4,341,081.27	27,181.00	-	27,181.00	13,976.87	13,274.12	4,327,104.40	300,086.30		
23	1/05/2021	4,327,104.40	27,181.00	-	27,181.00	14,019.39	13,241.73	4,313,085.01	313,247.91		
24	1/06/2021	4,313,085.01	27,181.00	-	27,181.00	14,062.03	13,209.39	4,298,922.99	326,366.87		
25	1/07/2021	4,298,922.99	27,181.00	-	27,181.00	14,104.80	13,177.19	4,284,918.19	339,443.07		
26	1/08/2021	4,284,918.19	27,181.00	-	27,181.00	14,147.70	13,145.29	4,270,770.48	352,476.36		
27	1/09/2021	4,270,770.48	27,181.00	-	27,181.00	14,190.74	13,113.26	4,256,578.75	365,466.62		
28	1/10/2021	4,256,578.75	27,181.00	-	27,181.00	14,233.90	13,081.10	4,242,345.85	378,413.72		
29	1/11/2021	4,242,345.85	27,181.00	-	27,181.00	14,277.19	13,049.00	4,228,068.66	391,317.52		
30	1/12/2021	4,228,068.66	27,181.00	-	27,181.00	14,320.62	13,016.95	4,213,748.04	404,177.90		
31	1/01/2022	4,213,748.04	27,181.00	-	27,181.00	14,364.18	12,984.96	4,199,383.86	416,994.71		
32	1/02/2022	4,199,383.86	27,181.00	-	27,181.00	14,407.87	12,953.07	4,184,975.99	429,767.84		
33	1/03/2022	4,184,975.99	27,181.00	-	27,181.00	14,451.69	12,921.30	4,170,524.29	442,497.14		
34	1/04/2022	4,170,524.29	27,181.00	-	27,181.00	14,495.65	12,889.74	4,156,028.64	455,182.48		
35	1/05/2022	4,156,028.64	27,181.00	-	27,181.00	14,539.74	12,858.35	4,141,488.90	467,823.74		
36	1/06/2022	4,141,488.90	27,181.00	-	27,181.00	14,583.97	12,827.03	4,126,904.94	480,420.77		
37	1/07/2022	4,126,904.94	27,181.00	-	27,181.00	14,628.33	12,795.67	4,112,276.61	492,973.44		
38	1/08/2022	4,112,276.61	27,181.00	-	27,181.00	14,672.82	12,764.26	4,097,603.79	505,481.61		
39	1/09/2022	4,097,603.79	27,181.00	-	27,181.00	14,717.45	12,732.81	4,082,886.34	517,945.16		
40	1/10/2022	4,082,886.34	27,181.00	-	27,181.00	14,762.22	12,701.32	4,068,124.12	530,363.94		
41	1/11/2022	4,068,124.12	27,181.00	-	27,181.00	14,807.12	12,670.80	4,053,317.00	542,737.81		
42	1/12/2022	4,053,317.00	27,181.00	-	27,181.00	14,852.16	12,640.25	4,038,464.85	555,065.65		
43	1/01/2023	4,038,464.85	27,181.00	-	27,181.00	14,897.33	12,609.66	4,023,567.52	567,350.32		
44	1/02/2023	4,023,567.52	27,181.00	-	27,181.00	14,942.64	12,579.03	4,008,624.87	579,588.67		
45	1/03/2023	4,008,624.87	27,181.00	-	27,181.00	14,988.09	12,548.26	3,993,636.78	591,781.57		
46	1/04/2023	3,993,636.78	27,181.00	-	27,181.00	15,033.68	12,517.35	3,978,603.10	603,928.88		
47	1/05/2023	3,978,603.10	27,181.00	-	27,181.00	15,079.41	12,486.19	3,963,523.68	616,030.46		
48	1/06/2023	3,963,523.68	27,181.00	-	27,181.00	15,125.28	12,454.77	3,948,398.41	628,086.18		
49	1/07/2023	3,948,398.41	27,181.00	-	27,181.00	15,171.28	12,423.00	3,933,221.13	639,159.49		
50	1/08/2023	3,933,221.13	27,181.00	-	27,181.00	15,217.43	12,390.89	3,917,920.69	650,059.46		
51	1/09/2023	3,917,920.69	27,181.00	-	27,181.00	15,263.72	12,359.17	3,902,574.98	660,796.74		
52	1/10/2023	3,902,574.98	27,181.00	-	27,181.00	15,310.14	12,327.03	3,887,435.84	671,477.59		
53	1/11/2023	3,887,435.84	27,181.00	-	27,181.00	15,356.71	12,294.46	3,872,079.12	682,101.88		
54	1/12/2023	3,872,079.12	27,181.00	-	27,181.00	15,403.42	12,261.46	3,856,675.70	692,674.45		
55	1/01/2024	3,856,675.70	27,181.00	-	27,181.00	15,450.27	12,228.03	3,841,225.43	703,191.17		
56	1/02/2024	3,841,225.43	27,181.00	-	27,181.00	15,497.27	12,194.16	3,825,728.16	713,659.82		
57	1/03/2024	3,825,728.16	27,181.00	-	27,181.00	15,544.41	12,159.85	3,810,183.76	724,000.49		
58	1/04/2024	3,810,183.76	27,181.00	-	27,181.00	15,591.69	12,125.09	3,794,592.07	734,218.58		
59	1/05/2024	3,794,592.07	27,181.00	-	27,181.00	15,639.11	12,089.87	3,778,952.96	744,316.68		
60	1/06/2024	3,778,952.96	27,181.00	-	27,181.00	15,686.68	12,054.19	3,763,266.28	754,298.00		
61	1/07/2024	3,763,266.28	27,181.00	-	27,181.00	15,734.39	12,018.04	3,747,531.88	764,164.04		
62	1/08/2024	3,747,531.88	27,181.00	-	27,181.00	15,782.25	11,981.24	3,731,749.63	773,915.34		
63	1/09/2024	3,731,749.63	27,181.00	-	27,181.00	15,830.26	11,943.99	3,715,919.38	783,559.33		
64	1/10/2024	3,715,919.38	27,181.00	-	27,181.00	15,878.41	11,906.29	3,700,040.97	793,088.62		
65	1/11/2024	3,700,040.97	27,181.00	-	27,181.00	15,926.70	11,868.03	3,684,114.26	802,500.36		
66	1/12/2024	3,684,114.26	27,181.00	-	27,181.00	15,975.15	11,829.16	3,668,139.12	811,811.51		
67	1/01/2025	3,668,139.12	27,181.00	-	27,181.00	16,023.74	11,789.67	3,652,115.38	821,022.16		
68	1/02/2025	3,652,115.38	27,181.00	-	27,181.00	16,072.48	11,749.14	3,636,042.90	830,143.60		
69	1/03/2025	3,636,042.90	27,181.00	-	27,181.00	16,121.36	11,708.36	3,619,921.53	839,175.24		
70	1/04/2025	3,619,921.53	27,181.00	-	27,181.00	16,169.40	11,667.32	3,603,752.13	848,116.92		
71	1/05/2025	3,603,752.13	27,181.00	-	27,181.00	16,217.61	11,625.93	3,587,535.55	856,972.81		
72	1/06/2025	3,587,535.55	27,181.00	-							

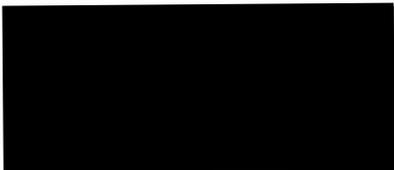
124	1/10/2029	2,672,477.03	27,181.00	-	27,181.00	19,052.21	8,128.78	2,653,424.82	1,398,868.24
125	1/11/2029	2,653,424.82	27,181.00	-	27,181.00	19,110.16	8,070.83	2,634,314.66	1,406,939.07
126	1/12/2029	2,634,314.66	27,181.00	-	27,181.00	19,168.29	8,012.71	2,615,146.37	1,414,951.78
127	1/01/2030	2,615,146.37	27,181.00	-	27,181.00	19,226.59	7,954.40	2,595,919.78	1,422,906.18
128	1/02/2030	2,595,919.78	27,181.00	-	27,181.00	19,285.07	7,895.92	2,576,634.70	1,430,802.10
129	1/03/2030	2,576,634.70	27,181.00	-	27,181.00	19,343.73	7,837.26	2,557,290.97	1,438,639.37
130	1/04/2030	2,557,290.97	27,181.00	-	27,181.00	19,402.57	7,778.43	2,537,888.40	1,446,417.79
131	1/05/2030	2,537,888.40	27,181.00	-	27,181.00	19,461.58	7,719.41	2,518,426.82	1,454,137.20
132	1/06/2030	2,518,426.82	27,181.00	-	27,181.00	19,520.78	7,660.21	2,498,906.04	1,461,797.42
133	1/07/2030	2,498,906.04	27,181.00	-	27,181.00	19,580.16	7,600.84	2,479,325.88	1,469,398.26
134	1/08/2030	2,479,325.88	27,181.00	-	27,181.00	19,639.71	7,541.28	2,459,686.17	1,476,939.54
135	1/09/2030	2,459,686.17	27,181.00	-	27,181.00	19,699.45	7,481.55	2,439,986.72	1,484,421.99
136	1/10/2030	2,439,986.72	27,181.00	-	27,181.00	19,759.37	7,421.63	2,420,227.35	1,491,842.71
137	1/11/2030	2,420,227.35	27,181.00	-	27,181.00	19,819.47	7,361.52	2,400,407.88	1,499,204.24
138	1/12/2030	2,400,407.88	27,181.00	-	27,181.00	19,879.75	7,301.24	2,380,528.12	1,506,505.48
139	1/01/2031	2,380,528.12	27,181.00	-	27,181.00	19,940.22	7,240.77	2,360,587.90	1,513,746.25
140	1/02/2031	2,360,587.90	27,181.00	-	27,181.00	20,000.87	7,180.12	2,340,587.03	1,520,926.37
141	1/03/2031	2,340,587.03	27,181.00	-	27,181.00	20,061.71	7,119.29	2,320,525.32	1,528,045.66
142	1/04/2031	2,320,525.32	27,181.00	-	27,181.00	20,122.73	7,058.26	2,300,402.59	1,535,103.92
143	1/05/2031	2,300,402.59	27,181.00	-	27,181.00	20,183.94	6,997.06	2,280,218.65	1,542,100.98
144	1/06/2031	2,280,218.65	27,181.00	-	27,181.00	20,245.33	6,935.67	2,259,973.32	1,549,036.65
145	1/07/2031	2,259,973.32	27,181.00	-	27,181.00	20,306.91	6,874.09	2,239,666.41	1,555,910.73
146	1/08/2031	2,239,666.41	27,181.00	-	27,181.00	20,368.68	6,812.32	2,219,297.73	1,562,723.05
147	1/09/2031	2,219,297.73	27,181.00	-	27,181.00	20,430.63	6,750.36	2,198,867.10	1,569,473.41
148	1/10/2031	2,198,867.10	27,181.00	-	27,181.00	20,492.77	6,688.22	2,178,374.33	1,576,161.63
149	1/11/2031	2,178,374.33	27,181.00	-	27,181.00	20,555.11	6,625.89	2,157,819.22	1,582,787.52
150	1/12/2031	2,157,819.22	27,181.00	-	27,181.00	20,617.63	6,563.37	2,137,201.59	1,589,350.89
151	1/01/2032	2,137,201.59	27,181.00	-	27,181.00	20,680.34	6,500.65	2,116,521.25	1,595,851.55
152	1/02/2032	2,116,521.25	27,181.00	-	27,181.00	20,743.24	6,437.75	2,095,778.01	1,602,289.30
153	1/03/2032	2,095,778.01	27,181.00	-	27,181.00	20,806.34	6,374.66	2,074,971.67	1,608,663.96
154	1/04/2032	2,074,971.67	27,181.00	-	27,181.00	20,869.62	6,311.37	2,054,102.05	1,614,975.33
155	1/05/2032	2,054,102.05	27,181.00	-	27,181.00	20,933.10	6,247.89	2,033,168.95	1,621,223.22
156	1/06/2032	2,033,168.95	27,181.00	-	27,181.00	20,996.77	6,184.22	2,012,172.17	1,627,407.47
157	1/07/2032	2,012,172.17	27,181.00	-	27,181.00	21,060.64	6,120.36	1,991,111.54	1,633,527.80
158	1/08/2032	1,991,111.54	27,181.00	-	27,181.00	21,124.70	6,056.30	1,969,986.84	1,639,584.10
159	1/09/2032	1,969,986.84	27,181.00	-	27,181.00	21,188.95	5,992.04	1,948,797.89	1,645,576.14
160	1/10/2032	1,948,797.89	27,181.00	-	27,181.00	21,253.40	5,927.59	1,927,544.48	1,651,503.73
161	1/11/2032	1,927,544.48	27,181.00	-	27,181.00	21,318.05	5,862.95	1,906,226.44	1,657,366.68
162	1/12/2032	1,906,226.44	27,181.00	-	27,181.00	21,382.89	5,798.11	1,884,843.55	1,663,164.79
163	1/01/2033	1,884,843.55	27,181.00	-	27,181.00	21,447.93	5,733.07	1,863,395.63	1,668,897.85
164	1/02/2033	1,863,395.63	27,181.00	-	27,181.00	21,513.17	5,667.83	1,841,882.45	1,674,565.68
165	1/03/2033	1,841,882.45	27,181.00	-	27,181.00	21,578.60	5,602.39	1,820,303.85	1,680,168.07
166	1/04/2033	1,820,303.85	27,181.00	-	27,181.00	21,644.24	5,536.76	1,798,659.61	1,685,704.83
167	1/05/2033	1,798,659.61	27,181.00	-	27,181.00	21,710.07	5,470.92	1,776,949.54	1,691,175.76
168	1/06/2033	1,776,949.54	27,181.00	-	27,181.00	21,776.11	5,404.89	1,755,173.43	1,696,580.64
169	1/07/2033	1,755,173.43	27,181.00	-	27,181.00	21,842.34	5,338.65	1,733,331.09	1,701,919.30
170	1/08/2033	1,733,331.09	27,181.00	-	27,181.00	21,908.78	5,272.22	1,711,422.31	1,707,191.51
171	1/09/2033	1,711,422.31	27,181.00	-	27,181.00	21,975.42	5,205.58	1,689,446.89	1,712,397.09
172	1/10/2033	1,689,446.89	27,181.00	-	27,181.00	22,042.26	5,138.73	1,667,404.63	1,717,535.82
173	1/11/2033	1,667,404.63	27,181.00	-	27,181.00	22,109.31	5,071.69	1,645,295.32	1,722,607.51
174	1/12/2033	1,645,295.32	27,181.00	-	27,181.00	22,176.56	5,004.44	1,623,118.77	1,727,611.96
175	1/01/2034	1,623,118.77	27,181.00	-	27,181.00	22,244.01	4,936.99	1,600,874.76	1,732,548.94
176	1/02/2034	1,600,874.76	27,181.00	-	27,181.00	22,311.67	4,869.33	1,578,563.09	1,737,418.26
177	1/03/2034	1,578,563.09	27,181.00	-	27,181.00	22,379.53	4,801.46	1,556,183.56	1,742,197.63
178	1/04/2034	1,556,183.56	27,181.00	-	27,181.00	22,447.60	4,733.39	1,533,736.95	1,746,953.12
179	1/05/2034	1,533,736.95	27,181.00	-	27,181.00	22,515.88	4,665.11	1,511,220.07	1,751,618.23
180	1/06/2034	1,511,220.07	27,181.00	-	27,181.00	22,584.37	4,596.63	1,488,635.70	1,756,214.86
181	1/07/2034	1,488,635.70	27,181.00	-	27,181.00	22,653.06	4,527.93	1,465,982.64	1,760,742.79
182	1/08/2034	1,465,982.64	27,181.00	-	27,181.00	22,721.96	4,459.03	1,443,260.68	1,765,201.82
183	1/09/2034	1,443,260.68	27,181.00	-	27,181.00	22,791.08	4,389.92	1,420,469.60	1,769,591.74
184	1/10/2034	1,420,469.60	27,181.00	-	27,181.00	22,860.40	4,320.60	1,397,600.49	1,773,912.34
185	1/11/2034	1,397,600.49	27,181.00	-	27,181.00	22,929.93	4,251.06	1,374,679.26	1,778,163.40
186	1/12/2034	1,374,679.26	27,181.00	-	27,181.00	22,999.68	4,181.32	1,351,679.59	1,782,344.71
187	1/01/2035	1,351,679.59	27,181.00	-	27,181.00	23,069.64	4,111.36	1,328,609.95	1,786,456.07
188	1/02/2035	1,328,609.95	27,181.00	-	27,181.00	23,139.81	4,041.19	1,305,470.14	1,790,497.26
189	1/03/2035	1,305,470.14	27,181.00	-	27,181.00	23,210.19	3,970.81	1,282,259.95	1,794,468.07
190	1/04/2035	1,282,259.95	27,181.00	-	27,181.00	23,280.79	3,900.21	1,258,979.16	1,798,368.27
191	1/05/2035	1,258,979.16	27,181.00	-	27,181.00	23,351.60	3,829.39	1,235,627.56	1,802,197.67
192	1/06/2035	1,235,627.56	27,181.00	-	27,181.00	23,422.63	3,758.37	1,212,204.94	1,805,956.04
193	1/07/2035	1,212,204.94	27,181.00	-	27,181.00	23,493.87	3,687.12	1,188,711.06	1,809,643.16
194	1/08/2035	1,188,711.06	27,181.00	-	27,181.00	23,565.33	3,615.66	1,165,145.73	1,813,258.82
195	1/09/2035	1,165,145.73	27,181.00	-	27,181.00	23,637.01	3,543.98	1,141,508.72	1,816,802.81
196	1/10/2035	1,141,508.72	27,181.00	-	27,181.00	23,708.91	3,472.09	1,117,799.81	1,820,274.90
197	1/11/2035	1,117,799.81	27,181.00	-	27,181.00	23,781.02	3,399.97	1,094,018.79	1,823,674.87
198	1/12/2035	1,094,018.79	27,181.00	-	27,181.00	23,853.35	3,327.64	1,070,165.44	1,827,002.54
199	1/01/2036	1,070,165.44	27,181.00	-	27,181.00	23,925.91	3,255.09	1,046,239.53	1,830,257.60
200	1/02/2036	1,046,239.53	27,181.00	-	27,181.00	23,998.68	3,182.31	1,022,240.85	1,833,439.91
201	1/03/2036	1,022,240.85	27,181.00	-	27,181.00	24,071.68	3,109.32	998,169.17	1,836,549.23
202	1/04/2036	998,169.17	27,181.00	-	27,181.00	24,144.90	3,036.10	974,024.27	1,839,585.32
203	1/05/2036	974,024.27	27,181.00	-	27,181.00	24,218.34	2,962.66	949,805.93	1,842,547.98
204	1/06/2036	949,805.93	27,181.00	-	27,181.00	24,292.00	2,888.99	925,513.93	1,845,436.37
205	1/07/2036	925,513.93	27,181.00	-	27,181.00	24,365.89	2,815.10	901,148.04	1,848,252.08
206	1/08/2036	901,148.04	27,181.00	-	27,181.00	24,440.00	2,740.99	876,708.04	1,850,993.07
207	1/09/2036	876,708.04	27,181.00	-	27,181.00	24,514.34	2,666.65	852,193.69	1,853,659.72
208	1/10/2036	852,193.69	27,181.00	-	27,181.00	24,588.91	2,592.09	827,604.79	1,856,251.81
209	1/11/2036	827,604.79	27,181.00	-	27,181.00	24,663.70	2,517.30	802,941.09	1,858,769.11
210	1/12/2036	802,941.09	27,181.00	-	27,181.00	24,738.72	2,442.28	778,202.37	1,861,211.39
211	1/01/2037	778,202.37	27,181.00	-	27,181.00	24,813.96	2,367.03	753,388.41	1,863,578.42
212	1/02/2037	753,388.41	27,181.00	-	27,181.00	24,889.44	2,291.56	728,498.97	1,865,863.98



I am strongly opposed to the Lower Chittering Sports Centre project for the following reasons,

1. The proposal to loan \$2m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults .
2. It is very clear to anyone connected to our community that sporting clubs have no intention of using the proposed facility , preferring to stay with their own local sporting facility.
3. The Lower Chittering Sports Centre is not supported by the majority of Shire of Chittering ratepayers , who cannot afford the intended rate increases .
4. The project has been intentionally progressed prior to being advertised for public comment , in breach of the Local Government Act .
5. The business case is flawed , in that the participation rate is unrealistic and lists 20 activities not catered for .
6. The estimates of usage is misleading , linking the percentage of survey responses to the Shire population , when there is no provision of activities for our substantial retired elderly community.

Signed



SHIRE OF CHITTERING  
RECEIVED

- 7 AUG 2019

Officer..... CEO .....

File..... 15/01/16 ..... A11763 .....

Ref..... 119103025 .....

Dear CEO, and Council,

I am strongly opposed to the Lower Chittering Sports Centre project for the following reasons,

1. The proposal to loan \$2m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults .
2. It is very clear to anyone connected to our community that sporting clubs have no intention of using the proposed facility , preferring to stay with their own local sporting facility.
3. The Lower Chittering Sports Centre is not supported by the majority of Shire of Chittering ratepayers , who cannot afford the intended rate increases .
4. The project has been intentionally progressed prior to being advertised for public comment , in breach of the Local Government Act .
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6. The estimates of usage is misleading , linking the percentage of survey responses to the Shire population , when there is no provision of activities for our substantial retired elderly community.

Signed



SHIRE OF CHITTERING  
RECEIVED

- 7 AUG 2019

Officer..... CEO .....

File..... A11763 15/01/16 .....

Ref..... 1191085261 .....



3rd August, 2019.

SHIRE OF CHITTERING  
RECEIVED

- 7 AUG 2019

Chief Executive Officer,  
Shire of Chittering,  
P.O. Box 70,  
BINDOON, W.A.

Officer..... CEO  
File..... 15/01/16..... A11763  
Ref..... 119103527

Dear Sir,

Re: MAJOR LAND TRANSACTION. Construction of Lower Chittering Sports and Recreation facility and Use Rights for Immaculate Heart College, 99 Santa Gertrudis Drive, Lower Chittering.

It appears from your advertisement in The Northern Valley News that there are THREE separate issues to be addressed.

1. The construction of the Lower Chittering Sports and Recreation Facility.

We strongly object to this proposal for the following reasons -

It appears that the above proposal HAS NOT been given the appropriate investigation as far as the financial burden it will place on the Chittering Ratepayers.

The figure for the project seems to be moving and is not an end figure.

The amount of interest needs to be specified.

Who has determined the usage percentages towards the operational costs. Who will pay the amount of \$100,000pa which will apply in the first instance, if the School in question hasn't the finance to pay their share? A maintenance figure needs to be specified now, as to the School's contribution to the operational costs, not just left open, dependent on usage percentages towards the Facility's costs. What about the second instance?

The subject of water provision and the amount of water needed for the upkeep of the Facility, is another issue that has not been properly investigated. The Marbling Brook is an environmental feature in that area. What is the risk that it will be affected.

2. Use Rights for Immaculate Heart College.

What right has the Council got to provide "use rights" to one specific entity. Why have these "use rights" been set for 20 years?

3. A Land Sale to the Private School is also Proposed.

Which land is proposed to be sold to the School. If it is Shire land, what right does Council have to make the decision to sell that land without consultation and approval of the Ratepayers? Will the Recreation Facility be constructed on that land? If so, the Facility will belong to the School.

The Shire will have no control over this Facility.

We enquire as to the private School's financial contribution to the facility and the purchase of the land.

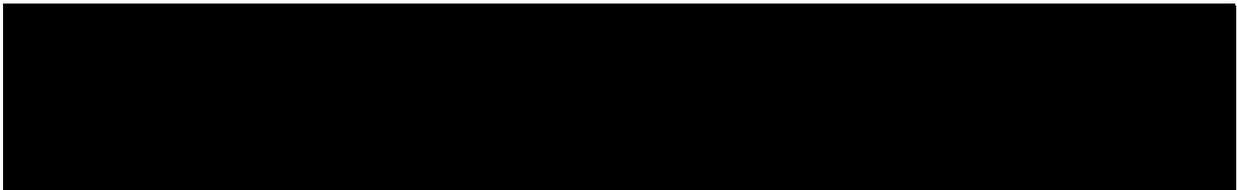
Self funded retirees and ratepayers need to know the EXACT financial burden they will be facing in the future, to enable them to decide on their future.

What increase in rates is expected to hit the ratepayers in the following years. Nothing is said about that subject.

It seems to us that there are more important requirements in the Shire, e.g. Road Maintenance. Take Wandena Road for instance, where , with the amount of traffic on that road to the rubbish disposal pit, it is a wonder there are not more accidents, with the amount of potholes there are. Has any provision or study been done to include the upgrade and maintenance of the Old Great Northern Highway, after the new Highway is completed. That would have to be one of the most important issues to be considered.

. Who is driving this Project?

Once again, we state STRONGLY that we definitely OPPOSE the three issues here and request that Council reconsider their decision and consider the OVERALL wellbeing of the Ratepayers in the Shire of Chittering not just one small percentage.



**From:** [REDACTED]  
**To:** [Natasha Mossman](#)  
**Subject:** I19108530 - Lower Chittering sporting facility  
**Date:** Wednesday, 7 August 2019 1:47:12 PM

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As a resident who has lived in Bindoon almost 40 years – 35 Sandpiper Mews - simple question

How does the shire expect to pay for this facility ?

Regards

[REDACTED]

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Thursday, 8 August 2019

Dear CEO and Councillors,

### **Lower Chittering Sports and Recreation Facility**

1. I am asking that you consider this my submission as a ratepayer in regard to the recently advertised "Major Land Transaction" and proposed "Land Sale" for the Lower Chittering Sports and Recreation Facility and the "management" of this Project.
2. Firstly, I am not opposed to sporting and community facilities as such. They are a valuable part of developing our youth and community spirit etc. What I am **strongly opposed to is the proposal** for the Lower Chittering Sports and Recreational Centre Project in its' present form due to the reasons below.

### **Land Transaction**

3. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of the Local Government Act**. It is only after being raised by a ratepayer and pressure from ratepayers that that you have belatedly sought the required comment. This, and other errors and omissions, do not augur well for confidence in Shire management.
4. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated matter to that required under the Act.

5. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?

### Capital Financing

6. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is reckless and should **NOT PROCEED**. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this private limited liability company default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!
7. I question the validity of the reason given by IHC for Council to undertake a loan on their behalf (to be able it to obtain future capital loans). Surely if declared to a lender, the repayments to the Shire would inhibit IHC loan raising as much as taking out a loan itself. Is the real reason they would be unable to obtain such loan? **It is also incongruent for the Council to accept all financial risk but none by this limited liability company (IHC).**
8. Despite repeated assurances from Shire that IHC can meet its share of costs, we have seen repeated downgrading of their ability to meet their share of the capital and ongoing costs. The Council appears to have been, and is being, "played" by IHC and **Council's due diligence/negotiating has been lacking to say the least.**
9. The Business Plan makes little comment on the risk of a loan to this limited liability company (IHC). It merely states that in the event of dissolution of the College, the full balance of the loan will become due. If this company becomes insolvent, the maximum liability payable will only be \$40. Much was made of this being highly unlikely by the previous acting CEO. I believe that to be naive

and I do not share his belief. Would any financial institution agree to an unsecured loan such as this? **NO THEY WOULD NOT!**

10. The inclusion of the funds to be received from the sale of land to be included as IHC's contribution towards the Sports and Recreation Centre Project is **factually incorrect** and needs to be dealt with as a separate contract. As the Shire will be receiving these funds, the Shire can choose where to contribute those funds, including towards the proposed Project, therefore if so done, the money becomes part of the Shire's contribution, **NOT IHC. Stating otherwise in the Business Plan is incorrect and misleading.**
11. Given the many errors in Council documents relating to this Project, I have little, if any confidence, in the assessment that the 1st Stage will only cost \$9.71 million. It is disturbing (page 18) that the Council might allocate more funds to the Project to meet construction costs that exceed the estimate. **Why has no mention been made of IHC also having to contribute to any over spend?**

### **Operating Costs**

12. The operating funding arrangement has not been finalised. This is critical to the viability of this Project and should be resolved before any further expenditure is incurred should this Project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time **despite previous and repeated assurances that IHC could afford those contributions.**
13. The projected revenue only covers 20%-25% of the annual operating cost of the Project. Therefore the proposed Project will incur a significant loss every year for the life of the facility. That is **IF IHC meets its' commitment and revenue meets expectations.** However, it is possible that IHC will not; failing to meet part or all ongoing costs on the basis of they "cannot afford it", need to spend on further expansion, etc. Will the Shire then stand up to them and deny use of the facility at sometime in the future? I think that this option would be unlikely but could lead to the closing of the facility in its entirety.
14. The net operating costs for the Shire as shown in The Business Plan have been **substantially understated** and likely actual costs

will only be able to be met by the Shire by deferment/cancellation of other necessary works programs, specifically expenditure on roads, footpaths and bridges (or raising rates). For example:

- a. The table on page 15 of The Business Plan – Annualised Expenditure Estimates shows estimates of \$310,500 for year 1 and \$483,500 p.a. for years 2+ for the building only (column 1). These estimates **exclude any costs for interest or for operating costs for at least one oval**. Interest expense for the Shire will be in the vicinity of \$100,000 p.a. and (using the actual oval expenses for the Muchea Hall Facility in the past 2 years of \$50,700 p.a.) a much more realistic estimate of annual expenditure for the facility is \$460,000 for year 1 and \$633,000 p.a. for the following years. Using these estimates of annual expenditure (which include interest and an oval maintenance expense) and assuming revenue of \$25,000 in Year 1 and \$50,000 in Year 2 (including IHC contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2, **SUBSTANTIALLY MORE than shown In the Business Plan.**
- b. The above calls into question the proposed loan agreement with, and usage cost contribution by the IHC. Using just the 25% of costs formula, the **contributions by the College should be \$108,750 in Year 1 and \$124,250 in Year 2**. IHC has ONLY committed to cost contribution of up to \$100,000 p.a. for the first 2 years. IHC's ability to meet their share of these higher costs need to be taken up with IHC at the very least before further expenditure is made. Should they again cry poor, then cancel this Project!
- c. I also question why sporting clubs have to pay  $\frac{1}{3}$  costs and IHC which will gain substantial benefit and sole usage at significant times is only proposed to pay 25% or up to \$100,000 whichever ever is the lesser.
- d. The table on page 16 of The Business Plan, proposes that the Gap Costs of this Project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the **Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23)**, assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of

**\$348,500.** Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED. How to you propose to fund the remaining \$348,500?**

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility.
16. All business cases related to this Project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:
  - a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.
  - b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
  - c. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
  - d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**

- e. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities**. This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
- f. The Business Plan 6.1:
  - i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.
  - iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
- 17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted.
19. A lack of water would seriously impact on the scope of this Project: **would that not invalidate the loan grant?**

## Effect on Other Sporting and Community Facilities

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this Project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out Project.
22. Of most concern is that this Project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

## Consultation/Communication

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable.

The reports appear to be written with the primary purpose of justifying this Project/making it work. Money poorly spent.

25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of “Yes Minister”).
26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this Project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this Project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this Project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!
29. This Project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community Project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate

board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**

32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this Project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this Project, will severely impact Shire funds, leading to significant rate increases, facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. **I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.**

### Conclusion

35. This Project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this Project seems at the very least unwise without:
- a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.

- s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this Project, calls in to further question the costings, and may breach the terms of the Grant for this Project.
  
- 37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed Project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. **I strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**
  
- 38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this Project, as it has shown the Council to have been inept in doing so.
  
- 39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
  
- 40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Tuesday, 13 August 2019

Dear CEO and Councillors,

### **Lower Chittering Sports and Recreation Facility**

1. I ask that this be added as an Addendum to my submission dated 8 August (sent by email 11/8/19) and be considered as part of that submission as a ratepayer in regard to the recently advertised "Major Land Transaction" and proposed "Land Sale" for the Lower Chittering Sports and Recreation Facility and the "management" of this Project.

### **Capital Financing**

2. The assurances repeatedly made by Council that Immaculate Heart College, **a private limited liability company**, that it can and will meet its commitments is **called into question by its previous behaviour detailed below**.
3. Is it not true that this Company, in the early 2000's, insisted on a road being built by the Shire between its' location and Bullsbrook so that students would not have to use the Great Northern Highway? A condition of Shire doing so was that the Company's school facilities had to be built BEFORE a Church. **This did not happen**. The Church was built before the school facilities.
4. Similarly, was not the Company granted approval for **temporary demountable classrooms for a period of two years** whilst the permanent classrooms and school infrastructure were built. To this date, while permanent classrooms and school infrastructure have been build and significant time elapsing since, **why have they these temporary classrooms not been removed? What if any action has/is the Shire taking on this matter?**

- 5. There is documented records of complaints from many members of the Lower Chittering ratepayers received by the Council and action proposed and Motion carried in Council minutes and corresponding attachments regarding the above over the years. **Despite this, no follow-up action appears to have been taken by the Shire to enforce these undertakings.**
  
- 6. At the recent Shire meeting of ratepayers, the acting CEO in front of the Shire President, stated the Project could only go ahead in its' present form if the Grant was not to be lost. It is my understanding that this is incorrect and that it is possible for the Grant to be put on hold, postponed or it can be revised and applied to a better solution after better consultation, planning to provide a more affordable solution for the benefit of our community.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

19 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

**MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

I support the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

I have lived in Lower Chittering for 3 years with my husband and three children who attend Immaculate Heart College. We love living here and being a part of the community.

I wish to advise that I fully support the major land transaction and believe the \$3M contribution from the Shire for the new \$9.71M sport and recreation facility to be a much needed resource for the health and well-being of the community. I believe this facility is desperately needed in the community, particularly due to the large growth Lower Chittering and surrounding areas are seeing.

I have no objections to this letter being made public, however, request that my address, name and telephone number first be redacted.

Regards

[REDACTED]  
[REDACTED]



19 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

**MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

We support the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

We have been apart of the community for 8 years now, and enjoy the country lifestyle. Our children attend IHC and we intend to be part of this community for many years to come.

We believe this is a fantastic Project for the community, especially that of Lower Chittering who is on the southern edge of the Shire with few facilities nearby. The area is growing rapidly and I see much benefit for all in that part of the community, as well as for the rapidly expanding IHC. What better than to have a sports recreational facility to bring the community together and draw people to the area as well. Think it would benefit the Shire in the long term with income into the future.

As a parent of children attending IHC and a contributor to the establishment of the school, I wish to thank those councillors on the shire council who have been supportive of IHC. In conjunction with the new Divine Mercy Church being built adjacent, I think this area is going to be a vibrant Hub of activity into the future, that the Shire could build on and also benefit from in the long run. With foresight for future infrastructure always welcomed sooner rather than later.

Maybe into the future their could also be planned a water playground attached to this new facility, which would bring in many of the residents and non residents to enjoy our long hot summers. This would be a big boost to the Shires income, with bringing the community together instead of having to travel much further away for those sorts of facilities and family enjoyment.

Many parishoners of the area and parents I talk too, mostly residents, are very supportive of the growth of this area, and the expanding IHC and DM Church. They are looking forward to the future when these developments are completed and/or expanded for their dutiful use. Enhancing the area with a sports precinct would eventually put Lower Chittering in line with many other shires who provide these facilities (such as Gingin).

It is unfortunate, that in todays world we generally only here of the small group opposed to certain ideas, proposals or works that are generally in nature, for the good of all. It is a shame that the majority of people who support this project, and I believe there are many more times those than do not support it, do not make their voices heard.

We have no objections to this letter being made public, however, request that my address and telephone number first be redacted.

Regards

A large black rectangular redaction box covering the signature area.



19 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

**MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

I support the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

Lower Chittering has been my home, and where I have chosen to raise my family – since 2014. I live, work and play in this beautiful area, having been the President and Vice President of the Immaculate Heart College Parents and Friends Association for the last 7 years, and now working in Administration at the College also. I am a past member of Muchea Netball Club with my children, and have moved to our new Bindoon-IHC Netball Club, to continue to support local sport – as part of the South Midlands Netball Association.

Over the last 15 years, I have seen the area grow in population, and need for more services and amenities continues to increase. One of the “golden promises” that saw us settle in the area was that there would be a community hub, including sports facilities built at the junction of Muchea East Road, and Santa Gerturdis Drive. I have lent my full support to this venture, as a member of the initial Community Reference Group in 2018, and my continued support of Councillors Houston, Tilbury, Ross and Osborn in their efforts to see this wonderful plan come into fruition.

I am truly saddened by the actions of a very vocal minority in opposition to this project, who have sought nothing else than to personally attack anyone willing to stand up in support. There are many people in the area who support this project, who feel unable to publicly state their opinions, due to backlash to their businesses, families etc.

Please accept this letter as my unequivocal support of the project, the Shire of Chittering and the Councillors mentioned previously for their thoughtful consideration of future development in our area.

Regards





16 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

### **MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

Council's decision to proceed with the Lower Chittering Sport & Recreation Facility is strategic and visionary.

This project has been earmarked since 2002, has had significant work undertaken to demonstrate its need, proximity and viability. In fact, there are many written references to it in Shire publications and ample opportunities were provided for Community feedback and involvement.

Lower Chittering has the largest population in the Shire of Chittering, continues to experience the most growth and the land proposed for this facility is Shire owned, so all metrics certainly support the proposal.

It is important to note that this facility was designed to provide sport and recreation services that are not currently available in the Shire of Chittering. Community feedback recently indicates the most popular aspect of the new facility will be the indoor multi-purpose courts, so if for any reason grassed areas cannot be provided, construction of this building alone would still be justified, well utilised and would also provide a source of income to the Shire. The additional building proposed would also become a greatly needed hub for the local Community and will provide modern facilities (the Shire has not built any new Sport & Recreation facilities for decades) that can be utilised by people engaged in sport, recreation, social events and also for those looking to host functions.

Opponents continue to unfairly cast aspersions on the financials of this project, but how anyone cannot see the value of a \$10M Shire owned and managed facility being built for a capital investment of only \$3M is beyond me and many other reasonable people. Operational costs will rightly be factored into the annual Budgets when known and once arrangements have been finalised with all users.

The decision to work collaboratively with Immaculate Heart College also demonstrates excellent business acumen, given it will provide a significant financial investment for capital that it will not own and usage of the facility will be maximised during school hours, which works harmoniously with the Community.

Opponents would have you believe that they speak for the entire Community, but I can assure you that they do not. In fact, so passionate are supporters of this project that in just a few days, 362 people signed a Petition to support Council, who is being unfairly criticised by opponents for making what is in fact a very good, well informed decision that will provide significant benefit for our Community. Persons who signed this Petition are residents, ratepayers and those in the region that support this fantastic venture.

Please find attached our Petition **IN SUPPORT** of the Lower Chittering Sport & Recreation Facility, which is included as part of this submission.

It is important for the safety and security of all individuals who signed the Petition that their personal information is not disclosed, so I therefore request that the Petition itself be kept confidential. I have no objections to this letter being made public, however, request that my address and telephone number first be redacted.

Finally, on behalf of the broader Community, I would like to thank each Councillor who continues to support this project and urge them to continue doing so in the knowledge that the vast majority of our Community is behind them and is grateful that they have the intestinal fortitude to make such difficult decisions, which are in our best interest.

Kind regards

A black rectangular redaction box covering the signature of the sender.

Encl.

To the Shire President and Councillors of the Shire of Chittering  
PO Box 70  
BINDOON WA 6502

We, the undersigned, do respectfully request that the Council:

Takes all necessary action to continue supporting development and delivery of the Lower Chittering Sport & Recreation Facility. This fantastic project will provide significant benefits for our Community, so we therefore seek your ongoing commitment to ensure construction commences as soon as possible.

The names and addresses of your petitioners IN SUPPORT are as follows:

DATE	NAME	ADDRESS	SIGNATURE
16.6.19	Mike Beltrametti	[REDACTED]	
16/06/19	JAY MCSWEENEY		
17/6/19	Sam Young		
17/6/19	Sophia Corrie		
17/6/19	Marianne Rullo		
17/6/19	DAN EGGLESTON		
17/6/19	Tracy Billam		
17/6/19	Tracey Macdonald		
17.6.19	JASON ATKINS		
17.6.19	Kirrily Atkins		
17.6.19	Savannah Giblett		
17.6.19	Brayden Heath		

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The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
13/6/19	Daniel Thomas	[REDACTED]	
13/6/19	Fern Thomas		
13/6/19	David M Sweeney		
13/6/19	Arwen Thomas		
13/6/19	Terrence McSweeney		
14/06/19	Chloe McYaffie		
14/6/19	Jen Edwards		
16/6/19	Daniel Van Blommestein		
16-6-19	ANDREW COOPER		
16.6.19	MARK GURCH		
16.6.19	Carey Church		
16.06.19	Anna Beltrametti		

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The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
15/6/19	Dianne Theon		
15/6/19	John Smyth		
16/6/19	Grant Coultis		
16/6/19	Lisa Molyneux		
16.6.19	KEVIN SIGGERY		
16.6.19	VEDA SIGGERY		
16.6.19	Aaron Jordan		
16.6.19	ASHLEIGH JORDAN		
17/06/19	Slade Healy		
17/06/19	STELLA CARMICHAEL		
	Deam Healy		
17/6/19	SHARON MOORE		

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The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
13/6/19	Daniel Parker	[REDACTED]	
13/6/19	EMILY PARKER		
13/6/19	HEATH ELKINGTON		
13/6/19	Michelle Stuart		
13/6/19	KERRIE READ		
13/6/19	Christie West		
13/6/19	MONIQUE MUMFORD		
14/6/19	Ben Smart		
14/6/19	Lynn Daffen		
16/6/19	CHARLOTTE KARE MAJER		
16-6-19	STUART ROBERTSON		
16-6-19	Joel FERGUSON		

*[Handwritten signature]*

To the Shire President and Councillors of the Shire of Chittering  
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DATE	NAME	ADDRESS	SIGNATURE
14/6/19	Jaime Coomber	[REDACTED]	
14/6/19	Jarrad Pili		
14/6/19	Tyler Coomber-Pili		
14/6/19	Amy Wilson		
14/6/19	Aaron Wilson		
14/6/19	Casey Ferguson		
14/6/19	DOROTHY TORD		
14/6/19	I. Tord		
14/6/19	Nita Schmidt		
"	Eric Schmidt		
"	BRAD Schmidt		
14/6/19	Abbey Lead		

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DATE	NAME	ADDRESS	SIGNATURE
16-6-19	Clara Spence	[REDACTED]	
16-6-19	Collette Spence		
16-6-19	Liam Spence		
18-6-19	Lindon Mazalevskis		
18-6-19	Carol Mazalevskis		
18-6-19	EMMA Mazalevskis		
18-6-19	SHIRLEY EMBREY		
18/6/19	PAUL RIDDLE		
18/6/19	LINSEY RIDDLE		
18/6/19	Ashleigh RIDDLE		
18/6/19	Courtney RIDDLE		
19/6/19	Anne Tong		

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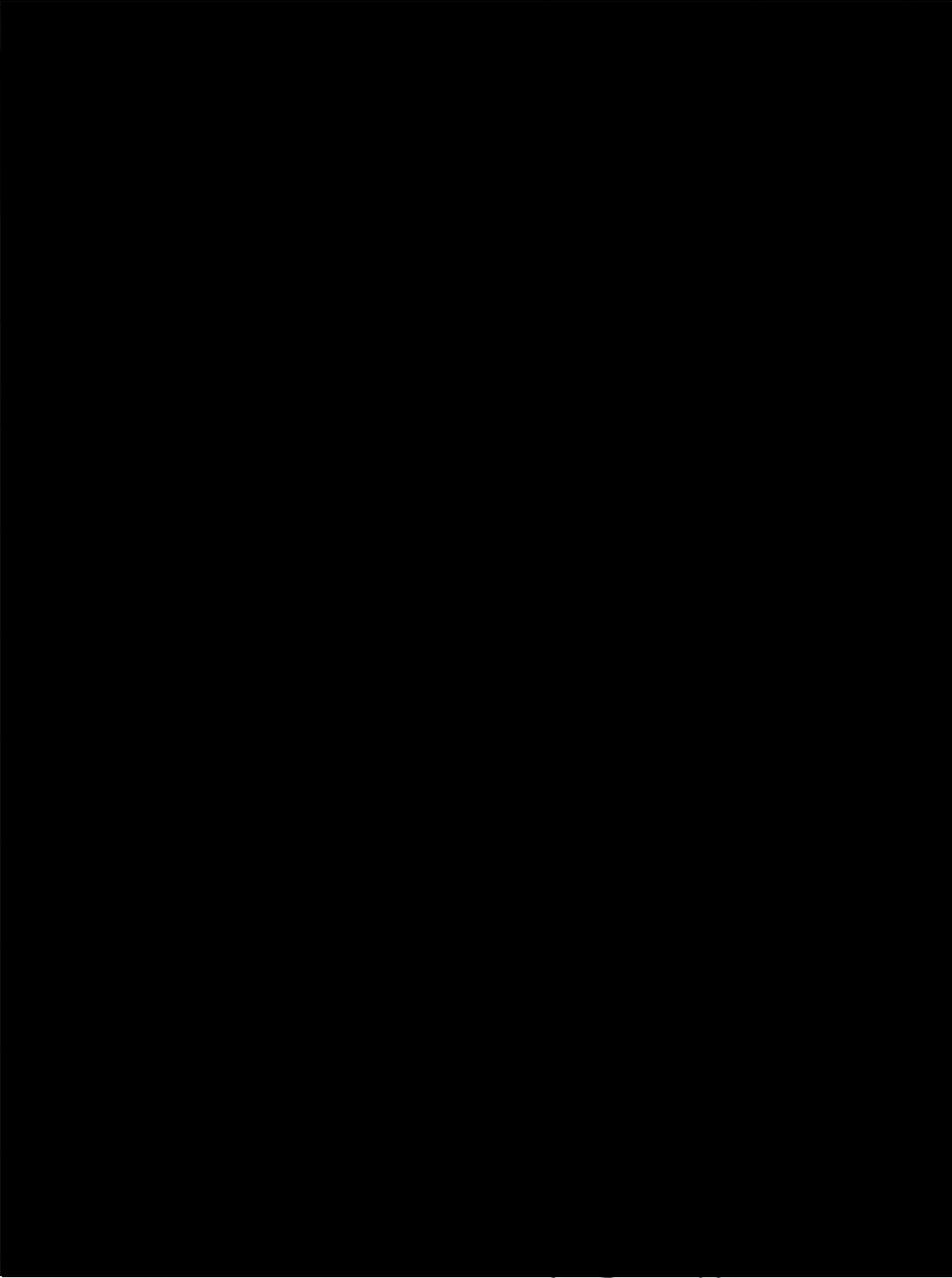
DATE	NAME	ADDRESS	SIGNATURE
16/6/19	JAI ME-LEE O'CONNOR	[REDACTED]	
16/6/19	DAVID O'CONNOR		
16/6/19	Elijah Tilbury		
16/6/19	Alexis Tilbury		
16/6/19	Isaiah Tilbury		
16/6/19	Nick Beu		
16/6/19	Kylie Beu		
16/6/19	Courtney Bell		
16-6-19	Katelgn Mangini		
16.06.19	JACOB BEU		
16.06.19	BEN Eggleston		
16/6/19	Benita Eggleston		

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The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
15/6/19	Andrew Wood		
15/6/19	AMBERLEY WOODS		
15/6/19	Gail Woods		
15/6/19	Janus Woods		
15/6/19	Sue Parkinson		
15/6/19	Gary Parkinson		
15/6/19	Jack Parkinson		
15/6/19	Will Parkinson		
15/6/19	GEORGE OGNENIS		
15/6/19	STONEY OGNENIS		
15/6/19	JAMES OGNENIS		
15/6/19	ZACH OGNENIS		

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DATE	NAME	ADDRESS	SIGNATURE
16/6/19	PAUL SEARCE		
16-06-19	NEIL MASON		
16/6/19	Steven Mason		
16/6/19	ANTHONY MASON		
17/6/19	Alfred Bell		
17/6/19	Kylie Greer		
17/6/19	Emma Turner		
18/6/19	Joanne Kenworthy		
18/6/19	Therese Fleming		
18/6/19	Peter Fleming		
19/6/19	Meika Gough		
	Philip Gough		

## PETITION

To the Shire President and Councillors of the Shire of Chittering  
 PO Box 70  
 BINDOON WA 6502

We, the undersigned, do respectfully request that the Council:

**Takes all necessary action to continue supporting development and delivery of the Lower Chittering Sport & Recreation Facility. This fantastic project will provide significant benefits for our Community, so we therefore seek your ongoing commitment to ensure construction commences as soon as possible.**

The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
18 June 19	Marijke Thomas		
18 June 19	BS Thomas		
18 June 19	Kimberly Campbell		
18 June 19	Donna Stevenson		
18 June 19	Neill Weiss		
18 June 19	Gabriel Patalano		
18 06 19	MATT WHELAN		
18.6.19	Sue Smith		
18.6.19	Kaelum van Heek		
18.6.19	Louise Smith		
18.6.19	Narelle Thompson		
18/6/19	Vanessa Crook		

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DATE	NAME	ADDRESS	SIGNATURE
17/6	Cath Hall		
17/6	Julie Burger		
17/6	John Rullo		
17/6	Ashley Lomas		
17/6	Aaron Lomas		
17/6	Annie Hudson		
17/6	Jo Beedham		
17/6	Geoff Beedham		
17/6	Ryan Beedham		
17/6	Ross Beedham		
17/6	Justin Reid		
17/6	Andy Whittaker		

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DATE	NAME	ADDRESS	SIGNATURE
14/6/19	Donna Hull	[REDACTED]	
14/6/19	Brett Hull		
14/6/19	Steve Thomas		
14/6/19	Kerry Cornwall		
14/6/19	Matilda Stevens		
14/6/19	Helen Cutler		
14/6/19	Lee Cutler		
14/6/19	A. BROWN		
14/6/19	N. ORMSBY		
14/6/19	M Hancock		
14/6/19	L-Malynn		
14/6/19	E. Giblin		

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14/6/19	LAURA DRYDEN	[REDACTED]	
14/6/19	Renée Rushton		
14.6.19	STACEY CORINNA		
14/6/19	ANDREW GRAY		
14/6/19	Marie Laundry.		
14/6/19	Mr Jordan		
14/6/19	Emilie Corrie		
14/6/2019	T. carpenter		
14/6/2019	A Cockaye		
14/6/2019	Heath Barker		
14/6/2019	C. Taylor		
"	C Kealy		

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DATE	NAME	ADDRESS	SIGNATURE
13.6.2019	COLLETTE CAMPBELL		
13.6.2019	mark Campbell		
13.6.19	Heather Scholz		
13.6.19	Sandra Barker		
13/6/19	Nyaree Lake		
13/6/19	Angela Scarth		
13/6/19	Tina Draper		
13/06/19	Jane Zillessen		
13/6/19	Deanne Joubert		
13/6/19	Jemma Bradley		
13/6/19	Bianca Hurley		
13/6/19	Lucas Hurley		

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DATE	NAME	ADDRESS	SIGNATURE
13-6-19	Hollie Lloyd		
13-6-19	Diane Whitaker		
13-6-19	Annette Sheehan		
13-6-19	Amanda Miles		
13-6-19	Ara Luentjaya		
13/6/19	Simone Campbell		
13-6-19	Brian Campbell		
13.6.19	Holly Dewhirst		
14/6/19	Monica Statton		
14/6/19	Amy Wainwright		
14/6/19	Joanne Stevens		
14/6/19	Alexander Dyden		

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DATE	NAME	ADDRESS	SIGNATURE
14/6/19	Ashtyn Sinclair		
14/6/19	Tobias Zillesen		
16/6/19	Karen Wimshurst		
16/6/19	Steven Wimshurst		
16/6/19	Sandy Thomson		
16/6/19	Erin Wimshurst		
16/6/19	Boyd Wimshurst		
16/6/19	Hamish Wimshurst		
16/6/19	Donna Clark		
16/6/19	L. Winterbourne		
16/6/19	R. Kirby		
16/6/19	Michael Clark		

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DATE	NAME	ADDRESS	SIGNATURE
17/6/19	Emily Rogers	[REDACTED]	[REDACTED]
17/6/19	CHLOE REEDS		[REDACTED]
17/6/19	David Booth		[REDACTED]
17/6/19	Shawn Hutchinson		[REDACTED]
17/6/19	DONNA TAYLOR		[REDACTED]
17/6/19	Tim Woodman		[REDACTED]
17/6/19	Garth Lloyd		[REDACTED]
17/6/19	Brianna Jarnis		[REDACTED]
17/6/19	ROB TRAVAGLINO		[REDACTED]
17/6/19	KEVIN GIBSON		[REDACTED]
17/6/19	Nicole Woodfrey		[REDACTED]
17/6/19	Abe Woodfrey		[REDACTED]

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The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
15/6/2019	Marie Memfield		
16/6/2019	LIZA DONEY.		
16/6/2019	PAUL PEPOFSKY		
16/6/19	SHAW/TAYLOR		
16/6/19	Kerry Smith		
16/6/19	Kerry Thompson		
16/6/19	Nick Bertoni		
16/6/19	Scott Munro		
16/6/19	Mal Murray		
16/6/19	Sonje Clark		
16/6/19	Timothy York		
16/6/19	Dianne Dmond		
16.6.19	RUTH. AVER?		
16.6.19	Dawn Pascoe		
16.6.19	Kat Dumont		
16.6.19	Mel Pascoe		
16.6.19	Uma Bae		
16/6	Stew Wilson		
16/6	Amy Morris		
16/6	Hania Wilson		
16/6	Denise Holdcroft		
16/6	Carson Feltoe		
16/6	PAMELA WHEELER		
16/6	Mal Wheeler		

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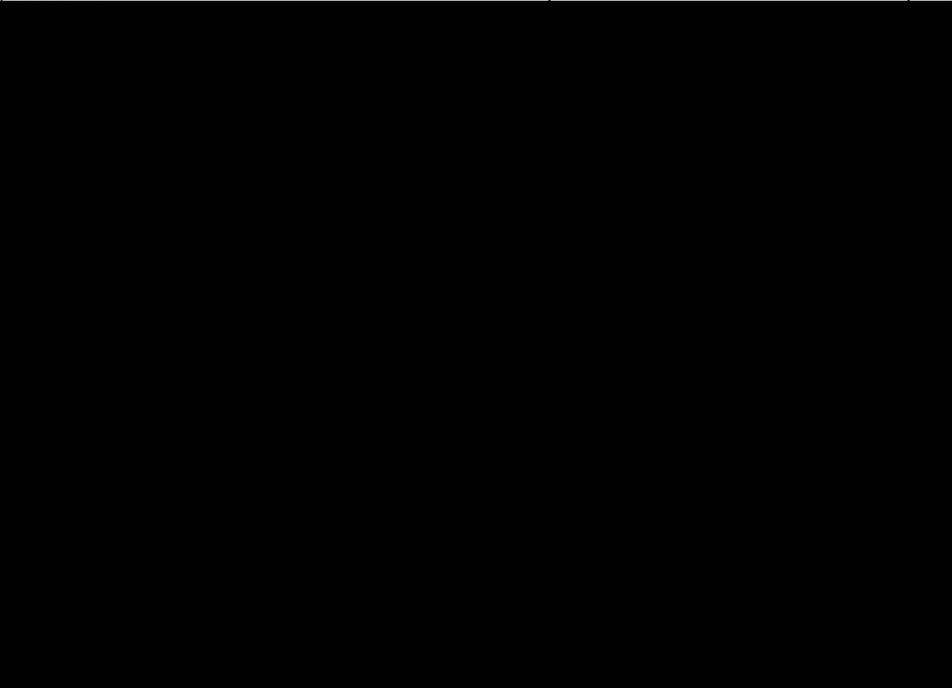
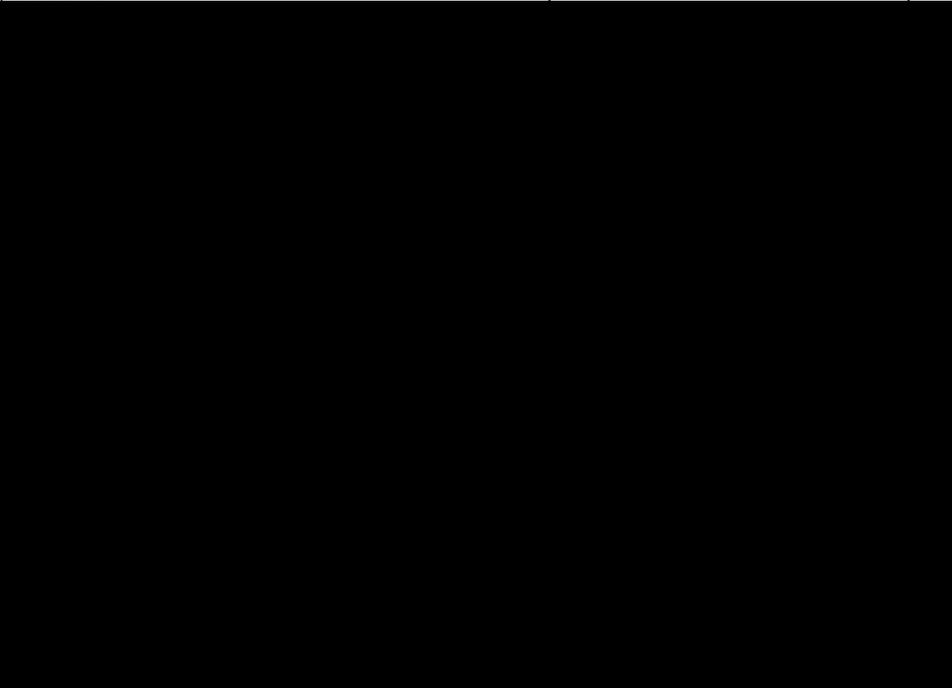
DATE	NAME	ADDRESS	SIGNATURE
16/6/19	Melissa Mcir		
16/6/19	Steve Reynolds		
16/6/19	Alex Sealer		
16/6/19	ALAN SAVAGE		
16/6/19	Terry Allwright		
16/6/19	S. Raudria		
16/6/2018	Peter de Toledo		
16/6/19	Jocelyn Timbreza		
16/6/19	SARAH WEBB		
16/6/19	Michel Kutha		
16/6/19	Mandy Purif		
16/6/19	ADAM CONVERY		
16/6/19	Barbara Stanley		
16/6/19	Matthew Stanley		
16/6/19	Catrina Bassett		
16/6/19	Nettan Menfield		
16/6/19	Cameron Saunders		
16/6/19	JACKY SAUNDERS		
16/6/19	M. VAN EMPEN.		
18/6/19	J. Hampton		
18/6/19	Nicole Colson		
18/6/19	Missy Andersen		

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The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
16 JUNE 18	HELEN MCKENNA		
16-6-19	BRETT MCKENNA		
16-6-19	Monica McKenna		
16-6-19	Mitchell McKenna		
17-6-19	Natatia Kolegora		
17-6-19	Alex Kolegor		

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The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
6/17/19	Arlene Calamcam	[REDACTED]	
6/17/19	FLOD PASCUAL		
6/17/19	ROWENA LIBAO		
6/19	Debbie Ward		
6/19	Katherine Cook		
18/6/19	Caloy		
18/6/19	Ross Steele		
18/6/19	WAG SAES		
18/6/19	John		
18/6/19	SOE		
18.6.19	J. WILLIAMS		
18-6-19	Brooke		
18.6.19	DAN HAMMERS		

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The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
17/6	Beth Hazelden	[REDACTED]	[REDACTED]
17/6	Trevor Hazelden		
17/6	CRAB FORD		
17/6	Suan Goodall		
18/6	LAURA WILKINS		
18/06	Nic Mullins		
18-06	GARY WILKINSON		

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DATE	NAME	ADDRESS	SIGNATURE
16/6/2019	Julie Darbyshire	[REDACTED]	[REDACTED]
16/6/2019	Tony Darbyshire		[REDACTED]
17.6.19	Camanda Redfern		[REDACTED]
17.6.19	Russell Redfern		[REDACTED]
18.6.19	Jill Charles		[REDACTED]
18.6.19	Michelle Rossouw		[REDACTED]
18.9.19	Kelly Polla		[REDACTED]
18-6-19	Dave Wright		[REDACTED]
18.6.19	LAUREN WRIGHT		[REDACTED]



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The names and addresses of your petitioners **IN SUPPORT** are as follows:

DATE	NAME	ADDRESS	SIGNATURE
17.6.19	Gilla Fahey-Gilmo	[REDACTED]	[REDACTED]
17.6.19	Ellyn Johnson		
17.6.19	Jeff Fahey-Gilmo		
17.6.19	Lachlan Fahey-Gilmo		
17/6/19	Jack Fahey-Gilmour		
17/6/19	Kelly Rickert		



PETITION

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DATE	NAME	ADDRESS	SIGNATURE
17-6-19	CLAIRE WILLS	[REDACTED]	[REDACTED]
18/6/19	W. COWLING		
18/6/19	RYAN COWLING		
18/6/19	KATHRYN MIZZI		
18/6/19	MARION CHERRY		



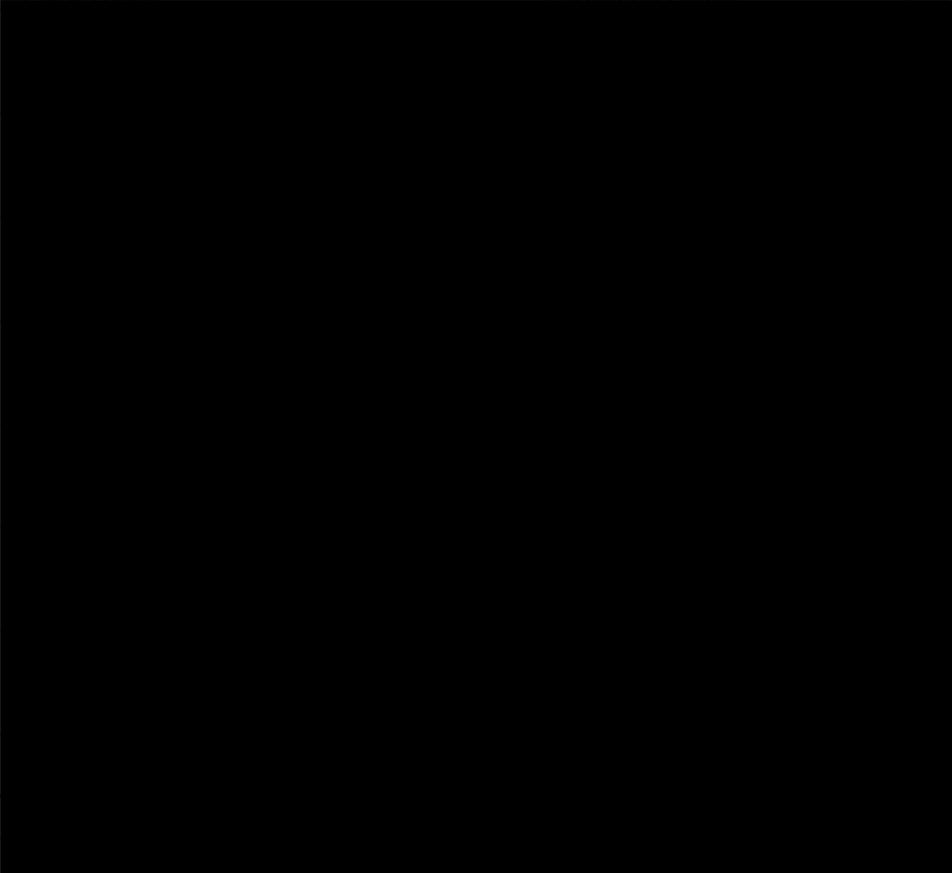
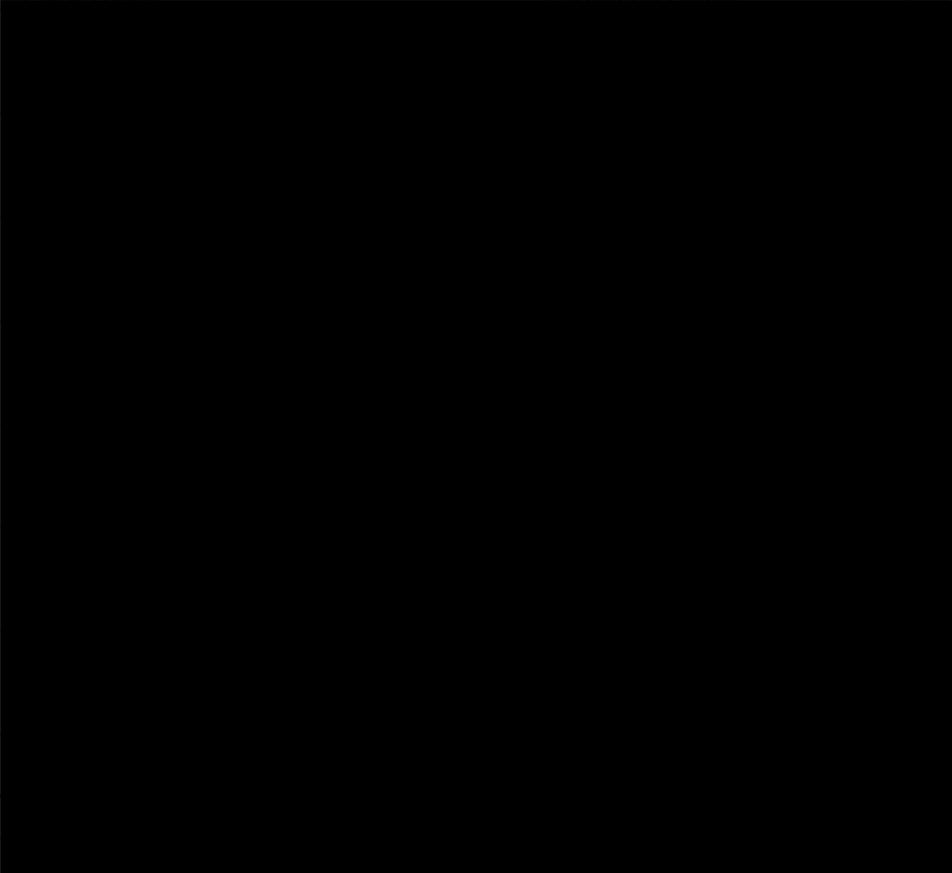


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DATE	NAME	ADDRESS	SIGNATURE
12/06/2019	Li Cheng Ng- D'acunto		
14/06/2019	Ben D'Acunto		
14/06/2019	Ivana MF Ng – D'acunto		
16/06/2019	Montbrook Pty Ltd		
16/06/2019	Montbrook Pty Ltd		
19.6.19.	Stacey Petit		
19.06.19	Aaron Petit		
19.06.19	Nahvel Dallywater		

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DATE	NAME	ADDRESS	SIGNATURE
18.6.19	Shenae North		
18.6.19	Luke Ridley		
✓	GARRY GIBELINI		
19.6.19	Sonja Couch		
19.6.19	<del>Garry</del> Hall		
19.6.19	Carla Marotta		

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18.6.19	JENNIFER CARR	[REDACTED]	[REDACTED]
18/6/19	CHRISTOPHER CARL	[REDACTED]	[REDACTED]
18/6/19	GODFREY READ	[REDACTED]	[REDACTED]
18/6/19	ROBERT BURNS	[REDACTED]	[REDACTED]
19/6/19	JOHN MACDONALD	[REDACTED]	[REDACTED]
19/6/19	Chantal Baker	[REDACTED]	[REDACTED]
19/6/19	Daniel Lagana	[REDACTED]	[REDACTED]
19/6/19	Janine Midgeley	[REDACTED]	[REDACTED]
19/6/19	Atelra Poole & King	[REDACTED]	[REDACTED]

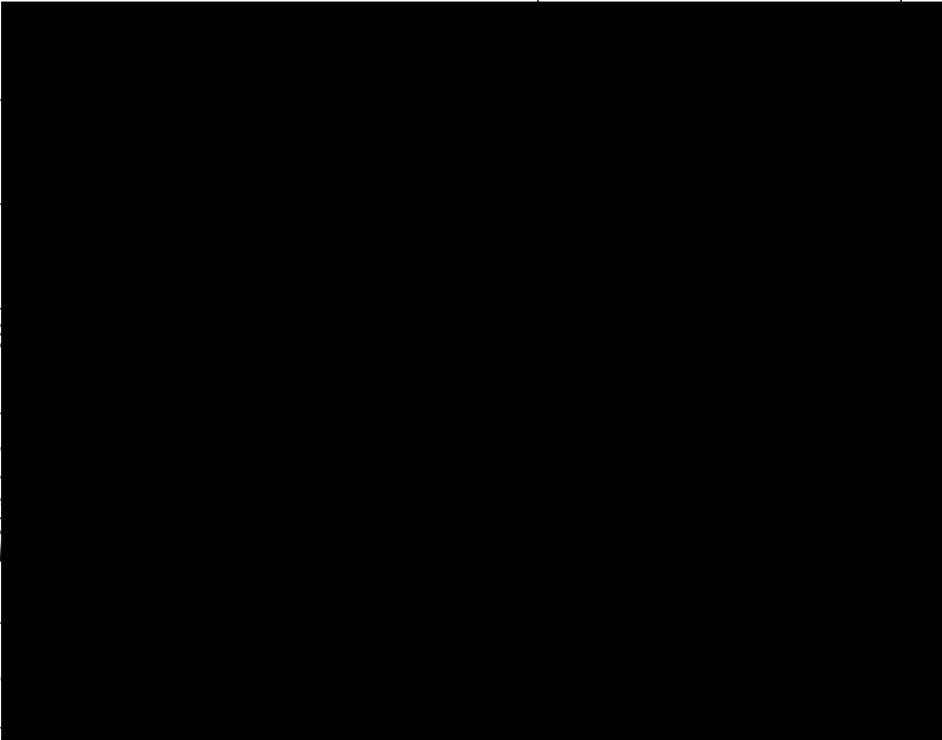
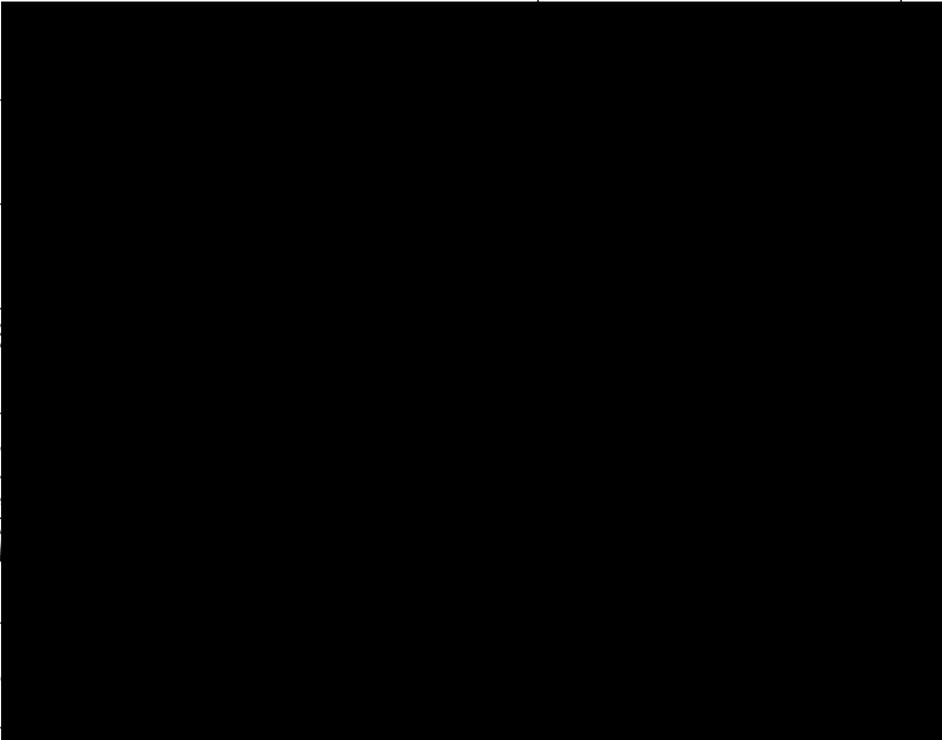
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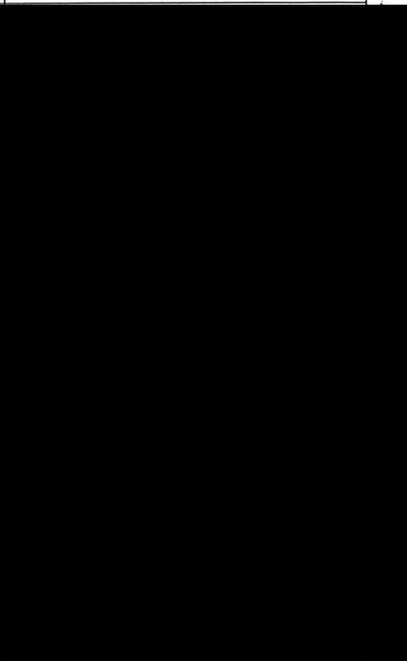
DATE	NAME	ADDRESS	SIGNATURE
18/6/2019	Natalie Scibilia		
18/6/2019	Joe Scibilia		
18/6/2019	DANIEL MATTHYS		
18/6/2019	Rachael Leggett		
18/6/2019	Yvonne Hamer		
19/6/2019	Kerryn Parsons		
19/6/2019	Ray Miller		

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17.6.19	Roy Moore		
18.6.19	Phil Edwards		
18.6.19	RENAE NORMAN		
18.6.19	Mychelle Edwards		
18.6.19	Jim Edwards		
18.6.19	Bevan Norman		

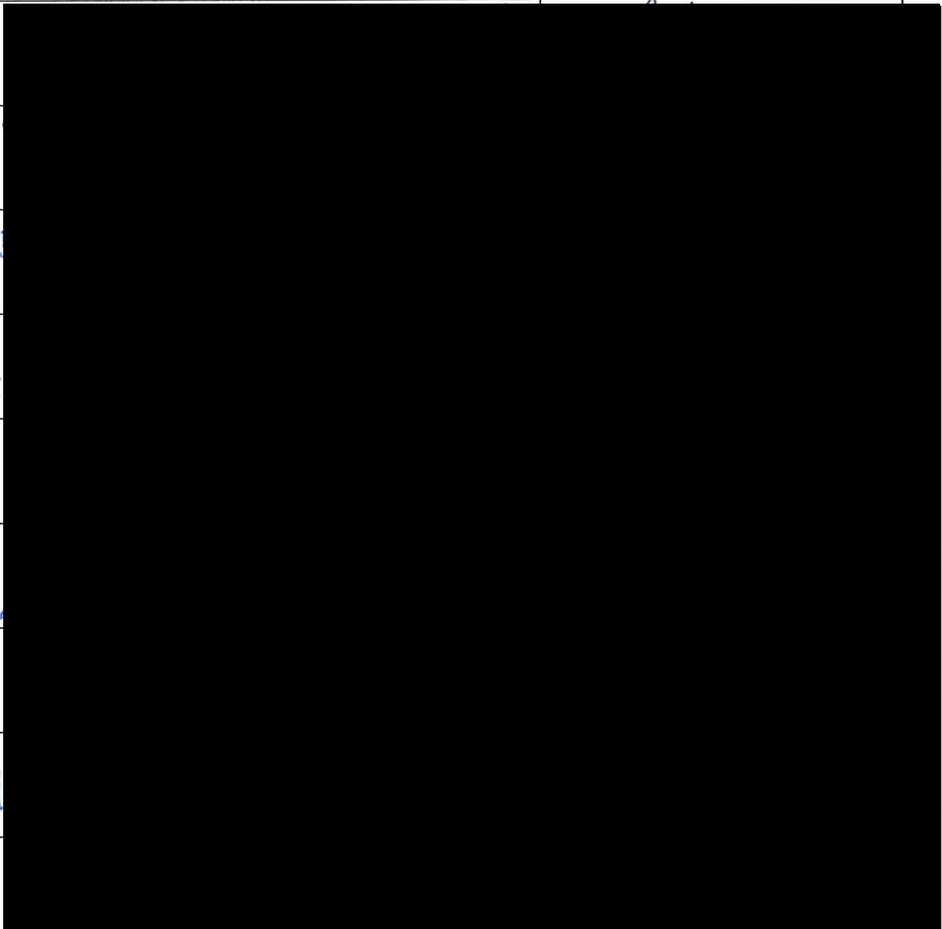
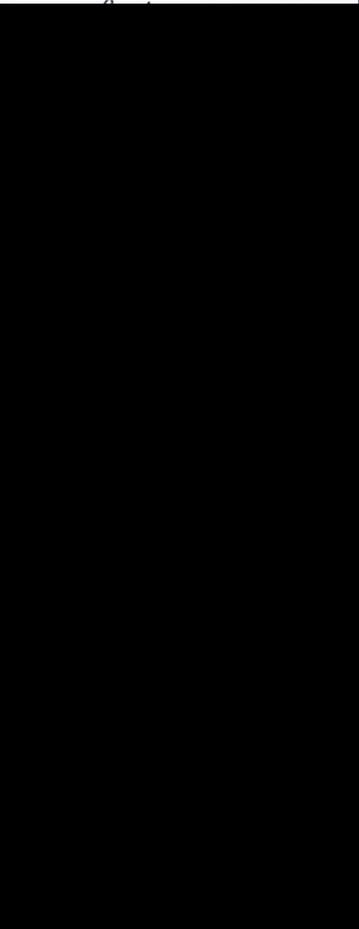
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DATE	NAME	ADDRESS	SIGNATURE
14/6	Natasha Shuker		
14/6	Sara Searle		
16/6	Ben Carpenter		
19/6	Kerryanne Wydra		
19/6	Chloe Wydra		
19/6	Jason Wydr		
19/6	Jordan Wydra		
19/6	Kernie Campbell		
19/6	Paul Campbell		







19 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

**MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

Please take this letter as my unequivocal support for the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

I moved into Bindoon eight months ago after living in the suburbs of Perth for over 15 years. I decided to move my family out this way for work reasons but also to have more of a country life for my growing family. I have worked in Lower Chittering for almost 3 years now and have loved every minute of it. The sense of community that is shown here is loving, warm and absolutely amazing.

When I heard about this new sports and recreation complex being built out in Lower Chittering, I was really excited. One down side to us moving to the country is that we had to leave the occupational therapy behind that helped my husband deal with his chronic pain. My husband is on the disability pension and relies heavily on occupational therapy for relief. With this new complex we are very hopeful that there would eventually be some sort of therapy sessions for people like my husband. To be able to source OT in the local area instead of the longer drive into town would be extremely beneficial to our family, as well as any other family that is in a similar situation to my own.

My children would also get a lot of benefit from this centre to be able to grow up and do sports or swimming or whatever is available at the time, for them to partake in just like they do in town.

To be able to bring some of the facilities that are almost taken for granted in the city out here to us in the country would be greatly beneficial to whole community, from the jobs it will create in the construction to those who will be running the facility, to those who will get a lot use from the actual sporting complex.

Regardless of what you may or may not have heard/received, I have not spoken to anyone as yet, that has been opposed to this project. I personally do not know one person that is against it and I have only heard good things that could come from this project.

Time passes and people move on, is it best to bow to the minority and cancel the project to the detriment of the wider community or to stand and say, 'well in twenty years' time this will be a central hub for people to be able to gather and enjoy, bringing others to our lovely community for them to see what we have and how we banded together for the good of the wider community'.

On behalf of myself and my family I wish thank those councillors who are in favour of this project. I thank you for your support and dedication to the wider community and their requests/wishes.

I have no objections to this letter being made public, however, request that my address and telephone number first be redacted.

Regards

[Redacted signature block]

**From:** [REDACTED]  
**To:** [Chatter; eso@chittering.wa.gov.au](mailto:eso@chittering.wa.gov.au)  
**Subject:** ISB191575 - Shire of Chittering - Proposal to Dispose of Property 99 Santa Gertrudis Drive Lower Chittering  
**Date:** Saturday, 17 August 2019 12:08:07 PM

---

Good Morning,

Please pass onto the relevant Shire Officer.

Re: Proposal to Dispose of Property

The Shire of Chittering proposes to sell **Lot 99 Santa Gertrudis Drive, Lower Chittering** to **Immaculate Heart** for the following consideration:

- Two hundred and seventy-five thousand dollars (AUD\$275,000).

The market value of the disposition was assessed at AUD\$245,000 on 19 July 2019.

Other relevant detail:

- The portion of land is approximately 3ha and is of irregular shape.
- The Contract of Sale is for the purpose of an extension to the school.

As long term Residents and Ratepayers and Family whose child attends Immaculate Heart College (IHC) we **SUPPORT** the sale of Lot 99 Santa Gertrudis Drive to Immaculate Heart College for the following reasons:

The land sale will enable to Immaculate Heart College to develop on one site which:

- Avoids students having to regularly cross busy Santa Gertrudis Drive. Main Roads has in the past refused to classify this section of Santa Gertrudis Drive as a school zone so current speed zone is 70km/h instead of the standard 40km/h school zone speed limit.
- High School Students would not need to cross the road to access the new Lower Chittering Sports and Recreation Facility.
- Ensures IHC continues to be "One School" ie not look or feel like 2 Schools.
- Ensures the security of students by being in one location. Simplifies the accounting of Students in emergency eg intruder, bushfire etc. This is important as IHC moves to a 2 Stream Primary School commencing 2020.
- Primary and High School students can easily move around to mentor and be mentored by other students
- Makes it easier to schedule classes where Teachers have varying teaching areas, knowledge and skills. Maximises class time due to not having to travel between multiple sites.
- Avoids costs of duplicating infrastructure eg power, water, sewerage, parking etc which releases money to be spent on the children's education or developing required infrastructure – class rooms, laboratory, workshops etc.
- Is better for the look and feel of the area to have the school on one site and not spread into the adjacent rural residential property zone. IHC and the Catholic Church are adjacent to the Commercial Zone located on the corner of Muchea East Road and Santa Gertrudis Drive so it makes sense for all non-rural residential related development to take place in this area.
- Avoids any issues with Local Land Owners regarding having to deal with increased traffic along Angus Way or sharing a boundary with a School (noise and security issues).
- Reduces need to maintain 2 sites eg landscaping, gardens, car parks etc
- Lowers the environmental footprint of IHC.

Some members of the Community may be opposed to the land sale as they may have issues with the Shire, IHC, the Catholic Church or the Lower Chittering Sports and Recreation Facility (or a combination of any or all 4).

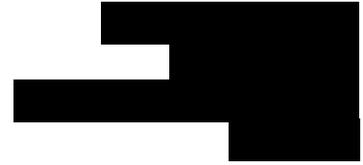
We know the Shire will make a decision based upon what is best for the Shire and IHC.

Please contact us if you have any queries.

Thankyou

Regards

[Redacted signature block]



15 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

### **MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

We definitely support the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

We live in Lower Chittering and choose to raise our 5 children. We are is 3<sup>rd</sup> generation to the area and have seen some wonderful changes to Lower Chittering over the years.

We fully support the building of the new Sport & Rec Centre at Lower Chittering and believe it will be a great asset to the whole community. Lower Chittering is the fastest growing area of the Chittering Shire and has the largest population of any area within the Shire, although it has the least infrastructure. We believe the new sport & Rec Centre will be a great asset offering facilities that are available nowhere else in the Shire. Indoor multi use courts, a rectangle playing field will allow development of soccer, hockey, rugby clubs etc. A facility to offer a function center, a commercial kitchen and sports bar, a 24/7 gym, meeting areas where groups of all ages can create community groups in comfort locally. It will be an asset to the whole community.

The fact that the proposed center is located in close proximity to Immaculate Herat College is an added bonus to the families that attend there, as they will be able to use the facility just like the rest of the community. We are not affiliated with Immaculate Heart College and our children do not attend there, But think it is great the school can see how privileged they will be to have this facility so close to them and commend them for contributing \$2million to the center.

Thank you to Council and the Chittering Shire for having the insight to progress and look to a positive future for the Chittering Shire as a whole and build infrastructure to meet the growing demands. The dedication of the council in progressing with success of Muchea Employment Node will help generate income for the Chittering Shire as well as offering employment opportunities for locals. The North Link coming through will make all our commutes faster and safer. Thank you, Councilors, for your hard work and continued dedication to improving our beautiful Shire

Kind Regards

A black rectangular redaction box covering the signature area.

*we have no objections to this letter being made public, however, request that my address and telephone number first be redacted.*



19 August 2019

**M Gilfellon  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502**

**MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

We support the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

We have been members of this community for over 12 years – both in Chittering and Bindoon. We make it our responsibility to support local business in our area and in return they support out local community groups such as schools, clubs, sports teams etc. Or at least that's how it's supposed to be.

We are in full support of the Lower Chittering Sport and Recreation Facility. We feel that not only will the project be beneficial for the local community's children in regards to sports and community activities. it will also give the area a much needed boost in terms of having a great, modern venue which we could potentially rent out for private celebrations, meetings and social/community gatherings. The few premises that we do currently have at our disposal are outdated and few and far between. We also hope that the new centre will in turn bring more employment opportunities to the members of our community.

While this issue is very contentious among different community groups, we personally wish to express out excitement and support of the project going ahead. The fact that we have a child currently enrolled at the Immaculate Heart College school - we wish to state that we had our child waiting to be able to attend the school and the fact that IHC's students will have the use of the sports centre during the day - does not in any way factor into our decision to extend support to the Sports centre. We feel it will be a valuable addition to ALL OF THE COMMUNITY – not just IHC.

We simply believe that ANY DEVELOPMENT of this sort that groups are willing to bring to our area can only benefit all of us and the wider local community, both through adding and improving much needed services, as well as providing opportunity for growth and increased employment opportunities for us and our children.

We feel that it is embarrassing for us as a whole community to display such a 'carry-on' as has been recently. In our time living in this community we have come to accept that it is very much a 'divided' community. Certain 'sub-groups' within the whole community do not support other sub-groups, mostly in relation to suburb – ie, Bindoon, Chittering, Muchea etc. It just seems to be a constant

competition amongst the different areas and each sub-group are always wanting money to be spent in ONLY THEIR AREA and nowhere else.

Unfortunately, some people are just unable to see the bigger picture and understand that any addition to our Shire and amenities is ultimately a good thing for the majority of us. The 'witch hunt' behaviour amongst some very vocal groups is preventing the majority of us usually quiet local citizens from voicing their true opinion for fear of retribution by those groups that can make life very difficult for them in their own 'small town' community.

In all honesty, the manner in which this whole issue has been dealt with in public forums such as Facebook – has left us personally embarrassed at the immature and childish behaviour displayed. Heaven forbid, if only our children see the shocking way that certain groups have behaved towards each other in a war of mud-slinging and tit-for-tat. What sort of example are we setting for our children?!

I have no objections to this letter being made public, however, request that my name, address and telephone number first be redacted.

In conclusion, we would like to thank and commend the local councillors who have been in favour of this project. In my opinion, more people are actually in support of the project than against it. We just think that the ones OPPOSED to it are both louder in their views and also have a more concentrated podium and older community stance for which to shout their opinions from. The vast majority of average citizens that I have engaged with in regard to the project – have been very much in favour of it.

Regards

  
Supportive Community Members



19 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

**MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

I fully support the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

My family has resided in Lower Chittering for the past 7 years. As a volunteer with the local Scouts as well as a long serving member of the Chittering Wildlife Carers, I have enjoyed the sense of community in the Chittering shire. Through my endeavours I communicate with quite a broad cross section of the community and the vast majority of those I have discussed the facility with have been in full support of the project being built in the proposed location. A community hub in Lower Chittering is felt to be long overdue.

We have 2 school aged children who will make use of the new facilities once built and my wife is looking forward to the associated health and wellbeing classes such facilities generally provide.

I take an interest in the management of the shire through the council and I have kept myself abreast of the Shires Strategic Plan. When I became aware of the success of the grant application to assist in achieving one of the key strategic goals of the plan, I was extremely pleased.

As a ratepayer of the shire who has seen several larger projects approved and successfully implemented in recent years, I have every confidence in the shires project management ability to deliver on its commitments.

Through the financial risk mitigation strategy of obtaining the grant, engaging with the adjacent IHC school in both short- and long-term financial support, the purchasing of the required land in such a desirable location seems a logical and ideal step to achieve a successful outcome for the shire residents and their families.

I have no objections to this letter being made public, however, request that my address and telephone number first be redacted.

Regards

  
Resident & Ratepayer



16 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

MAJOR LAND TRANSACTION SUBMISSION - LOWER CHITTERING SPORT & RECREATION FACILITY

I support the major land transaction pertaining to the Lower Chittering Sport and Recreation Facility.

I have lived in the shire for 5 and a half years now with my husband and four children. We love being a part of this community and are involved in sports throughout the year along with other clubs and community activities. This involvement has been great for our physical and mental health.

I believe that the new sporting and recreation centre is a great investment in our shire for the future and that many people will benefit. The grant and co-contribution from Immaculate Heart has made it accessible financially for the community and having guaranteed use part time is an awesome commitment to have from the school.

I believe this project will benefit many in the community physically and mentally and has the possibility for employment and many other new clubs and social activities to come forth and support the whole community.

I believe the councillors involved in this project have been doing a great job under immense pressure and criticism recently from a minority of the public. I like their forward thinking and planning for our community is a great asset.

I believe that there are many more people in support of the project than are opposed to it. Unfortunately many of those opposed to it have been so vocal and even been negative towards those in support that many feel intimidated to publicly state their support or because they already believe the project to be going ahead so they do not realise the need to vocalise their support.

I thank you for your attention in the above matter.

Regards



Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Thursday, 19 August 2019

Dear CEO and Councillors,

### **Objection: Lower Chittering Sports and Recreation Facility**

- I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility and “Land Transaction” for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the aforementioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
- I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act.** It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG

ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.

2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
3. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?
4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

## Capital Financing

5. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is financially reckless, a misapplication of Shire funds and should **NOT PROCEED. I believe this to be a breach of s6.20 & s6.21 of the LG ACT** which stipulates that a local government cannot extend unsecured credit to any creditor. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this private limited liability company default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!
6. I question the validity of the reason given by IHC for Council to undertake a loan on their behalf (to be able it to obtain future capital loans). Surely if declared to a lender, the repayments to the Shire would inhibit IHC loan raising as much as taking out a loan itself. Is the real reason they would be unable to obtain such loan? **It is also incongruent for the Council to accept all financial risk but none by this limited liability company (IHC).** Their total liability limited at just \$40 with 4x directors all having a \$10 limited liability share each.
7. Despite repeated assurances from Shire that IHC can meet its share of costs, we have seen repeated downgrading of their ability to meet their share of the capital and ongoing costs. The Council appears to have been, and is being, "played" by IHC and **Council's due diligence/negotiating has been lacking to say the least.** Furthermore; during this same period of time Immaculate Heart College has purchased the 10Ha adjoining parcel of land consisting of 5x 2Ha blocks for a rumoured \$1M purchase price. The 3Ha Block of land the Shire intend to sell Immaculate Heart is for the express purpose of building a high School Campus there, the cost of which should be a taken under advisement as a liability along with the School's plan to double the enrolment numbers in coming years for the Primary School Campus. Announcing during a recent school assembly that an additional 5x demountable classrooms have been ordered for the beginning of next year. How

have the cost for these been evaluated in the loan serviceability assessment. Has the Shire got a planning application, or amended building application for the installation of these bearing in mind that ancillary buildings namely demountable classrooms have been the subject of numerous complaints from surrounding property owners and do not comply with the building constraints nor allowable land uses for that land zoning under Shire of Chitterings Town Planning Scheme. Nor does the School have a licensed bore, although the Shire are aware they are using an unlicensed bore presently, has any action been taken regarding this by the Shire?

8. The Business Plan makes little comment on the risk of a loan to this limited liability company (IHC). It merely states that in the event of dissolution of the College, the full balance of the loan will become due. If this company becomes insolvent, the maximum liability payable will only be \$40. Much was made of this being highly unlikely by the previous acting CEO. I believe that to be naive and I do not share his belief. Would any financial institution agree to an unsecured loan such as this? **NO THEY WOULD NOT! Furthermore; it would be illegal for a bank, loan broker or lender to provide such a loan under the responsible lending laws.**
9. The inclusion of the funds to be received from the sale of land to be included as IHC's contribution towards the Sports and Recreation Centre Project is **factually incorrect** and needs to be dealt with as a separate contract. As the Shire will be receiving these funds, the Shire can choose where to contribute those funds, including towards the proposed project, therefore if so done, the money becomes part of the Shire's contribution, **NOT IHC**. **Stating otherwise in the Business Plan is incorrect and misleading.**
10. Given the many errors in Council documents relating to this project, I have little, if any confidence, in the assessment that the 1st Stage will only cost \$9.71 million. It is disturbing (page 18) that the Council might allocate more funds to the project to meet construction costs that exceed the estimate. **Why has no mention been made of IHC also having to contribute to any over spend?**

### **Operating Costs**

11. The operating funding arrangement has not been finalized. This is critical to the viability of this project and should be resolved before any further expenditure is incurred should this project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time despite it being a

contributing factor of the grant application – which has not been reported to the grant provider and renegotiated as an amendment to the loan agreement contract. Neither has the Shire's loan to IHC for principal and interest, neither has the Shires loan to fund their capital cost contribution to include the interest charges as an expense been incorporated as an amendment to the grant agreement contract. **despite previous and repeated assurances that IHC could afford those contributions.** Their initial promise was \$2M contribution to capital costs, \$275K separate purchase of the 3Ha of land and 50% contribution annually of the operational expenses. The Shire were remiss in their duty not to have gotten those agreements in writing before submitting the Grant Application, furthermore they are remiss in their duties not to have held them to their initial agreement.

12. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the facility. That is **IF IHC meets its' commitment and revenue meets expectations as outlined in the Business Case**. However, it is possible that IHC will not; failing to meet part or all ongoing costs on the basis of they "cannot afford it", need to spend on further expansion, etc. Will the Shire then stand up to them and deny use of the facility at sometime in the future? I think that this option would be unlikely but could lead to the closing of the facility in its entirety.
13. The net operating costs for the Shire as shown in The Business Plan have been **substantially understated** and likely actual costs will only be able to be met by the Shire by deferment/cancellation of other necessary works programs, specifically expenditure on roads, footpaths and bridges (or raising rates). For example:
  - a. The table on page 15 of The Business Plan – Annualised Expenditure Estimates shows estimates of \$310,500 for year 1 and \$483,500 p.a. for years 2+ for the building only (column 1). These estimates **exclude any costs for interest or for operating costs for at least one oval**. Interest expense for the Shire will be in the vicinity of \$100,000 p.a. and (using the actual oval expenses for the Muchea Hall Facility in the past 2 years of \$50,700 p.a.) a much more realistic estimate of annual expenditure for the facility is \$460,000 for year 1 and \$633,000 p.a. for the following years. Using these estimates of annual expenditure (which include interest and an oval maintenance expense) and assuming revenue of

\$25,000 in Year 1 and \$50,000 in Year 2 (including IHC contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2, **SUBSTANTIALLY MORE than shown In the Business Plan.**

- b. The above calls into question the proposed loan agreement with, and usage cost contribution by the IHC. Using just the 25% of costs formula, the **contributions by the College should be \$108,750 in Year 1 and \$124,250 in Year 2.** IHC has ONLY committed to cost contribution of up to \$100,000 p.a. for the first 2 years. IHC's ability to meet their share of these higher costs need to be taken up with IHC at the very least before further expenditure is made. Should they again cry poor, then cancel this project!
- c. I also question why sporting clubs have to pay  $\frac{1}{3}$  costs and IHC which will gain substantial benefit and sole usage at significant times is only proposed to pay 25% or up to \$100,000 which ever is the lesser.
- d. The table on page 16 of The Business Plan, proposes that the Gap Costs of this project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the **Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23)**, assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of \$348,500. Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED.** **How to you propose to fund the remaining \$348,500?**
- e. I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentionally misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those revenue figures were quoted as estimated revenue figures expected to be generated from

**this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.**

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidise the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so can not be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!
16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:
  - a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

- b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
- c. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
- d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**
- e. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities.** This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
- f. The Business Plan 6.1:
  - i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

- iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
  - vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore.

Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: **would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**
32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases,

facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.

### Conclusion

35. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this project seems at the very least unwise without:
- a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.
  - s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I

**strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**

38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

A large black rectangular redaction box covering the signature area.

25<sup>th</sup> May 2019

Shire Councillors and CEO

Shire of Chittering

P.O. Box 70

Bindoon, WA 6502

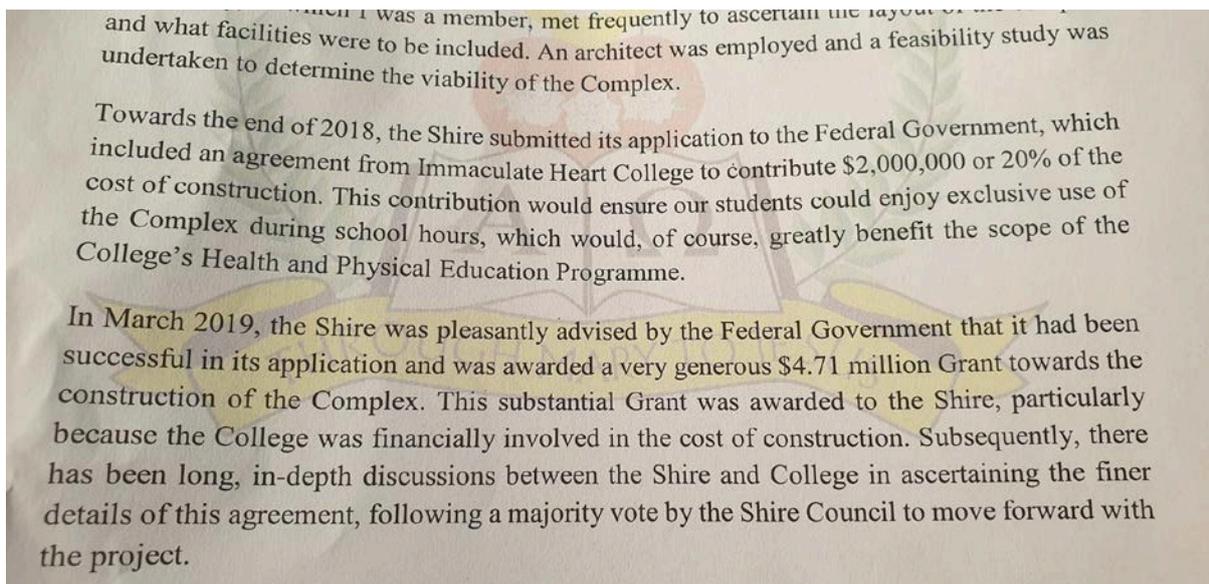
Dear Councillors and CEO,

I am writing this letter in opposition of the construction of the Lower Chittering Sport and Recreation Facility (LCSRF) and am seeking urgent clarification and a prompt response to my concerns.

It is my belief that there was very minimal consultation that occurred with the community and furthermore there is a considerable amount of community fracturing and discontent regarding the project and the role the Shire has played in this.

I am aware that an initial 500 surveys was sent out in 2016 with 76 responses. This survey itself was not directly related to the construction of the LCSRF but was to gauge community need in regards to sport, recreational and lifestyle usage and future need within the Shire. As part of the community profiling, 18 clubs/associations were surveyed, **10 stated they would NOT use a new facility if it was built**, 5 said they would and a further 2 were unsure.

I understand the facility will be a 100% Shire-owned asset, but will be developed in partnership with Immaculate Heart College (IHC). It is also my understanding that the Principal of IHC is informing parents of the school that the school will have "exclusive use" of the facility during school hours. (see image below)



I am very concerned that the Shire would broker a deal of exclusive use which would preclude and deny the rest of the community access to this facility. It is not equitable and would preclude those with impairments and disadvantage from utilising the facility especially if they are reliant on carers

and aids to assist them which are typically engaged in providing support and access to psychosocial and recreational engagement during normal business hours.

I am also aware that the Shire commissioned a REGIONAL SPORTS & COMMUNITY CENTRE FEASIBILITY STUDY STAGE ONE in 2016. The report clearly states that the Shire is reasonably well serviced and upgrading and maintaining the existing Facilities was the immediate solution to maintaining the provision of existing sports.

I am also aware that IHC will no longer be contributing \$2Mil towards this project along with the \$275K payment on the transfer of the land as per the original deal and what was agreed on. There are also real concerns regarding IHC's commitment to contributing to the ongoing operational and maintenance cost of the facility. I am aware that there is no formal agreement on the fix amount that they will be required to contribute on an annual basis to cover operational costs. It is my understanding that the Shire is requesting IHC pay a minimum of 25% per annum on operating costs but this has not been fixed or agreed to.

The project costs for stage 1 have been identified as circa \$9.7M of which the following entities will be responsible for;

- \$4.7m grant from Federal grant
- \$3.0m from SOC
- \$2.0m from IHC

According to the May OCM Agenda and minutes, the Shire is lending \$1.65M from WA treasury as an unsecured loan to IHC, even though the original deal as stated previously had been agreed consisting of IHC contributing \$275k payment on transfer of land plus \$2M contribution to the capital cost of the facility, plus cost sharing arrangement for the operational and maintenance cost of the facility.

There is significant risk to the Shire as the Shire absorbs and carries all of the financial risk, from capital costs in terms of borrowing \$4.625M (\$3m for SOC and \$1.625M IHC) and any default by IHC to meet its financial commitments over the full 20 years, and carries the risk on operating cost for the "life" of the facility.

The Shires Community Strategic Plan 2017 -2027 which states 'Strong Leadership - A responsive and empowering Council which values consultation, accountability and consistency', seems to conflict and be in stark contrast to both the initial and ongoing consultation methods used by the Shire coupled with the financial accountability of supporting the approval of the project.

I also note with interest in the Shire's Community Strategic Plan that one of the key outcomes is;

**S1 Outcome:** An active and supportive community

Strategy to achieve this being: ***"Develop and enhance existing recreation and social facilities for local communities"***

This is a project that benefits IHC at the expense of rate payers. This is a project the community cannot afford. Should the project proceed, I doubt that there will be any funding available to sustain the current existing facilities as set out in the Community Strategic Plan let alone improve them as promised in the plan. Therefore I am seeking a commitment and a response from the Shire on how they propose to fulfil its promise to the Community on this outcome and full disclosure of the capital works plan including financial commitments over the next 8 years to develop and maintain existing facilities.

I also want to draw your attention to the Financial Health Indicator (FHI). The FHI is a measurement of a local government's overall financial health. It is calculated from the seven financial ratios that local governments are required to calculate annually.

An FHI result of 70 and above indicates sound financial health. I am deeply concerned to see that the Shire FHI scores for the previous 3 years have been under the benchmark of what is considered sound financial health. The results being;

Financial Year	FHI total Score
2017/2018	66
2016/2017	69
2015/2016	68

<https://mycouncil.wa.gov.au/Council/ViewCouncil/24>

I am seeking clarification and a clear explanation on why the Shire has determined this project proposal to be a sound financial investment, taking into consideration the following;

- The Shires continued lower results in the FHI scores for the past 3 years which are considered to be below benchmark for sound financial health in a local government
- IHC no longer honouring their commitment to contribute \$275k payment on transfer of land plus \$2M contribution to the capital cost of the facility, plus cost sharing arrangement for the operational and maintenance cost of the facility
- The significant risk to the Shire in being solely responsible for all of the financial risk, from capital costs in terms of borrowing \$4.625M and liable for any default by IHC to meet its financial commitments over the full 20 years, resulting in the Shire being solely responsible for the total operating cost for the "life" of the facility.
- The justification and rationale to why this proposal is the better option opposed to investing \$3M into upgrading and maintain existing facilities?
- The Shires financial capacity and ability to meet the outcome in the Community strategic plan of ***“Developing and enhance existing recreation and social facilities for local communities”*** along with spending a further \$4.625M on a new facility
- Significant community opposition and anger regarding the project and exclusive use arrangements of the proposed facility
- Poor results and inadequate community consultation on the project
- The over inflation and estimation of population growth – with the WA Tomorrow Population Report No.11 predicting a 10% lower expectation in population in 2026 compared to the figures cited in the feasibility report of the proposed Sport and Rec facility in Lower Chittering.
- Whilst the shire corporate business plan assumes increased revenue through natural growth and additional revenue from the Muchea Industrial Park etc, this plan is largely based on assumptions and an increase in revenue is required at the very least to sustain the Shires current assets, fund future planned upgrades to existing facilities and maintain the current level of service delivery.

Furthermore I am requesting the Shire provide full and frank disclose on all costing models including the operating costs and assumptions, to support the current justification and sound financial evidence to validate spending a further \$3MIL (initial investment) + \$1.625M (provision of an unsecured loan to IHC) + up to \$300K per year on operating costs on building a new facility as opposed to the Shires investing \$3MIL into upgrading existing facilities.

I am also interested to know of the mitigation strategies the Shire has implemented to minimise the risk of other NFP's and Charities located within the Shire (as the Company, Immaculate Heart College Limited is a registered charity limited by guarantee) seeking financial assistance in the way of unsecured loans as it is my belief that this project sets this precedent.

I am urging the Shire to reconsider this proposal and to authentically re-engage and consult with our community on what the needs are and to work towards the best outcome in regards to the provision of sports and recreation.

I look forward to your reply.

Sincerely,

A solid black rectangular redaction box covering the signature area.

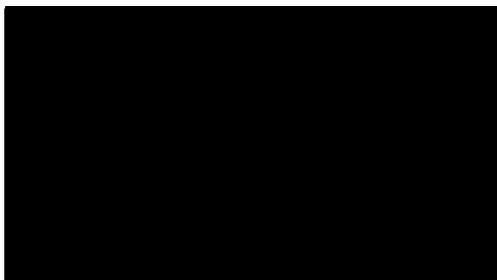


Dear CEO, and COUNCIL Members.

I AM STRONGLY OPPOSED TO THE LOWER CHITTERING SPORTS CENTRE PROJECT FOR THE FOLLOWING REASONS.

1. THE PROPOSAL TO LOAN \$2M DOLLARS TO IHC WITHOUT ANY SECURITY IS CRIMINAL AND WILL RESULT IN FURTHER LIABILITY ON RATEPAYERS WHEN THE SCHOOL DEFAULTS.
2. NO OTHER SHIRE OR LOCAL GOVERNMENT BODY IN WA HAS PROVIDED AN UNSECURED D LOATO A 3RD PARTY FOR MORE THAN 1M DOLLARS.
3. IT IS VERY CLEAR TO ANYONE CONNECTED TO OUR COMMUNITY THAT SPORTING CLUBS HAVE NO INTENTION OF USING THE PROPOSED FACILITY, PREFERRING TO STAY WITH THEIR OWN SPORTING FACILITY.
4. THE LOWER CHITTERING SPORTS CENTRE IS NOT SUPPORTED BY THE MAJORITY OF SHIRE OF CHITTERING RATEPAYERS, WHO CANNOT AFFORD THE INTENDED RATE INCREASES.
5. THE PROJECT HAS BEEN INTENTIONALLY PROGRESSED PRIOR TO BEING ADVERTISED FOR PUBLIC COMMENT, IN BREACH OF THE LOCAL GOVERNMENT ACT.
6. THE BUSINESS CASE IS FLAWED, IN THAT THE PARTICIPATION RATE IS UNREALISTIC AND LISTS 20 ACTIVITIES NOT CATERED FOR.
7. THE ESTIMATES OF USAGE IS MISLEADING, LINKING THE PERCENTAGE OF SURVEY RESPONSES TO THE SHIRE POPULATION, WHEN THERE IS NO PROVISION OF ACTIVES FOR OUR SUBSTANTIAL RETIRED ELDERLY COMMUNITY.
8. IF THE SHIRE OF CHITTERING AND IHC WERE TO HAVE THOUGHT OF THIS PROJECT A FEW YEARS AHEAD AND WITH PUBLIC INTEREST AT HEART, HAD PROVIDED SOME FUNDING TO SUPPORT THEIR INTENTIONS, THE RATEPAYERS WOULD BE MORE ENTHUSIASTIC TO THE PROJECT. **NOT WE THOUGHT OF THIS PROJECT, AND TOLD THIS WHAT YOU ARE HAVING REGARDLESS OF EXPENSE. SO SHUT UP AND PAY UP AS PER YOUR RATES !!!!!!!.**

Signed



SHIRE OF CHITTERING  
RECEIVED

13 AUG 2019

Officer..... CEO  
 File..... A11763  
 Ref..... 119108611

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
RECEIVED

13 AUG 2019

Officer..... CEO  
File..... A11763 + 15/01/16  
Ref..... 119108619

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

1. The proposal to loan \$1.625m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults.
2. No other Shire or local government body in WA has provided an unsecure loan to a 3<sup>rd</sup> party for more than one million dollars.
3. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the building.
4. IHC is **NOT** contributing \$2m as published and documented by the Shire. This is incorrect and misleading.
5. The inclusion of the funds to be received from of the sale of land to be included as IHC's contribution towards the Sports and Rec Centre Project is factually incorrect and needs to be dealt with as a separate contract. As the Shire will be receiving these funds **if the land is sold to IHC**, then the Shire can choose where to contribute those funds including towards the proposed project, therefore the money becomes part of the Shires contribution, **NOT** IHC's.
6. At all of the public and community meeting, majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility.
7. The Lower Chittering Sports Centre is not supported by a significant proportion of the Shire of Chittering ratepayers and residents.
8. The project has been intentionally progressed prior to being advertised for public comment, **in breach of the Local Government Act.**
9. The arrangement for the sale of land to IHC has been progressed and agreed upon without seeking public comment **which is in breach of the Local Government Act.**

10. All business cases including the recently released one in June 2019 are flawed. All businesses cases do not take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services; the recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. The recent report does not establish a NPV, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project; the participation rate is unrealistic and lists 20 activities not catered for; the contribution of IHC is misrepresented and incorrectly documented. The estimates of usage is misleading, linking the percentage of survey responses to the Shire population, when there is no provision of activities for our substantial retired elderly community.
11. Opportunity costs have not been investigated. As this project will have an impact over the local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified in this working. As this is a community project, adverse impacts on the community should be assessed in detail.
12. For projects running over a long period of time, like this one, replacement cost of assets (depreciation) as the asset depletes overtime should be taken into account. This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire.

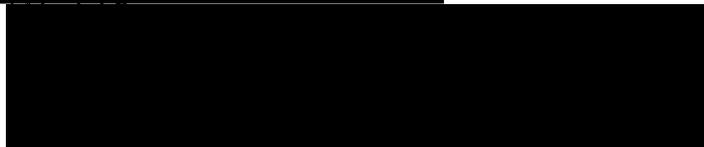
Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total over the 20 years this amounts to a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.

Signed



Name:

Address:



Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

13 AUG 2019

Officer..... CEO  
 File..... A11763 15/01/16  
 Ref..... 119108620

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

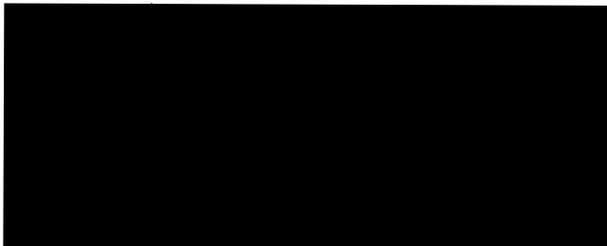
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Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total over the 20 years this amounts to a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.

Signed



Name:

Address:



SHIRE OF CHITTERING  
RECEIVED

Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Email to: chatter@chittering.wa.gov.au

15 AUG 2019  
CEO / ESO  
Officer.....  
File..... 15/01/16 A11763  
Ref..... 119108704

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

1. The proposal to loan \$1.625m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults.
2. No other Shire or local government body in WA has provided an unsecure loan to a 3<sup>rd</sup> party for more than one million dollars.
3. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the building.
4. IHC is **NOT** contributing \$2m as published and documented by the Shire. This is incorrect and misleading.
5. The inclusion of the funds to be received from of the sale of land to be included as IHC's contribution towards the Sports and Rec Centre Project is factually incorrect and needs to be dealt with as a separate contract. As the Shire will be receiving these funds ***if the land is sold to IHC***, then the Shire can choose where to contribute those funds including towards the proposed project, therefore the money becomes part of the Shires contribution, **NOT** IHC's.
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7. The Lower Chittering Sports Centre is not supported by a significant proportion of the Shire of Chittering ratepayers and residents.
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9. The arrangement for the sale of land to IHC has been progressed and agreed upon without seeking public comment **which is in breach of the Local Government Act.**

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Signed

Name:

Address:

18/8/19

SHIRE OF CHITTERING  
RECEIVED

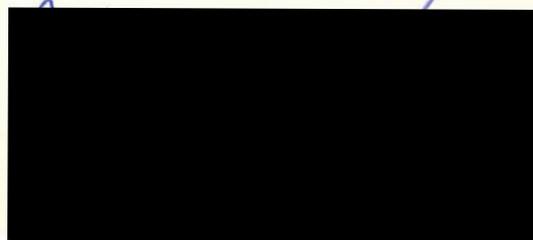
19 AUG 2019

Officer..... CEO/EA/RLO  
File..... A.11.76.3.1 13/01/16  
Ref..... 156191579To The CEO  
Shire of Chittering.

The proposed transaction with IHC should not go ahead for a number of reasons.

1. Shire should not be involved in the education system that why we have a STATE EDUCATION, payed for by us.
2. The shire is a small one with 3,000 odd Ratepayers you CANT compare us with, say CITY of STIRLING with over 300,000
3. IHC is a private Company.  
a PRIVATE Privilege School!!
4. It will Jeopardize our ability to fund more important issues in the future.

Yours Sincerely





Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
RECEIVED

19 AUG 2019

Officer..... CEO/EA  
File..... 15/01/16 A11763  
Ref..... 158191582

16 August 2019

Dear CEO and Councillors,

**RE. MAJOR LAND TRANSACTION FOR THE LOWER CHITTERING SPORTS AND RECREATION FACILITY**

This letter is our submission regarding the recently advertised "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

We are **STRONGLY OPPOSED** to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

1. Any major and expensive Sporting Complex should be in a central position within the Shire of Chittering, so as to be readily available to all ratepayers within the Shire, from north, south, east and west. It should be suitable for participation by all age groups. Travel costs, travel time and accessibility from one end of the Shire to the other is a major consideration.
2. The Shire **SHOULD NOT ENTER INTO ANY PROJECT** of this magnitude with any private, individual, corporation, business, religious institution etc.
3. Any recreation facility should be for the sole use of all ratepayers at any time and should **NOT** be controlled by any private entity e.g. Immaculate Heart College.
4. There should be an independent cost analysis, as to the **BENEFITS and LIABILITIES** of the proposal to each and every property owner in the Shire of Chittering over the next **20 YEARS AND THE YEARLY INCREASE TO OUR RATES, AS A SPECIFIC STAND ALONE COST TO EACH AND EVERY RATEPAYER.**
5. **THE COST OF THIS PROPOSED PROJECT WILL INHIBIT ANY FURTHER PROJECTS AND DEVELOPMENTS WITHIN THE SHIRE OF CHITTERING.**

6. Councillors should be very circumspect as to their rash unsubstantiated statements regarding the proposal, to influence the outcome of this proposal. They are supposed to respect and reflect the duty of care of all ratepayers, individually and collectively as should the Shire Administration.
7. Private institutions should be held responsible for all costs and maintenance of their own facilities.
8. The proposal to loan \$1.625m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults.
9. No other Shire or local government body in WA has provided an unsecure loan to a 3<sup>rd</sup> party for more than one million dollars.
10. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the building.
11. IHC is **NOT** contributing \$2m as published and documented by the Shire. This is incorrect and misleading.
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14. The Lower Chittering Sports Centre is not supported by a significant proportion of the Shire of Chittering ratepayers and residents.
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Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total over the 20 years this amounts to a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.

Signed

[Redacted signature]

Name: [Redacted]  
Address: [Redacted]

Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 15UB191589

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

1. The proposal to loan \$1.625m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults.
2. No other Shire or local government body in WA has provided an unsecure loan to a 3<sup>rd</sup> party for more than one million dollars.
3. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the building.
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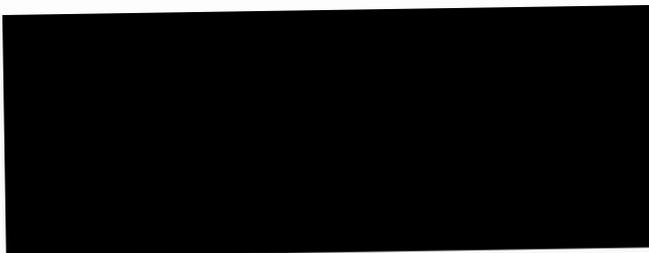
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Signed



Name:

Address:



Why did the Shire go over East to find out running cost of this sports Project. Narrebeen have just had a Complex built? So have many places in U.A.

Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA.....  
 File..... A11763..... 15/04/16.....  
 Ref..... 136191590.....

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

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The organisation also supports the submission made by Robert Sprague and Neeva Harris and would like answers to all the question pertaining to these three submissions.

Signed:



John Nagel  
President  
Chittering Residents & Ratepayers Association Inc

Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 138191591

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

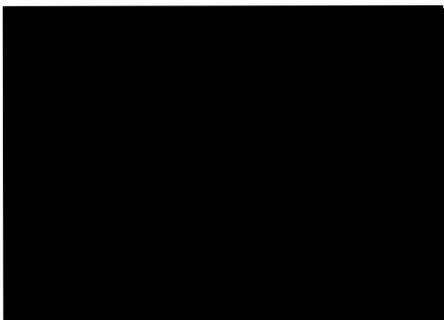
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Signed



Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 15B191592

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

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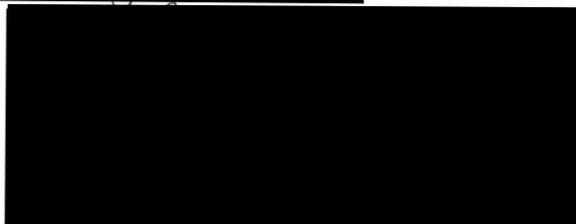
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Signed



Name:

Address:



Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 18B191593

31<sup>st</sup> July 2019

Dear CEO and Councillors,

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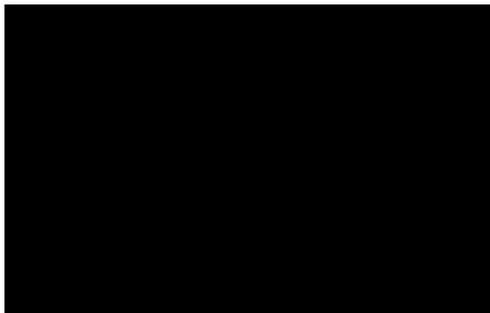
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 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 156191594

31<sup>st</sup> July 2019

Dear CEO and Councillors,

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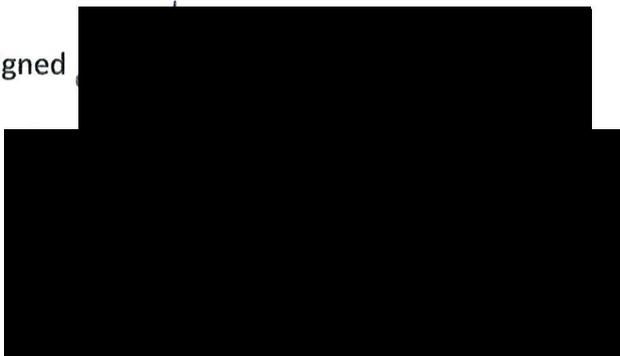
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Signed

A large black rectangular redaction box covers the signature and name of the person who signed the document.

Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
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19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 158191395

31<sup>st</sup> July 2019

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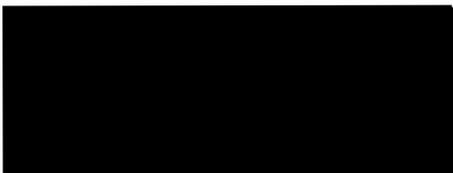
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19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 15B191596

31<sup>st</sup> July 2019

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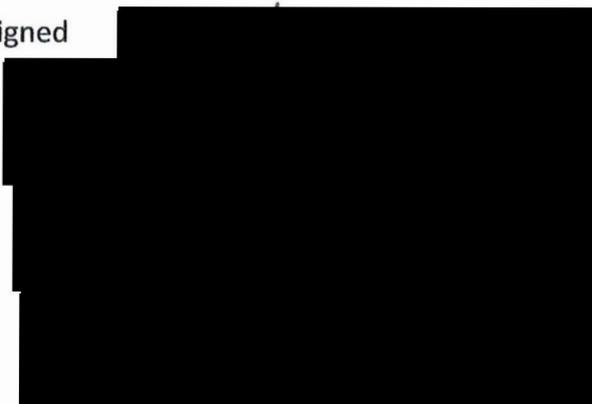
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Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total over the 20 years this amounts to a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.

Signed



Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 156191599

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

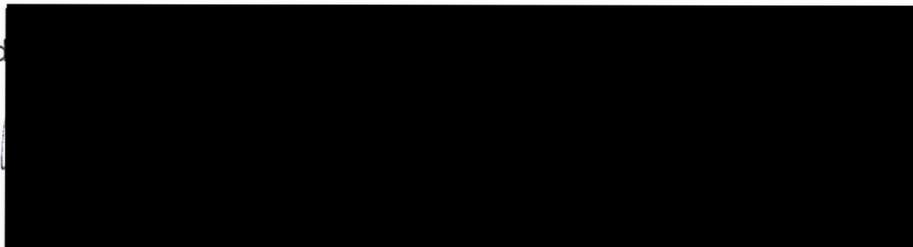
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SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 15B191598

Dear CEO and Councillors,

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SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 138191599

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SHIRE OF CHITTERING  
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19 AUG 2019

Officer..... CEO/EA  
File..... A11763..... 15/01/16  
Ref..... 138191600

31<sup>st</sup> July 2019

Dear CEO and Councillors,

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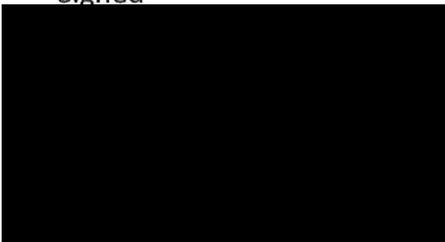
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SHIRE OF CHITTERING  
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19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 138191601

31<sup>st</sup> July 2019

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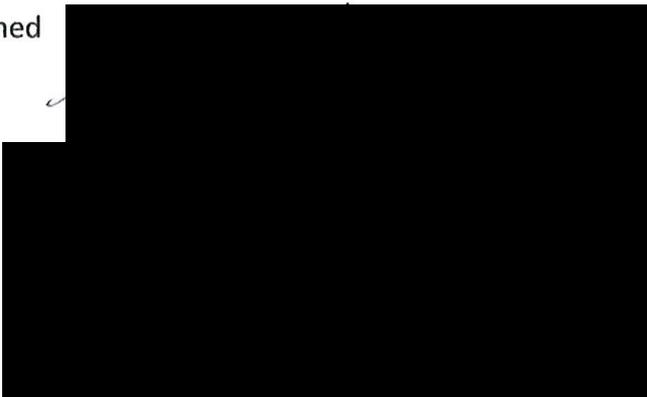
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Signed

A large black rectangular redaction box covers the signature area, obscuring the name and any handwritten notes or dates.

Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 108191602

31<sup>st</sup> July 2019

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19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 156191603

31<sup>st</sup> July 2019

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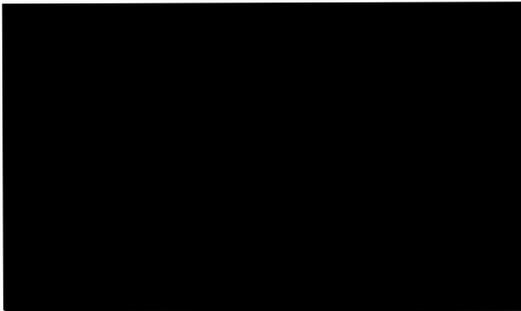
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19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/BA  
File..... A11.7.6.3..... 15/04/16  
Ref..... 15B19.1604

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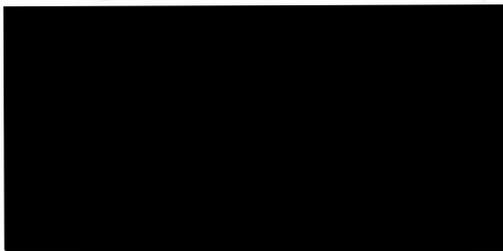
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Signed



Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A11763..... 15/01/16  
 Ref..... 15B191605

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

1. The proposal to loan \$1.625m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults.
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SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 15.B.19.1606

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

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SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 158191607

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

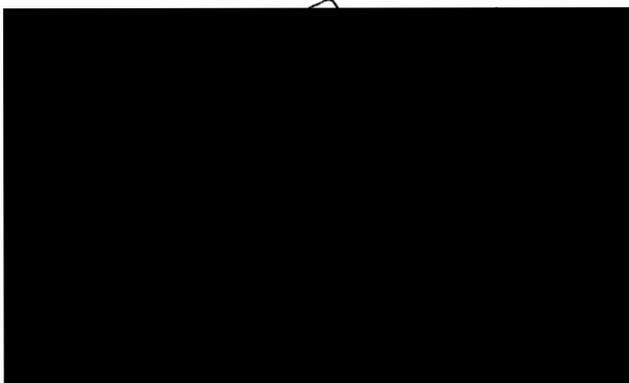
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SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A11763 / 15/01/16  
 Ref..... 18B191608

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

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SHIRE OF CHITTERING  
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19 AUG 2019

Officer..... CEO/EA  
 File..... A11763..... 15/01/16  
 Ref..... 138191609

31<sup>st</sup> July 2019

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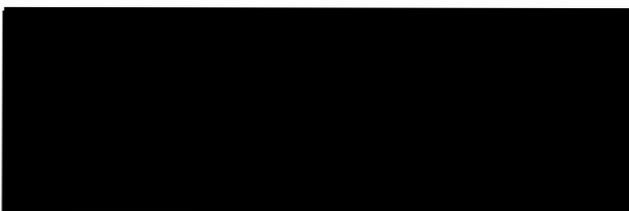
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19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A11763..... 15/01/16  
 Ref..... 18B191610.....

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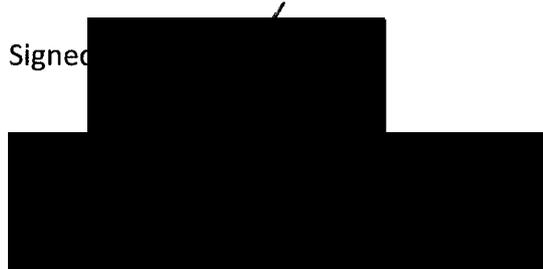
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19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/RA  
 File..... A11763 15/01/16  
 Ref..... 136191611

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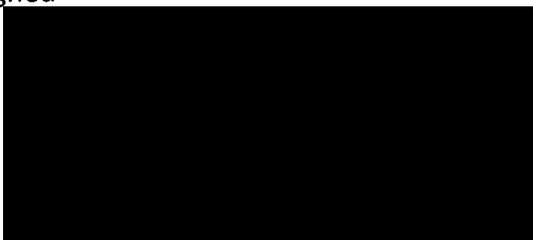
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SHIRE OF CHITTERING  
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19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/CA  
 File..... A11763 15/01/16  
 Ref..... SB191612

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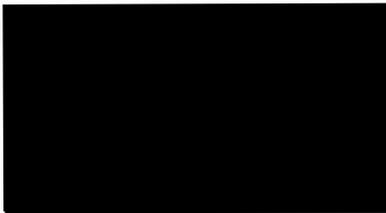
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Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total over the 20 years this amounts to a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.

Signed



Chief Executive Officer  
 Shire of Chittering  
 PO Box 70  
 Bindoon WA 6502  
 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763..... 12/01/16  
 Ref..... 136191613

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

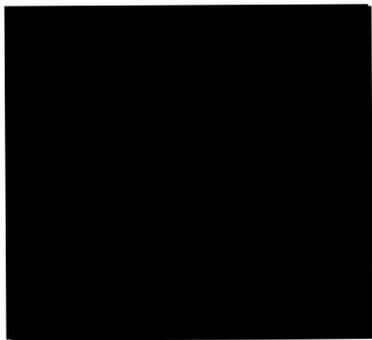
I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

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SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A.11763 15/01/16  
 Ref..... 15.819.1614

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

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SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763 15/01/16  
 Ref..... 138191616

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

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SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

Officer..... CEO/EA  
 File..... A11763..... 15/01/16  
 Ref..... 158191621

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

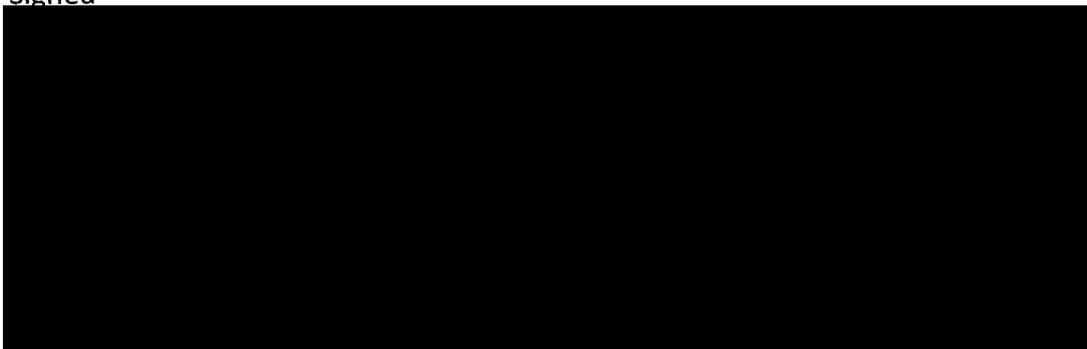
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 PO Box 70  
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 Email to: chatter@chittering.wa.gov.au

SHIRE OF CHITTERING  
 RECEIVED

19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A11763..... 15/01/16  
 Ref..... 15B191622

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

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PO Box 70  
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Email to: chatter@chittering.wa.gov.au

31<sup>st</sup> July 2019

SHIRE OF CHITTERING  
RECEIVED

19 AUG 2019

Officer..... CEO/EA  
File..... A.11.763 15/01/16  
Ref..... 156191623

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

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19 AUG 2019

31<sup>st</sup> July 2019

Officer..... CEO/EA  
 File..... A1703..... 15/01/16  
 Ref..... 15b191624

Dear CEO and Councillors,

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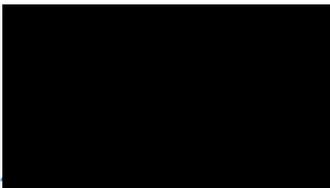
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SHIRE OF CHITTERING  
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19 AUG 2019

Officer: CEO/EA  
 File: A11763 15/01/16  
 Ref: ISB191625

31<sup>st</sup> July 2019

Dear CEO and Councillors,

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8. The project has been intentionally progressed prior to being advertised for public comment, **in breach of the Local Government Act.**
9. The arrangement for the sale of land to IHC has been progressed and agreed upon without seeking public comment **which is in breach of the Local Government Act.**

10. All business cases including the recently released one in June 2019 are flawed. All businesses cases do not take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services; the recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. The recent report does not establish a NPV, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project; the participation rate is unrealistic and lists 20 activities not catered for; the contribution of IHC is misrepresented and incorrectly documented. The estimates of usage is misleading, linking the percentage of survey responses to the Shire population, when there is no provision of activities for our substantial retired elderly community.
11. Opportunity costs have not been investigated. As this project will have an impact over the local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified in this working. As this is a community project, adverse impacts on the community should be assessed in detail.
12. For projects running over a long period of time, like this one, replacement cost of assets (depreciation) as the asset depletes overtime should be taken into account. This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire.

Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total over the 20 years this amounts to a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.

Signed



Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Email to: chatter@chittering.wa.gov.au

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

1. The proposal to loan \$1.625m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults.
2. No other Shire or local government body in WA has provided an unsecure loan to a 3<sup>rd</sup> party for more than one million dollars.
3. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the building.
4. IHC is **NOT** contributing \$2m as published and documented by the Shire. This is incorrect and misleading.
5. The inclusion of the funds to be received from of the sale of land to be included as IHC’s contribution towards the Sports and Rec Centre Project is factually incorrect and needs to be dealt with as a separate contract. As the Shire will be receiving these funds **if the land is sold to IHC**, then the Shire can choose where to contribute those funds including towards the proposed project, therefore the money becomes part of the Shires contribution, **NOT** IHC’s.
6. At all of the public and community meeting, majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility.
7. The Lower Chittering Sports Centre is not supported by a significant proportion of the Shire of Chittering ratepayers and residents.
8. The project has been intentionally progressed prior to being advertised for public comment, **in breach of the Local Government Act.**
9. The arrangement for the sale of land to IHC has been progressed and agreed upon without seeking public comment **which is in breach of the Local Government Act.**

10. All business cases including the recently released one in June 2019 are flawed. All businesses cases do not take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services; the recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. The recent report does not establish a NPV, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project; the participation rate is unrealistic and lists 20 activities not catered for; the contribution of IHC is misrepresented and incorrectly documented. The estimates of usage is misleading, linking the percentage of survey responses to the Shire population, when there is no provision of activities for our substantial retired elderly community.
11. Opportunity costs have not been investigated. As this project will have an impact over the local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified in this working. As this is a community project, adverse impacts on the community should be assessed in detail.
12. For projects running over a long period of time, like this one, replacement cost of assets (depreciation) as the asset depletes overtime should be taken into account. This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire.

Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total over the 20 years this amounts to a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.

Signed. [REDACTED]

Name: [REDACTED]

Address: [REDACTED]  
[REDACTED]

**From:** [CEO Mailbox](#)  
**To:** [Chatter](#)  
**Subject:** ISB191632 - Objection: Lower Chittering Sports and Recreation Facility  
**Date:** Tuesday, 20 August 2019 10:34:44 AM

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**From:** Jody Chilman [REDACTED]  
**Sent:** Tuesday, 20 August 2019 7:49 AM  
**To:** CEO Mailbox <[ceo@chittering.wa.gov.au](mailto:ceo@chittering.wa.gov.au)>  
**Subject:** Objection: Lower Chittering Sports and Recreation Facility

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: [chatter@chittering.wa.gov.au](mailto:chatter@chittering.wa.gov.au)  
Thursday, 19 August 2019

Dear CEO and Councillors,

**Objection: Lower Chittering Sports and Recreation Facility**

1. My main concern is that the existing sporting/community groups in the shire of chittering have to pay much higher levels of contributions towards their facilities than the 17.5% that the school at lower chittering is required to pay that was organised by the shire of chittering council.
2. I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility and "Land Transaction" for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the afore mentioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
3. I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial

sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act**. It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.
2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
3. The Business Plan (3.3 Part 2) states the land was vested in the

Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?

4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

### **Capital Financing**

5. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is financially reckless, a misapplication of Shire funds and should **NOT PROCEED. I believe this to be a breach of s6.20 & s6.21 of the LG ACT** which stipulates that a local government cannot extend unsecured credit to any creditor. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this private limited liability company default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular

concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!

6. I question the validity of the reason given by IHC for Council to undertake a loan on their behalf (to be able it to obtain future capital loans). Surely if declared to a lender, the repayments to the Shire would inhibit IHC loan raising as much as taking out a loan itself. Is the real reason they would be unable to obtain such loan? **It is also incongruent for the Council to accept all financial risk but none by this limited liability company (IHC).** Their total liability limited at just \$40 with 4x directors all having a \$10 limited liability share each.
7. Despite repeated assurances from Shire that IHC can meet its share of costs, we have seen repeated downgrading of their ability to meet their share of the capital and ongoing costs. The Council appears to have been, and is being, “played” by IHC and **Council’s due diligence/negotiating has been lacking to say the least.** Furthermore; during this same period of time Immaculate Heart College has purchased the 10Ha adjoining parcel of land consisting of 5x 2Ha blocks for a rumoured \$1M purchase price. The 3Ha Block of land the Shire intend to sell Immaculate Heart is for the express purpose of building a high School Campus there, the cost of which should be a taken under advisement as a liability along with the School’s plan to double the enrolment numbers in coming years for the Primary School Campus. Announcing during a recent school assembly that an additional 5x demountable classrooms have been ordered for the beginning of next year. How have the cost for these been evaluated in the loan serviceability assessment. Has the Shire got a planning application, or amended building application for the installation of these bearing in mind that ancillary buildings namely demountable classrooms have been the subject of numerous complaints from surrounding property owners and do not comply with the building constraints nor allowable land uses for that land zoning under Shire of Chitterings Town Planning Scheme. Nor does the School have a licensed bore, although the Shire are aware they are using an unlicensed bore presently, has any action been taken regarding this by the Shire?

8. The Business Plan makes little comment on the risk of a loan to this limited liability company (IHC). It merely states that in the event of dissolution of the College, the full balance of the loan will become due. If this company becomes insolvent, the maximum liability payable will only be \$40. Much was made of this being highly unlikely by the previous acting CEO. I believe that to be naive and I do not share his belief. Would any financial institution agree to an unsecured loan such as this?  
**NO THEY WOULD NOT! Furthermore; it would be illegal for a bank, loan broker or lender to provide such a loan under the responsible lending laws.**
9. The inclusion of the funds to be received from the sale of land to be included as IHC's contribution towards the Sports and Recreation Centre Project is **factually incorrect** and needs to be dealt with as a separate contract. As the Shire will be receiving these funds, the Shire can choose where to contribute those funds, including towards the proposed project, therefore if so done, the money becomes part of the Shire's contribution, **NOT IHC. Stating otherwise in the Business Plan is incorrect and misleading.**
10. Given the many errors in Council documents relating to this project, I have little, if any confidence, in the assessment that the 1st Stage will only cost \$9.71 million. It is disturbing (page 18) that the Council might allocate more funds to the project to meet construction costs that exceed the estimate. **Why has no mention been made of IHC also having to contribute to any over spend?**

### **Operating Costs**

11. The operating funding arrangement has not been finalized. This is critical to the viability of this project and should be resolved before any further expenditure is incurred should this project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time despite it being a contributing factor of the grant application – which has not been reported to the grant provider and renegotiated as an amendment to the loan agreement contract. Neither has the Shire's loan to IHC for principal and interest,

neither has the Shires loan to fund their capital cost contribution to include the interest charges as an expense been incorporated as an amendment to the grant agreement contract. **despite previous and repeated assurances that IHC could afford those contributions.** Their initial promise was \$2M contribution to capital costs, \$275K separate purchase of the 3Ha of land and 50% contribution annually of the operational expenses. The Shire were remiss in their duty not to have gotten those agreements in writing before submitting the Grant Application, furthermore they are remiss in their duties not to have held them to their initial agreement.

12. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the facility. That is **IF IHC meets its' commitment and revenue meets expectations as outlined in the Business Case.** However, it is possible that IHC will not; failing to meet part or all ongoing costs on the basis of they "cannot afford it", need to spend on further expansion, etc. Will the Shire then stand up to them and deny use of the facility at sometime in the future? I think that this option would be unlikely but could lead to the closing of the facility in its entirety.
13. The net operating costs for the Shire as shown in The Business Plan have been **substantially understated** and likely actual costs will only be able to be met by the Shire by deferment/cancellation of other necessary works programs, specifically expenditure on roads, footpaths and bridges (or raising rates). For example:
  1. The table on page 15 of The Business Plan – Annualised Expenditure Estimates shows estimates of \$310,500 for year 1 and \$483,500 p.a. for years 2+ for the building only (column 1). These estimates **exclude any costs for interest or for operating costs for at least one oval.** Interest expense for the Shire will be in the vicinity of \$100,000 p.a. and (using the actual oval expenses for the Muchea Hall Facility in the past 2 years of \$50,700 p.a.) a much more realistic estimate of annual expenditure for the facility is \$460,000 for year 1 and \$633,000 p.a. for the following years. Using these estimates of annual

expenditure (which include interest and an oval maintenance expense) and assuming revenue of \$25,000 in Year 1 and \$50,000 in Year 2 (including IHC contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2,

**SUBSTANTIALLY MORE than shown In the Business Plan.**

2. The above calls into question the proposed loan agreement with, and usage cost contribution by the IHC. Using just the 25% of costs formula, the **contributions by the College should be \$108,750 in Year 1 and \$124,250 in Year 2.** IHC has ONLY committed to cost contribution of up to \$100,000 p.a. for the first 2 years. IHC's ability to meet their share of these higher costs need to be taken up with IHC at the very least before further expenditure is made. Should they again cry poor, then cancel this project!
3. I also question why sporting clubs have to pay  $\frac{1}{3}$  costs and IHC which will gain substantial benefit and sole usage at significant times is only proposed to pay 25% or up to \$100,000 which ever is the lesser.
4. The table on page 16 of The Business Plan, proposes that the Gap Costs of this project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the **Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23),** assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of \$348,500. Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED. How to you propose to fund the remaining \$348,500?**
5. **I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentially misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those revenue figures were quoted as estimated revenue figures**

**expected to be generated from this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.**

1. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidise the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so can not be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!
16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows

and the present value of cash outflows over a period of time. Further, this report does not:

1. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.
2. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
3. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
4. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**
5. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities.** This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
6. The Business Plan 6.1:
  1. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  2. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.

3. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.
4. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
5. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
6. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
1. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

1. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the

Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore. Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

1. A lack of water would seriously impact on the scope of this project:  
**would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

1. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
2. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
3. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

4. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
5. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly

spent.

6. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of “Yes Minister”).
7. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
8. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### **Opportunity Cost**

9. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
10. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
11. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
12. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has**

**not been addressed in the Business Plan.**

13. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases, facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

**Other Issues**

14. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
15. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. **I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.**

**Conclusion**

16. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
17. To progress this project seems at the very least unwise without:
1. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  1. Resolution of the water issue.
  2. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are

deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.

1. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. **I strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**
38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

██████████  
████████████████████

**From:** [CEO Mailbox](#)  
**To:** [Chatter](#)  
**Subject:** ISB191633 - Objection: Lower Chittering Sports and Recreation Facility  
**Date:** Tuesday, 20 August 2019 10:32:56 AM  
**Importance:** High

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**From:** Lachlan Chilman [REDACTED]  
**Sent:** Tuesday, 20 August 2019 8:04 AM  
**To:** CEO Mailbox <[ceo@chittering.wa.gov.au](mailto:ceo@chittering.wa.gov.au)>  
**Subject:** Objection: Lower Chittering Sports and Recreation Facility

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: [chatter@chittering.wa.gov.au](mailto:chatter@chittering.wa.gov.au)  
Thursday, 19 August 2019

Dear CEO and Councillors,

**Objection: Lower Chittering Sports and Recreation Facility**

1. My main concern is that the existing sporting/community groups in the shire of chittering have to pay much higher levels of contributions towards their facilities than the 17.5% that the school at lower chittering is required to pay that was organised by the shire of chittering council.
2. I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility and "Land Transaction" for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the afore mentioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
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both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

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1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act**. It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.
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questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!

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this by the Shire?

8. The Business Plan makes little comment on the risk of a loan to this limited liability company (IHC). It merely states that in the event of dissolution of the College, the full balance of the loan will become due. If this company becomes insolvent, the maximum liability payable will only be \$40. Much was made of this being highly unlikely by the previous acting CEO. I believe that to be naive and I do not share his belief. Would any financial institution agree to an unsecured loan such as this?  
**NO THEY WOULD NOT! Furthermore; it would be illegal for a bank, loan broker or lender to provide such a loan under the responsible lending laws.**
9. The inclusion of the funds to be received from the sale of land to be included as IHC's contribution towards the Sports and Recreation Centre Project is **factually incorrect** and needs to be dealt with as a separate contract. As the Shire will be receiving these funds, the Shire can choose where to contribute those funds, including towards the proposed project, therefore if so done, the money becomes part of the Shire's contribution, **NOT IHC. Stating otherwise in the Business Plan is incorrect and misleading.**
10. Given the many errors in Council documents relating to this project, I have little, if any confidence, in the assessment that the 1st Stage will only cost \$9.71 million. It is disturbing (page 18) that the Council might allocate more funds to the project to meet construction costs that exceed the estimate. **Why has no mention been made of IHC also having to contribute to any over spend?**

### **Operating Costs**

11. The operating funding arrangement has not been finalized. This is critical to the viability of this project and should be resolved before any further expenditure is incurred should this project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time despite it being a contributing factor of the grant application – which has not been reported to the grant provider and renegotiated as an amendment to the loan agreement contract.

Neither has the Shire's loan to IHC for principal and interest, neither has the Shires loan to fund their capital cost contribution to include the interest charges as an expense been incorporated as an amendment to the grant agreement contract. **despite previous and repeated assurances that IHC could afford those contributions.** Their initial promise was \$2M contribution to capital costs, \$275K separate purchase of the 3Ha of land and 50% contribution annually of the operational expenses. The Shire were remiss in their duty not to have gotten those agreements in writing before submitting the Grant Application, furthermore they are remiss in their duties not to have held them to their initial agreement.

12. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the facility. That is **IF IHC meets its' commitment and revenue meets expectations as outlined in the Business Case.** However, it is possible that IHC will not; failing to meet part or all ongoing costs on the basis of they "cannot afford it", need to spend on further expansion, etc. Will the Shire then stand up to them and deny use of the facility at sometime in the future? I think that this option would be unlikely but could lead to the closing of the facility in its entirety.
13. The net operating costs for the Shire as shown in The Business Plan have been **substantially understated** and likely actual costs will only be able to be met by the Shire by deferment/cancellation of other necessary works programs, specifically expenditure on roads, footpaths and bridges (or raising rates). For example:
  1. The table on page 15 of The Business Plan – Annualised Expenditure Estimates shows estimates of \$310,500 for year 1 and \$483,500 p.a. for years 2+ for the building only (column 1). These estimates **exclude any costs for interest or for operating costs for at least one oval.** Interest expense for the Shire will be in the vicinity of \$100,000 p.a. and (using the actual oval expenses for the Muchea Hall Facility in the past 2 years of \$50,700 p.a.) a much more realistic estimate of annual expenditure for the facility is \$460,000 for year 1 and \$633,000

p.a. for the following years. Using these estimates of annual expenditure (which include interest and an oval maintenance expense) and assuming revenue of \$25,000 in Year 1 and \$50,000 in Year 2 (including IHC contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2, **SUBSTANTIALLY MORE than shown In the Business Plan.**

2. The above calls into question the proposed loan agreement with, and usage cost contribution by the IHC. Using just the 25% of costs formula, the **contributions by the College should be \$108,750 in Year 1 and \$124,250 in Year 2.** IHC has ONLY committed to cost contribution of up to \$100,000 p.a. for the first 2 years. IHC's ability to meet their share of these higher costs need to be taken up with IHC at the very least before further expenditure is made. Should they again cry poor, then cancel this project!
3. I also question why sporting clubs have to pay  $\frac{1}{3}$  costs and IHC which will gain substantial benefit and sole usage at significant times is only proposed to pay 25% or up to \$100,000 which ever is the lesser.
4. The table on page 16 of The Business Plan, proposes that the Gap Costs of this project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the **Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23)**, assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of \$348,500. Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED. How to you propose to fund the remaining \$348,500?**
5. **I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentionally misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those**

**revenue figures were quoted as estimated revenue figures expected to be generated from this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.**

1. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidise the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so can not be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!
16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting

both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:

1. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.
2. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
3. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
4. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**
5. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities.** This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
6. The Business Plan 6.1:
  1. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  2. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their

contribution to costs.

3. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.
4. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
5. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
6. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
1. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

1. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are

extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore. Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

1. A lack of water would seriously impact on the scope of this project:  
**would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

1. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
2. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
3. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

4. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
5. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary

purpose of justifying this project/making it work. Money poorly spent.

6. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of “Yes Minister”).
7. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
8. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### **Opportunity Cost**

9. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
10. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
11. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
12. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or

skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**

13. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases, facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### **Other Issues**

14. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
15. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. **I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.**

### **Conclusion**

16. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
17. To progress this project seems at the very least unwise without:
1. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  1. Resolution of the water issue.
  2. Review of the Business Plan to provide accurate financial data as well

as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.

1. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. **I strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**
38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

██████████  
████████████████████

**From:** [CEO Mailbox](#)  
**To:** [Chatter](#)  
**Subject:** ISB191634 - OBJECTION: Lower Chittering Sports & Recreation Facility  
**Date:** Tuesday, 20 August 2019 10:32:15 AM  
**Importance:** High

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**From:** Freya bennett [REDACTED]  
**Sent:** Tuesday, 20 August 2019 9:02 AM  
**To:** CEO Mailbox <[ceo@chittering.wa.gov.au](mailto:ceo@chittering.wa.gov.au)>; Cr Gordon Houston <[CrHouston@chittering.wa.gov.au](mailto:CrHouston@chittering.wa.gov.au)>; [minister.templeman@dpc.wa.gov.au](mailto:minister.templeman@dpc.wa.gov.au); [bill.marmion@mp.wa.gov.au](mailto:bill.marmion@mp.wa.gov.au); [christian.porter@waliberal.org.au](mailto:christian.porter@waliberal.org.au)  
**Subject:** Written Submission

Chief Executive Officer

Shire of Chittering

PO Box 70

Bindoon WA 6502

Via Email to: [chatter@chittering.wa.gov.au](mailto:chatter@chittering.wa.gov.au)

Tuesday, 20 August 2019

Dear CEO and Councillors,

Objection: Lower Chittering Sports and Recreation Facility

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Operating Costs

11. The operating funding arrangement has not been finalized. This is critical to the viability of this project and should be resolved before any further expenditure is incurred should this project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time despite it being a contributing factor of the grant application – which has not been reported to the grant provider and renegotiated as an amendment to the loan agreement contract. Neither has the Shire's loan to IHC for principal and interest, neither has the Shire's loan to fund their capital cost contribution to include the interest charges as an expense been incorporated as an amendment to the grant agreement contract. Despite previous and repeated assurances that IHC could afford those contributions. Their initial promise was \$2M contribution to capital costs, \$275K separate purchase of the 3Ha of land and 50% contribution annually of the operational expenses. The Shire were remiss in their duty not to have gotten those agreements in writing before submitting the Grant Application, furthermore they are remiss in their duties not to have held them to their initial agreement.

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a. The table on page 15 of The Business Plan – Annualised Expenditure Estimates shows estimates of \$310,500 for year 1 and \$483,500 p.a. for years 2+ for the building only (column 1). These estimates exclude any costs for interest or for operating costs for at least one oval. Interest expense for the Shire will be in the vicinity of \$100,000 p.a. and (using the actual oval expenses for the Muehea Hall Facility in the past 2 years of \$50,700 p.a.) a much more realistic estimate of annual expenditure for the facility is \$460,000 for year 1 and \$633,000 p.a. for the following years. Using these estimates of annual expenditure (which include interest and an oval maintenance expense) and assuming revenue of \$25,000 in Year 1 and \$50,000 in Year 2 (including IHC contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2, SUBSTANTIALLY MORE than shown In the Business Plan.

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more realistic numbers for the Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23), assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of \$348,500. Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is NOT SUPPORTED. How do you propose to fund the remaining \$348,500?

e. I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentionally misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those revenue figures were quoted as estimated revenue figures expected to be generated from this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidise the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so can not be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!

16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:

a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). This needs to be added to the

amount the Shire will contribute.

c. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.

d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, the true costs of the Project are not being provided in this Business Plan.

e. The 2016 Feasibility Study survey found 71% were against paying higher rates to subsidise improvements to Recreational Facilities. This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. When will Councillors listen to and act on the views of the people that elect them?

f. The Business Plan 6.1:

i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.

ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.

iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.

v. The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.

vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.

17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

Environment

18. I understand that the majority of groundwater in the general area of the proposed

Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use artificial grass should water not be available, is environmentally unsound and impractical for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore. Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: would that not invalidate the loan grant?

#### Effect on Other Sporting and Community Facilities

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.

21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.

22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.

#### Consultation/Communication

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).

24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.

25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan [2017-2027](#) was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.

27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

#### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs? For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.

29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.

30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?

31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - this has not been addressed in the Business Plan.

32. Council has failed for many years to adequately fund current sporting facilities maintenance. It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases, facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

#### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.

34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.

#### Conclusion

35. This project, while gaining valuable funding from the Commonwealth will place a heavy and probably unsustainable burden on the Shire of Chittering and should not

proceed at this time.

36. To progress this project seems at the very least unwise without:

a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.

r. Resolution of the water issue.

s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.

37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.

38. The Council needs to review its future communication and consultation with ratepayers on significant matters, such as this project, as it has shown the Council to have been inept in doing so.

39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.

40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

[Redacted signature line]

[Redacted signature line]

[Redacted signature line]

[Redacted signature line]

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Thursday, 19 August 2019

Dear CEO and Councillors,

### **Objection: Lower Chittering Sports and Recreation Facility**

- I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility and “Land Transaction” for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the aforementioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
- I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act.** It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG

ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.

2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
3. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?
4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

## Capital Financing

5. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is financially reckless, a misapplication of Shire funds and should **NOT PROCEED. I believe this to be a breach of s6.20 & s6.21 of the LG ACT** which stipulates that a local government cannot extend unsecured credit to any creditor. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this private limited liability company default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!
6. I question the validity of the reason given by IHC for Council to undertake a loan on their behalf (to be able it to obtain future capital loans). Surely if declared to a lender, the repayments to the Shire would inhibit IHC loan raising as much as taking out a loan itself. Is the real reason they would be unable to obtain such loan? **It is also incongruent for the Council to accept all financial risk but none by this limited liability company (IHC).** Their total liability limited at just \$40 with 4x directors all having a \$10 limited liability share each.
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- e. I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentionally misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those revenue figures were quoted as estimated revenue figures expected to be generated from

**this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.**

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidise the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so can not be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!
16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:
  - a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

- b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
- c. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
- d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**
- e. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities.** This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
- f. The Business Plan 6.1:
  - i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

- iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
  - vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore.

Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: **would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**
32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases,

facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. **I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.**

### Conclusion

35. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this project seems at the very least unwise without:
- a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.
  - s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I

**strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**

38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

Original Signed

A large black rectangular redaction box covering the signature area.

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Email to: chatter@chittering.wa.gov.au

31<sup>st</sup> July 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

1. The proposal to loan \$1.625m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults.
2. No other Shire or local government body in WA has provided an unsecure loan to a 3<sup>rd</sup> party for more than one million dollars.
3. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the building.
4. IHC is **NOT** contributing \$2m as published and documented by the Shire. This is incorrect and misleading.
5. The inclusion of the funds to be received from of the sale of land to be included as IHC's contribution towards the Sports and Rec Centre Project is factually incorrect and needs to be dealt with as a separate contract. As the Shire will be receiving these funds *if the land is sold to IHC*, then the Shire can choose where to contribute those funds including towards the proposed project, therefore the money becomes part of the Shires contribution, **NOT** IHC's.
6. At all of the public and community meeting, majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility.
7. The Lower Chittering Sports Centre is not supported by a significant proportion of the Shire of Chittering ratepayers and residents.
8. The project has been intentionally progressed prior to being advertised for public comment, **in breach of the Local Government Act.**
9. The arrangement for the sale of land to IHC has been progressed and agreed upon without seeking public comment **which is in breach of the Local Government Act.**

10. All business cases including the recently released one in June 2019 are flawed. All businesses cases do not take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services; the recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. The recent report does not establish a NPV, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project; the participation rate is unrealistic and lists 20 activities not catered for; the contribution of IHC is misrepresented and incorrectly documented. The estimates of usage is misleading, linking the percentage of survey responses to the Shire population, when there is no provision of activities for our substantial retired elderly community.
11. Opportunity costs have not been investigated. As this project will have an impact over the local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified in this working. As this is a community project, adverse impacts on the community should be assessed in detail.
12. For projects running over a long period of time, like this one, replacement cost of assets (depreciation) as the asset depletes overtime should be taken into account. This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire.

Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. In total over the 20 years this amounts to a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.

Signed



Name: 

Address 

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Email to: chatter@chittering.wa.gov.au

31<sup>st</sup> July 2019

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Signed

Name: [REDACTED]

Address: [REDACTED]  
[REDACTED]

From: [REDACTED]  
To: [Chatter](#)  
Subject: ISB191638 - land purchase opposition submission  
Date: Tuesday, 20 August 2019 8:53:49 AM

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Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
by Email to: [chatter@chittering.wa.gov.au](mailto:chatter@chittering.wa.gov.au)

20 August 2019

Dear CEO and Councillors,

Please accept this letter as my submission regarding the recently advertised a "Major Land Transaction" for the Lower Chittering Sports and Recreation Facility.

I am strongly opposed to the proposal of the Lower Chittering Sports and Recreational Centre project due to the following reasons;

1. The proposal to loan \$1.625m dollars to IHC without any security is reckless and results in further liability on ratepayers when the school defaults.
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3. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the building.
4. IHC is **NOT** contributing \$2m as published and documented by the Shire. This is incorrect and misleading.
5. The inclusion of the funds to be received from of the sale of land to be included as IHC's contribution towards the Sports and Rec Centre Project is factually incorrect and needs to be dealt with as a separate contract. As the Shire will be receiving these funds **if the land is sold to IHC**, then the Shire can choose where to contribute those funds including towards the proposed project, therefore the money becomes part of the Shires contribution, **NOT** IHC's.
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catered for; the contribution of IHC is misrepresented and incorrectly documented. The estimates of usage is misleading, linking the percentage of survey responses to the Shire population, when there is no provision of activities for our substantial retired elderly community.

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Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Tuesday 20<sup>th</sup> August 2019

Dear CEO and Councillors,

### **Objection: Lower Chittering Sports and Recreation Facility**

- I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility and “Land Transaction” for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the aforementioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
- I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act.** It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG

ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.

2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
3. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?
4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

## Capital Financing

5. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is financially reckless, a misapplication of Shire funds and should **NOT PROCEED. I believe this to be a breach of s6.20 & s6.21 of the LG ACT** which stipulates that a local government cannot extend unsecured credit to any creditor. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this private limited liability company default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!
6. I question the validity of the reason given by IHC for Council to undertake a loan on their behalf (to be able it to obtain future capital loans). Surely if declared to a lender, the repayments to the Shire would inhibit IHC loan raising as much as taking out a loan itself. Is the real reason they would be unable to obtain such loan? **It is also incongruent for the Council to accept all financial risk but none by this limited liability company (IHC).** Their total liability limited at just \$40 with 4x directors all having a \$10 limited liability share each.
7. Despite repeated assurances from Shire that IHC can meet its share of costs, we have seen repeated downgrading of their ability to meet their share of the capital and ongoing costs. The Council appears to have been, and is being, "played" by IHC and **Council's due diligence/negotiating has been lacking to say the least.** Furthermore; during this same period of time Immaculate Heart College has purchased the 10Ha adjoining parcel of land consisting of 5x 2Ha blocks for a rumoured \$1M purchase price. The 3Ha Block of land the Shire intend to sell Immaculate Heart is for the express purpose of building a high School Campus there, the cost of which should be a taken under advisement as a liability along with the School's plan to double the enrolment numbers in coming years for the Primary School Campus. Announcing during a recent school assembly that an additional 5x demountable classrooms have been ordered for the beginning of next year. How

have the cost for these been evaluated in the loan serviceability assessment. Has the Shire got a planning application, or amended building application for the installation of these bearing in mind that ancillary buildings namely demountable classrooms have been the subject of numerous complaints from surrounding property owners and do not comply with the building constraints nor allowable land uses for that land zoning under Shire of Chitterings Town Planning Scheme. Nor does the School have a licensed bore, although the Shire are aware they are using an unlicensed bore presently, has any action been taken regarding this by the Shire?

8. The Business Plan makes little comment on the risk of a loan to this limited liability company (IHC). It merely states that in the event of dissolution of the College, the full balance of the loan will become due. If this company becomes insolvent, the maximum liability payable will only be \$40. Much was made of this being highly unlikely by the previous acting CEO. I believe that to be naive and I do not share his belief. Would any financial institution agree to an unsecured loan such as this? **NO THEY WOULD NOT! Furthermore; it would be illegal for a bank, loan broker or lender to provide such a loan under the responsible lending laws.**
9. The inclusion of the funds to be received from the sale of land to be included as IHC's contribution towards the Sports and Recreation Centre Project is **factually incorrect** and needs to be dealt with as a separate contract. As the Shire will be receiving these funds, the Shire can choose where to contribute those funds, including towards the proposed project, therefore if so done, the money becomes part of the Shire's contribution, **NOT IHC**. **Stating otherwise in the Business Plan is incorrect and misleading.**
10. Given the many errors in Council documents relating to this project, I have little, if any confidence, in the assessment that the 1st Stage will only cost \$9.71 million. It is disturbing (page 18) that the Council might allocate more funds to the project to meet construction costs that exceed the estimate. **Why has no mention been made of IHC also having to contribute to any over spend?**

### **Operating Costs**

11. The operating funding arrangement has not been finalized. This is critical to the viability of this project and should be resolved before any further expenditure is incurred should this project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time despite it being a

contributing factor of the grant application – which has not been reported to the grant provider and renegotiated as an amendment to the loan agreement contract. Neither has the Shire's loan to IHC for principal and interest, neither has the Shires loan to fund their capital cost contribution to include the interest charges as an expense been incorporated as an amendment to the grant agreement contract. **despite previous and repeated assurances that IHC could afford those contributions.** Their initial promise was \$2M contribution to capital costs, \$275K separate purchase of the 3Ha of land and 50% contribution annually of the operational expenses. The Shire were remiss in their duty not to have gotten those agreements in writing before submitting the Grant Application, furthermore they are remiss in their duties not to have held them to their initial agreement.

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\$25,000 in Year 1 and \$50,000 in Year 2 (including IHC contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2, **SUBSTANTIALLY MORE than shown In the Business Plan.**

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  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

- iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
  - vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore.

Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: **would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**
32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases,

facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.

### Conclusion

35. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this project seems at the very least unwise without:
- a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.
  - s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I

**strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**

38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

A large black rectangular redaction box covering the signature area.

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Thursday, 19 August 2019

Dear CEO and Councillors,

### **Objection: Lower Chittering Sports and Recreation Facility**

- I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility and “Land Transaction” for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the aforementioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
- I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act**. It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG

- ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.
2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
  3. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?
  4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

### Capital Financing

5. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is financially reckless, a misapplication of Shire funds and should **NOT PROCEED**. I believe this to be a breach of **s6.20 & s6.21 of the LG ACT** which stipulates that a local government cannot extend unsecured credit to any creditor. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this **private limited liability company** default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!
6. I question the validity of the reason given by IHC for Council to undertake a loan on their behalf (to be able it to obtain future capital loans). Surely if declared to a lender, the repayments to the Shire would inhibit IHC loan raising as much as taking out a loan itself. Is the real reason they would be unable to obtain such loan? **It is also incongruent for the Council to accept all financial risk but none by this limited liability company (IHC)**. Their total liability limited at just \$40 with 4x directors all having a \$10 limited liability share each.
7. Despite repeated assurances from Shire that IHC can meet its share of costs, we have seen repeated downgrading of their ability to meet their share of the capital and ongoing costs. The Council appears to have been, and is being, "played" by IHC and **Council's due diligence/negotiating has been lacking to say the least**. Furthermore; during this same period of time Immaculate Heart College has purchased the 10Ha adjoining parcel of land consisting of 5x 2Ha blocks for a rumoured \$1M purchase price. The 3Ha Block of land the Shire intend to sell Immaculate Heart is for the express purpose of building a high School Campus there, the cost of which should be a taken under advisement as a liability along with the School's plan to double the enrolment numbers in coming years for the Primary School Campus. Announcing during a recent school assembly that an additional 5x demountable classrooms have been ordered for the beginning of next year. How

- have the cost for these been evaluated in the loan serviceability assessment. Has the Shire got a planning application, or amended building application for the installation of these bearing in mind that ancillary buildings namely demountable classrooms have been the subject of numerous complaints from surrounding property owners and do not comply with the building constraints nor allowable land uses for that land zoning under Shire of Chitterings Town Planning Scheme. Nor does the School have a licensed bore, although the Shire are aware they are using an unlicensed bore presently, has any action been taken regarding this by the Shire?
8. The Business Plan makes little comment on the risk of a loan to this limited liability company (IHC). It merely states that in the event of dissolution of the College, the full balance of the loan will become due. If this company becomes insolvent, the maximum liability payable will only be \$40. Much was made of this being highly unlikely by the previous acting CEO. I believe that to be naive and I do not share his belief. Would any financial institution agree to an unsecured loan such as this? **NO THEY WOULD NOT! Furthermore; it would be illegal for a bank, loan broker or lender to provide such a loan under the responsible lending laws.**
  9. The inclusion of the funds to be received from the sale of land to be included as IHC's contribution towards the Sports and Recreation Centre Project is **factually incorrect** and needs to be dealt with as a separate contract. As the Shire will be receiving these funds, the Shire can choose where to contribute those funds, including towards the proposed project, therefore if so done, the money becomes part of the Shire's contribution, **NOT IHC. Stating otherwise in the Business Plan is incorrect and misleading.**
  10. Given the many errors in Council documents relating to this project, I have little, if any confidence, in the assessment that the 1st Stage will only cost \$9.71 million. It is disturbing (page 18) that the Council might allocate more funds to the project to meet construction costs that exceed the estimate. **Why has no mention been made of IHC also having to contribute to any over spend?**

### **Operating Costs**

11. The operating funding arrangement has not been finalized. This is critical to the viability of this project and should be resolved before any further expenditure is incurred should this project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time despite it being a

contributing factor of the grant application – which has not been reported to the grant provider and renegotiated as an amendment to the loan agreement contract. Neither has the Shire's loan to IHC for principal and interest, neither has the Shires loan to fund their capital cost contribution to include the interest charges as an expense been incorporated as an amendment to the grant agreement contract. **despite previous and repeated assurances that IHC could afford those contributions.** Their initial promise was \$2M contribution to capital costs, \$275K separate purchase of the 3Ha of land and 50% contribution annually of the operational expenses. The Shire were remiss in their duty not to have gotten those agreements in writing before submitting the Grant Application, furthermore they are remiss in their duties not to have held them to their initial agreement.

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- f. The Business Plan 6.1:
  - i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

- iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
  - vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore.

Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: **would that not invalidate the loan grant?**

#### **Effect on Other Sporting and Community Facilities**

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

#### **Consultation/Communication**

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!
29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**
32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases, facili-

ties not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.

### Conclusion

35. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this project seems at the very least unwise without:
  - a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.
  - s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I strong-

ly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.

38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,



**From:**   
**To:** [Chatter](#)  
**Subject:** ISB191641 - Submission regarding Major Land Transaction.  
**Date:** Tuesday, 20 August 2019 7:52:32 AM

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Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502

19th August 2019.

Dear CEO and Councillors,

I would like to submit my strong opposition and voice my concerns regarding the proposed "Major Land Transaction" and development of the Lower Chittering Sports and Recreation Facility.

I am concerned at the prior lack of community information and consultation in regards to this development. The survey on which the grant application was based is flawed and misleading. With only a 15% response rate to 500 surveys distributed, the results CAN NOT be representative of the the wider community with a population of over 5000. Recent public meetings in Lower Chittering and Bindoon would indicate that the community attitude towards towards the development is overwhelmingly negative and non-supportive.

I am concerned that there will be a rise in our rates to cover construction and operational costs to cover the costs of the development as the predicted future revenue of \$618,000 per annum is exaggerated and and based on data from interstate sports and recreation facilities that have entirely different modes of operation.

One needs to look no further than other sports and recreation centres in regional and rural WA to see that revenue is much lower than operational costs due to minimal use. This has even led to closure of these centres in some towns. Although IHC will be making use of the facility during week day hours, the centre will not be generating revenue as the College will already be contributing to user fees.

Therefore, ratepayers will be required to pay costs and unlikely to be using it.

IF, in the unlikely case, that the Shire decides NOT to increase rates to cover the costs, it will be to the detriment of other infrastructure and maintenance needs within the Shire. Current maintenance and repair to sporting clubs and centres within the Shire is severely lacking and will only fall further if this development proceeds.

I am concerned that in order to proceed with Stage 1 of the development, the Shire will be organising, through Treasury funds, an unsecured, self-supporting loan to IHC with very little (true) evidence that the College will be able to repay it. The risks associated with this are extremely high and no doubt will fall to the Shire, and therefore ratepayers, to repay if

IHC defaults.

The arrangement for the Shire and IHC to split operational costs is already looking doubtful with IHC admitting they will not be able to fund a 50/50 split.

Thus, the Shire ,and ratepayers, will be funding far more in costs than they will be using.

I am EXTREMELY concerned that the plans for development have continued despite the lack of a suitable water source to irrigate ovals and provide water to the facility being found. By its own admission, the Shire is also concerned that lack of water will hinder or even halt further development.

Drilling for ground water has been attempted although the Shire has previously applied to the EPA and been successful in preventing others from using groundwater in the very same location they are now attempting to find water claiming, "**abstraction of groundwater had potential significant environmental impacts on local water resources and the environment....**"

Thus, the Shire has been previously concerned about other users extracting water from the area but this no longer appears to be the case when they are needing water.

IF a suitable groundwater is sourced and a licence issued, the bore will be of low yield which will require pumping and storage into 3-4 large water tanks per oval before being pumped to irrigation stations on the ovals.

The suggestion by engineers to use treated wastewater in a trickle feed system is highly unlikely to be successful as there will not be enough wastewater generated (by accurate user numbers) and such systems are often ineffective and require ongoing maintenance and repair due to their tendency to clog. Irrigation companies do not recommend use of this type of system on large ovals.

Depending on water quality, it may be very likely that desalination units or iron extraction will be required.

All of the above are just a few indicators of the extra constraints and costs that have not been accounted for and yet planning for the Lower Chittering Sports and Recreation Facility continues which give me great cause for concern.

Kind regards,

[Redacted signature]

[Redacted contact information]

Matthew Gilfellon  
Chief Executive Officer  
Shire of Chittering  
6177 Great Northern Highway  
PO Box 70 Bindoon WA 6502  
[chatter@chittering.wa.gov.au](mailto:chatter@chittering.wa.gov.au)

**REF: Major Land Transaction – Lower Chittering Sports & Recreation Facility consultation**

Chittering CEO and Councilors,

In reference to the advertised public consultation 'Major Land Transaction' advertised on 08/07/2019 please find our submission opposing this proposal.

After reviewing the Business Plan and attending information sessions held by council it is our view that this proposal goes against the best interests of the community for social and economic reasons.

It is apparent that there is a strong community sentiment against this project. Given the deficiencies in the feasibility study (which did not consider appropriately similar facilities in similar communities) and the statistically insignificant (and demographically biased) survey of community interest it seems reasonable that consideration be given to more qualitative consultation with the community and additional investigation into demand and economic feasibility in the current climate and in consideration of current State government forecasts.

The background of the Business Plan places emphasis of the population growth seen by Shire of Chittering (and Lower Chittering in particular) in the past. Past growth trends are not necessarily a good indicator of future growth and the State Government have revised their figures (since 2016 when the feasibility study was conducted) to a much more conservative growth state-wide. Department of Planning, Lands and Heritage are also taking a much more conservative view and have revised their approach to Rural Residential zoning and 'urban sprawl' in general with the Perth & Peel region strategy focusing on higher rates of urban infill and less greenfield development approvals. Since the feasibility study a number of major State Government projects have been funded which provide high quality services to peri-urban communities and will result in significant shifts in populations away from this area. It is *extremely* unlikely that Shire of Chittering will reach the anticipated population figures upon which the feasibility study, and therefore the Business Plan, is based.

Additionally there has been no consideration of the demographics making up this community with the Sporting & Recreation Centre proposal focusing on facilities catering to youth and able-bodied activities. The population of WA is an aging population and rural and peri-urban settlements appeal to 'tree-change' populations. ABS figures indicate that at the last census the population was over-represented in ages 40+ in comparison to the state and national average. The facility is inadequately catering for the demographics of the wider community within the Shire.

There are many discrepancies in the financial accounting for the project with a heavy reliance on third party contribution and ratepayer funding beyond the reasonable life of the project. By the Shires figures the debt will be standing for some 20 years at which point the facility will most likely require major refurbishment. Given the State economic forecasts it is unlikely (as with most facilities

of this nature in WA) that the Sport & Recreation Centre will generate revenue and will therefore continue to be a burden on the ratepayers.

The provision of usage rights to the Immaculate Heart College is disproportionate to their contribution to the facility. They are providing 10% of the forecast cost of the facility for more than 50% of the usage. This usage right is proposed to extend for 20 years, which is the time they are expecting to take to repay the loan and not based on any reasonable review period to assess whether this meets the economic social needs of the time. As this proposal relates to Stage 1 only it is not clear whether these usage rights will extend by proxy to any additional stages which may be constructed in the future, this should be clearly stated in any agreement. Given that the agreement seems to connect to the loan terms logically any future additions should not be included in this. The agreement states that Immaculate Heart College will be contribute *up to* \$100 000pa to maintenance costs which is disproportionality low considering the proposed usage rights. The limit of two years prior to revision of the arrangement is inconsistent with the assertion that the usage rights be connected to the term of the loan at 20 years. Maintenance costs and usage rights are fundamentally aligned and a *minimum* contribution should be set for the full term of the agreement.

The sale of land to a private entity, Immaculate Heart College, is irrelevant to the material consideration of this proposal. Funds obtained from a lawful sale at market rate can be use by the shire for any purpose. The consideration of these transactions together further serves to indicate that a third party interest (Immaculate Heart College) is being placed ahead of that of the wider community.

This project recklessly commits the community to a significant cost over the next 20 years for the benefit of a small minority of residents. We do not support this proposal and request that the CEO and elected Councilors reconsider progressing this in its current form.

Signed,

[Redacted signature block]

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Thursday, 19 August 2019

Dear CEO and Councillors,

### **Objection: Lower Chittering Sports and Recreation Facility**

- I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility and “Land Transaction” for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the aforementioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
- I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act.** It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG

ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.

2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
3. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?
4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

## Capital Financing

5. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is financially reckless, a misapplication of Shire funds and should **NOT PROCEED. I believe this to be a breach of s6.20 & s6.21 of the LG ACT** which stipulates that a local government cannot extend unsecured credit to any creditor. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this private limited liability company default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!
6. I question the validity of the reason given by IHC for Council to undertake a loan on their behalf (to be able it to obtain future capital loans). Surely if declared to a lender, the repayments to the Shire would inhibit IHC loan raising as much as taking out a loan itself. Is the real reason they would be unable to obtain such loan? **It is also incongruent for the Council to accept all financial risk but none by this limited liability company (IHC).** Their total liability limited at just \$40 with 4x directors all having a \$10 limited liability share each.
7. Despite repeated assurances from Shire that IHC can meet its share of costs, we have seen repeated downgrading of their ability to meet their share of the capital and ongoing costs. The Council appears to have been, and is being, "played" by IHC and **Council's due diligence/negotiating has been lacking to say the least.** Furthermore; during this same period of time Immaculate Heart College has purchased the 10Ha adjoining parcel of land consisting of 5x 2Ha blocks for a rumoured \$1M purchase price. The 3Ha Block of land the Shire intend to sell Immaculate Heart is for the express purpose of building a high School Campus there, the cost of which should be a taken under advisement as a liability along with the School's plan to double the enrolment numbers in coming years for the Primary School Campus. Announcing during a recent school assembly that an additional 5x demountable classrooms have been ordered for the beginning of next year. How

have the cost for these been evaluated in the loan serviceability assessment. Has the Shire got a planning application, or amended building application for the installation of these bearing in mind that ancillary buildings namely demountable classrooms have been the subject of numerous complaints from surrounding property owners and do not comply with the building constraints nor allowable land uses for that land zoning under Shire of Chitterings Town Planning Scheme. Nor does the School have a licensed bore, although the Shire are aware they are using an unlicensed bore presently, has any action been taken regarding this by the Shire?

8. The Business Plan makes little comment on the risk of a loan to this limited liability company (IHC). It merely states that in the event of dissolution of the College, the full balance of the loan will become due. If this company becomes insolvent, the maximum liability payable will only be \$40. Much was made of this being highly unlikely by the previous acting CEO. I believe that to be naive and I do not share his belief. Would any financial institution agree to an unsecured loan such as this? **NO THEY WOULD NOT! Furthermore; it would be illegal for a bank, loan broker or lender to provide such a loan under the responsible lending laws.**
9. The inclusion of the funds to be received from the sale of land to be included as IHC's contribution towards the Sports and Recreation Centre Project is **factually incorrect** and needs to be dealt with as a separate contract. As the Shire will be receiving these funds, the Shire can choose where to contribute those funds, including towards the proposed project, therefore if so done, the money becomes part of the Shire's contribution, **NOT IHC**. **Stating otherwise in the Business Plan is incorrect and misleading.**
10. Given the many errors in Council documents relating to this project, I have little, if any confidence, in the assessment that the 1st Stage will only cost \$9.71 million. It is disturbing (page 18) that the Council might allocate more funds to the project to meet construction costs that exceed the estimate. **Why has no mention been made of IHC also having to contribute to any over spend?**

### **Operating Costs**

11. The operating funding arrangement has not been finalized. This is critical to the viability of this project and should be resolved before any further expenditure is incurred should this project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time despite it being a

contributing factor of the grant application – which has not been reported to the grant provider and renegotiated as an amendment to the loan agreement contract. Neither has the Shire's loan to IHC for principal and interest, neither has the Shires loan to fund their capital cost contribution to include the interest charges as an expense been incorporated as an amendment to the grant agreement contract. **despite previous and repeated assurances that IHC could afford those contributions.** Their initial promise was \$2M contribution to capital costs, \$275K separate purchase of the 3Ha of land and 50% contribution annually of the operational expenses. The Shire were remiss in their duty not to have gotten those agreements in writing before submitting the Grant Application, furthermore they are remiss in their duties not to have held them to their initial agreement.

12. The projected revenue only covers 20%-25% of the annual operating cost of the project. Therefore the proposed project will incur a significant loss every year for the life of the facility. That is **IF IHC meets its' commitment and revenue meets expectations as outlined in the Business Case**. However, it is possible that IHC will not; failing to meet part or all ongoing costs on the basis of they "cannot afford it", need to spend on further expansion, etc. Will the Shire then stand up to them and deny use of the facility at sometime in the future? I think that this option would be unlikely but could lead to the closing of the facility in its entirety.
13. The net operating costs for the Shire as shown in The Business Plan have been **substantially understated** and likely actual costs will only be able to be met by the Shire by deferment/cancellation of other necessary works programs, specifically expenditure on roads, footpaths and bridges (or raising rates). For example:
  - a. The table on page 15 of The Business Plan – Annualised Expenditure Estimates shows estimates of \$310,500 for year 1 and \$483,500 p.a. for years 2+ for the building only (column 1). These estimates **exclude any costs for interest or for operating costs for at least one oval**. Interest expense for the Shire will be in the vicinity of \$100,000 p.a. and (using the actual oval expenses for the Muchea Hall Facility in the past 2 years of \$50,700 p.a.) a much more realistic estimate of annual expenditure for the facility is \$460,000 for year 1 and \$633,000 p.a. for the following years. Using these estimates of annual expenditure (which include interest and an oval maintenance expense) and assuming revenue of

\$25,000 in Year 1 and \$50,000 in Year 2 (including IHC contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2, **SUBSTANTIALLY MORE than shown In the Business Plan.**

- b. The above calls into question the proposed loan agreement with, and usage cost contribution by the IHC. Using just the 25% of costs formula, the **contributions by the College should be \$108,750 in Year 1 and \$124,250 in Year 2.** IHC has ONLY committed to cost contribution of up to \$100,000 p.a. for the first 2 years. IHC's ability to meet their share of these higher costs need to be taken up with IHC at the very least before further expenditure is made. Should they again cry poor, then cancel this project!
- c. I also question why sporting clubs have to pay  $\frac{1}{3}$  costs and IHC which will gain substantial benefit and sole usage at significant times is only proposed to pay 25% or up to \$100,000 which ever is the lesser.
- d. The table on page 16 of The Business Plan, proposes that the Gap Costs of this project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the **Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23)**, assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of \$348,500. Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED.** **How to you propose to fund the remaining \$348,500?**
- e. I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentionally misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those revenue figures were quoted as estimated revenue figures expected to be generated from

**this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.**

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidise the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so can not be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!
16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:
  - a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

- b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
- c. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
- d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**
- e. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities.** This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
- f. The Business Plan 6.1:
  - i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

- iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
  - vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore.

Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: **would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**
32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases,

facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. **I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.**

### Conclusion

35. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this project seems at the very least unwise without:
- a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.
  - s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I

**strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**

38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

A large black rectangular redaction box covering the signature area.

SHIRE OF CHITTERING  
RECEIVED

20 AUG 2019

Shire of Chittering  
Chief Executive Officer  
Mr Matthew Gilfallon  
Bindoon WA 6502

Officer..... CEO/EA  
File..... A1176B 15/04/16  
Ref..... 138191648

18.08.19

Dear Matthew,

Re: Submission for the Lower Chittering Sporting Facility

I have read the Robert Sprague submission re the council and staff handling of the proposed recreation and sporting facilities including financial statistics and IHC contribution plus land transaction and all matters associated with this project.

I find it to be a truthful appraisal and concur with the items raised in this report. I strongly suggest that council defer this project and hold public meetings or forums to address all the matters raised in sequence of items 1 to 40 in this report as soon as possible.

Submitted for your information and favourable consideration.

Yours faithfully

Lee & Cheryl Martin



*Cheryl Martin*

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Thursday, 8 August 2019

Dear CEO and Councillors,

### **Lower Chittering Sports and Recreation Facility**

1. I am asking that you consider this my submission as a ratepayer in regard to the recently advertised "Major Land Transaction" and proposed "Land Sale" for the Lower Chittering Sports and Recreation Facility and the "management" of this Project.
2. Firstly, I am not opposed to sporting and community facilities as such. They are a valuable part of developing our youth and community spirit etc. What I am **strongly opposed to is the proposal** for the Lower Chittering Sports and Recreational Centre Project in its' present form due to the reasons below.

### **Land Transaction**

3. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of the Local Government Act**. It is only after being raised by a ratepayer and pressure from ratepayers that that you have belatedly sought the required comment. This, and other errors and omissions, do not augur well for confidence in Shire management.
4. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a seperate matter to the land sale and contains much unrelated matter to that required under the Act.

5. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?

### Capital Financing

6. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is reckless and should **NOT PROCEED**. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this private limited liability company default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!
7. I question the validity of the reason given by IHC for Council to undertake a loan on their behalf (to be able it to obtain future capital loans). Surely if declared to a lender, the repayments to the Shire would inhibit IHC loan raising as much as taking out a loan itself. Is the real reason they would be unable to obtain such loan? **It is also incongruent for the Council to accept all financial risk but none by this limited liability company (IHC).**
8. Despite repeated assurances from Shire that IHC can meet its share of costs, we have seen repeated downgrading of their ability to meet their share of the capital and ongoing costs. The Council appears to have been, and is being, "played" by IHC and **Council's due diligence/negotiating has been lacking to say the least.**
9. The Business Plan makes little comment on the risk of a loan to this limited liability company (IHC). It merely states that in the event of dissolution of the College, the full balance of the loan will become due. If this company becomes insolvent, the maximum liability payable will only be \$40. Much was made of this being highly unlikely by the previous acting CEO. I believe that to be naive

and I do not share his belief. Would any financial institution agree to an unsecured loan such as this? **NO THEY WOULD NOT!**

10. The inclusion of the funds to be received from the sale of land to be included as IHC's contribution towards the Sports and Recreation Centre Project is **factually incorrect** and needs to be dealt with as a separate contract. As the Shire will be receiving these funds, the Shire can choose where to contribute those funds, including towards the proposed Project, therefore if so done, the money becomes part of the Shire's contribution, **NOT IHC. Stating otherwise in the Business Plan is incorrect and misleading.**
11. Given the many errors in Council documents relating to this Project, I have little, if any confidence, in the assessment that the 1st Stage will only cost \$9.71 million. It is disturbing (page 18) that the Council might allocate more funds to the Project to meet construction costs that exceed the estimate. **Why has no mention been made of IHC also having to contribute to any over spend?**

#### **Operating Costs**

12. The operating funding arrangement has not been finalised. This is critical to the viability of this Project and should be resolved before any further expenditure is incurred should this Project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time **despite previous and repeated assurances that IHC could afford those contributions.**
13. The projected revenue only covers 20%-25% of the annual operating cost of the Project. Therefore the proposed Project will incur a significant loss every year for the life of the facility. That is **IF IHC meets its' commitment and revenue meets expectations.** However, it is possible that IHC will not; failing to meet part or all ongoing costs on the basis of they "cannot afford it", need to spend on further expansion, etc. Will the Shire then stand up to them and deny use of the facility at sometime in the future? I think that this option would be unlikely but could lead to the closing of the facility in its entirety.
14. The net operating costs for the Shire as shown in The Business Plan have been **substantially understated** and likely actual costs

will only be able to be met by the Shire by deferment/cancellation of other necessary works programs, specifically expenditure on roads, footpaths and bridges (or raising rates). For example:

- a. The table on page 15 of The Business Plan – Annualised Expenditure Estimates shows estimates of \$310,500 for year 1 and \$483,500 p.a. for years 2+ for the building only (column 1). These estimates **exclude any costs for interest or for operating costs for at least one oval**. Interest expense for the Shire will be in the vicinity of \$100,000 p.a. and (using the actual oval expenses for the Muchea Hall Facility in the past 2 years of \$50,700 p.a.) a much more realistic estimate of annual expenditure for the facility is \$460,000 for year 1 and \$633,000 p.a. for the following years. Using these estimates of annual expenditure (which include interest and an oval maintenance expense) and assuming revenue of \$25,000 in Year 1 and \$50,000 in Year 2 (including IHC contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2, **SUBSTANTIALLY MORE than shown in the Business Plan.**
- b. The above calls into question the proposed loan agreement with, and usage cost contribution by the IHC. Using just the 25% of costs formula, the **contributions by the College should be \$108,750 in Year 1 and \$124,250 in Year 2**. IHC has ONLY committed to cost contribution of up to \$100,000 p.a. for the first 2 years. IHC's ability to meet their share of these higher costs need to be taken up with IHC at the very least before further expenditure is made. Should they again cry poor, then cancel this Project!
- c. I also question why sporting clubs have to pay  $\frac{1}{3}$  costs and IHC which will gain substantial benefit and sole usage at significant times is only proposed to pay 25% or up to \$100,000 which ever is the lesser.
- d. The table on page 16 of The Business Plan, proposes that the Gap Costs of this Project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the **Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23)**, assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of

**\$348,500.** Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED. How to you propose to fund the remaining \$348,500?**

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility.
16. All business cases related to this Project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:
  - a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.
  - b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
  - c. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
  - d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**

- e. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities**. This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
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- i. States "reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes". Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
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24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable.

The reports appear to be written with the primary purpose of justifying this Project/making it work. Money poorly spent.

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31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate

board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**

32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this Project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this Project, will severely impact Shire funds, leading to significant rate increases, facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
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### Conclusion

35. This Project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this Project seems at the very least unwise without:
- a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.

- s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this Project, calls in to further question the costings, and may breach the terms of the Grant for this Project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed Project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. **I strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**
38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this Project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
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Yours Sincerely,



Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Thursday, 19 August 2019

Dear CEO and Councillors,

### **Objection: Lower Chittering Sports and Recreation Facility**

- I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility and “Land Transaction” for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the aforementioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
- I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act.** It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG

ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community and that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.

2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
3. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?
4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

## Capital Financing

5. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is financially reckless, a misapplication of Shire funds and should **NOT PROCEED. I believe this to be a breach of s6.20 & s6.21 of the LG ACT** which stipulates that a local government cannot extend unsecured credit to any creditor. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this private limited liability company default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!
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11. The operating funding arrangement has not been finalized. This is critical to the viability of this project and should be resolved before any further expenditure is incurred should this project proceed. Many decisions have been made based on what IHC would contribute but this has gradually reduced over time despite it being a

contributing factor of the grant application – which has not been reported to the grant provider and renegotiated as an amendment to the loan agreement contract. Neither has the Shire's loan to IHC for principal and interest, neither has the Shires loan to fund their capital cost contribution to include the interest charges as an expense been incorporated as an amendment to the grant agreement contract. **despite previous and repeated assurances that IHC could afford those contributions.** Their initial promise was \$2M contribution to capital costs, \$275K separate purchase of the 3Ha of land and 50% contribution annually of the operational expenses. The Shire were remiss in their duty not to have gotten those agreements in writing before submitting the Grant Application, furthermore they are remiss in their duties not to have held them to their initial agreement.

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\$25,000 in Year 1 and \$50,000 in Year 2 (including IHC contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2, **SUBSTANTIALLY MORE than shown In the Business Plan.**

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- c. I also question why sporting clubs have to pay  $\frac{1}{3}$  costs and IHC which will gain substantial benefit and sole usage at significant times is only proposed to pay 25% or up to \$100,000 which ever is the lesser.
- d. The table on page 16 of The Business Plan, proposes that the Gap Costs of this project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the **Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23)**, assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of \$348,500. Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED. How to you propose to fund the remaining \$348,500?**
- e. I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentionally misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those revenue figures were quoted as estimated revenue figures expected to be generated from

**this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.**

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidise the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so can not be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!
16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:
  - a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

- b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
- c. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
- d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**
- e. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities.** This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
- f. The Business Plan 6.1:
  - i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

- iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
  - vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore.

Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: **would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to make use of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**
32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases,

facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. **I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.**

### Conclusion

35. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this project seems at the very least unwise without:
- a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.
  - s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I

**strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**

38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

I wholeheartedly agree with this objection and have great concern with the Shire of Chitterings ability to fund this proposed project.

I think this is not the time for such extravagance however perhaps in the long term future it may become more viable  
However it should not be tied to IHC.

Yours Sincerely,

A large black rectangular redaction box covering the signature area.

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Wednesday, 21<sup>st</sup> August 2019

Dear CEO and Councilors,

### **Objection: Lower Chittering Sports and Recreation Facility**

- I am asking that you consider this my submission of public comment as a ratepayer in regards to the recently advertised “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility and “Land Transaction” for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the aforementioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
- I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act.** It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG

ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.

2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
3. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?
4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

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- b. The above calls into question the proposed loan agreement with, and usage cost contribution by the IHC. Using just the 25% of costs formula, the **contributions by the College should be \$108,750 in Year 1 and \$124,250 in Year 2.** IHC has ONLY committed to cost contribution of up to \$100,000 p.a. for the first 2 years. IHC's ability to meet their share of these higher costs need to be taken up with IHC at the very least before further expenditure is made. Should they again cry poor, then cancel this project!
- c. I also question why sporting clubs must pay  $\frac{1}{3}$  costs and IHC which will gain substantial benefit and sole usage at significant times is only proposed to pay 25% or up to \$100,000 whichever is the lesser.
- d. The table on page 16 of The Business Plan, proposes that the Gap Costs of this project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the **Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23)**, assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of \$348,500. Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED.** **How to you propose to fund the remaining \$348,500?**
- e. I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentionally misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those revenue figures were quoted as estimated revenue figures expected to be generated from

**this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.**

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidize the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so cannot be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!
16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:
  - a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyze the profitability of a projected investment or project.

- b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
- c. The estimates of usage are misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
- d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, the **true costs of the Project are not being provided in this Business Plan.**
- e. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidize improvements to Recreational Facilities.** This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councilors listen to and act on the views of the people that elect them?**
- f. The Business Plan 6.1:
  - i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss-making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalization of facilities.
  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

- iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
  - vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimized by limiting activities to say 11.00pm and noise minimization included in any use agreements.
17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore.

Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There were also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: **would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favor of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**
32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases, facili-

ties not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.

### Conclusion

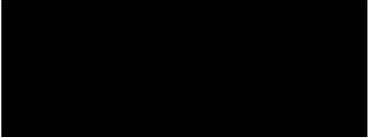
35. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this project seems at the very least unwise without:
  - a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.
  - s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I strong-

**ly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**

38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way too many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

████████████████████  
██



Sunday August 18 2019

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: [chatter@chittering.wa.gov.au](mailto:chatter@chittering.wa.gov.au)

Dear CEO and Councillors,

### **Lower Chittering Sports and Recreation Facility**

1. I am asking that you consider this my submission as a ratepayer in regard to the recently advertised "Major Land Transaction" and proposed "Land Sale" for the Lower Chittering Sports and Recreation Facility and the "management" of this Project.
2. The 2016 Feasibility Study survey found 71% were against paying higher rates to subsidise improvements to Recreational Facilities. This response has been voiced clearly at many meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. When will Council and the elected Councillors listen to, and act, on the views of the people that elect them?
3. I wish to place on record that I am supportive of sport facilities as they are a valuable part of developing our youth and community and as the parent of 3 (now adult) children I know first hand that the values they learnt when participating in team sports have stood them in good stead as adults. I am however, **strongly opposed** to the proposal to construct the Lower Chittering Sports and Recreational Centre Project and the sale of the land to Immaculate Heart College, in its' present form due to the reasons below.

### **Land Transaction**

4. The arrangement for the sale of land to a private limited liability company (trading as Immaculate Heart College) has been progressed and agreed upon without seeking the necessary public comment and in breach of the Local Government Act as it has not been sold under auction or via public tender. Further, it is only after being raised by a ratepayer and mounting pressure from ratepayers that that you have belatedly sought the required comment. This, and other errors and omissions, gives me little confidence in Shire management and its ability to effectively monitor a project of this size.
5. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated matter to that required under the Act.

### Capital Financing

6. The proposal to provide a private, limited liability company an unsecured loan of \$1.625m dollars is irresponsible and should **be halted**. It is my belief that the amount proposed is excessive and far exceeds any other Shire or local government body in WA providing such an unsecured loan to a 3<sup>rd</sup> party and given the shifting commitments from this same company in relation to the proposed project, the possibility of further ratepayer exposure to picking up the bill should this private limited liability company (this Company) default is enormous.
7. To provide an unsecured loan, together with the Shire's own borrowings, will dramatically limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows the Shire has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves and that road maintenance will also be curtailed.
8. It is also unacceptable to me as a ratepayer that the Council accept all financial risk but none is being undertaken by this limited liability company.
9. Despite repeated assurances from Shire that this Company can meet its share of costs, there has been repeated downgrading of their ability to meet their share of the capital and ongoing costs. The Council appears to have been, and is being, "hood-winked" by this Company and Council's due diligence has been lacking to say the least.
10. The inclusion of the funds to be received from the sale of land to be included as this private Company's contribution towards the Sports and Recreation Centre Project is not correct and needs to be dealt with as a separate contract. As the Shire will be receiving these funds, the Shire can choose where to contribute those funds, including towards the proposed Project, therefore if so done, the money becomes part of the Shire's contribution, NOT this Company. Stating otherwise in the Business Plan is incorrect and misleading.
11. Given the many errors in Council documents relating to this Project, I have little, if any confidence, in the assessment that the 1st Stage will only cost \$9.71 million. It is disturbing (page 18) that the Council might allocate more funds to the Project to meet construction costs that exceed the estimate, and this is without considering the impact of obtaining (or not) adequate water.

### Operating Costs

12. The operating funding arrangement has not been finalised. This is critical to the viability of this project and should be resolved before any further expenditure is incurred should this project proceed in the future. Many decisions have been made based on what this Company would contribute but this has gradually reduced over time despite previous and repeated assurances that this Company could afford those contributions.
13. The projected revenue only covers 20%-25% of the annual operating cost of the Project. Therefore the proposed Project will incur a significant loss every year for the life of the facility. That is **IF** this Company meets its' commitment and revenue meets expect-

tations. However, it is possible that this Company will not; failing to meet part or all on-going costs on the basis of they “cannot afford it”, need to spend on further expansion, etc.

14. The net operating costs for the Shire as shown in The Business Plan have been **substantially understated** and likely actual costs will only be able to be met by the Shire by deferment/cancellation of other necessary works programs, specifically expenditure on roads, footpaths and bridges , bjut more likely the raising of rates. For example:
  - a. The table on page 15 of The Business Plan – Annualised Expenditure Estimates shows estimates of \$310,500 for year 1 and \$483,500 p.a. for years 2+ for the building only (column 1). These estimates **exclude any costs for interest or for operating costs for at least one oval**. Interest expense for the Shire will be in the vicinity of \$100,000 p.a. and (using the actual oval expenses for the Muchea Hall Facility in the past 2 years of \$50,700 p.a.) a much more realistic estimate of annual expenditure for the facility is \$460,000 for year 1 and \$633,000 p.a. for the following years. Using these estimates of annual expenditure (which include interest and an oval maintenance expense) and assuming revenue of \$25,000 in Year 1 and \$50,000 in Year 2 (including this Company’s contribution), the net cost to the Shire will be \$347,000 in year 1 and \$497,000 in year 2, **SUBSTANTIALLY MORE than shown In the Business Plan**.
  - b. The above calls into question the proposed loan agreement with, and usage cost contribution by the THIS COMPANY. Using just the 25% of costs formula, the **contributions by the College should be \$108,750 in Year 1 and \$124,250 in Year 2**. THIS COMPANY has ONLY committed to cost contribution of up to \$100,000 p.a. for the first 2 years. This Company’s ability to meet their share of these higher costs need to be taken up with it at the very least before further expenditure is made. Should they again cry poor, then cancel this Project!
  - c. The table on page 16 of The Business Plan, proposes that the Gap Costs of this Project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23), assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of \$348,500. Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED**. How do you propose to fund the remaining \$348,500?
15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility and Shire’s wishful thinking.
16. Further:
  - a. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.

- b. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, the true costs of the Project are not being provided in this Business Plan.
  - c. The Business Plan 6.1 has:
    - i. Storage space is proposed to be allocated to this Company but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs?
    - ii. The time/duration of a school day has not been defined. This Company could use this facility during vacation times for its out of normal school hours program. This would limit use by ratepayers and other community groups.
    - iii. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to this Company's sole use during 'school days'.
17. The Shire contribution of \$345,648 (unfixed furniture/"in kind") has not been included in the Table Expenditure Options (6.3).

### Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons, not the least the financial impact on the project!
19. **Effect on Other Sporting and Community Facilities**
20. No sporting body representation on the Steering Committee seems a significant omission and will not allow for a balanced view of all sectors.
21. The lack of consultation with sporting associations (e.g. WAFL) reported in the 2016 report also demonstrates this poorly researched and thought out Project.
22. Of most concern is that this Project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### Consultation/Communication

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant future impact on rates, its future ability to borrow funds for other likely needs, and legal requirements to do so. This is extremely disappointing given the significant opposition that has arisen, the large attendance of ratepayers at meetings and the lack of easily accessed information for people in the Shire. Shire should be aware of the issues with internet access amongst its constituents.
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects, they appear to be written with the primary purpose of justifying this Project/making it work.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal
26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this Project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this Project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this Project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!
29. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
30. Council has failed for many years to adequately fund current sporting facilities maintenance. It is only now due to resistance to this Project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this Project, will severely impact Shire funds, leading to significant rate increases, facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

**Other Issues**

31. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. However, given the current economic climate, population growth combined with a significant real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
32. Part of the justification for the sale of the land is so that this Company can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by this Company. **I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.**

**Conclusion**

33. I am strongly of the view that this project should not proceed as it will be detrimental to the finances of the Shire of Chittering.
34. Under no circumstances should the Shire undertake an unsecured loan on behalf of a private, limited liability company.
35. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this Project, as it has shown the Council to have been inept in doing so.

Yours Sincerely,

  
(via email)

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Thursday, 19 August 2019

Dear CEO and Councillors,

### **Objection: Lower Chittering Sports and Recreation Facility**

- I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility and “Land Transaction” for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the aforementioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
- I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act.** It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG

ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.

2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
3. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?
4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

## Capital Financing

5. The proposal to provide IHC **a private, limited liability company** an **unsecured** loan of \$1.625m dollars is financially reckless, a misapplication of Shire funds and should **NOT PROCEED. I believe this to be a breach of s6.20 & s6.21 of the LG ACT** which stipulates that a local government cannot extend unsecured credit to any creditor. My understanding is that the amount proposed far exceeds any other Shire or local government body in WA providing such an **unsecured** loan to a 3<sup>rd</sup> party and **opens the possibility for a further ratepayer liability** should this private limited liability company default. To provide this unsecured loan, particularly given IHC continual reduction in its supposed capacity to pay costs associated with this proposal will, with Shire's own loan, seriously limit the Shire's ability to make future borrowings and provide questionable cost benefit for the Shire. This is of particular concern as the Business Plan (P.18) shows it has insufficient funds to meet current projected costs for transport, building asset renewal, Parks, Oval and Reserves!
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- e. I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentionally misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those revenue figures were quoted as estimated revenue figures expected to be generated from

**this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.**

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidise the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so can not be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!
16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:
  - a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

- b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
- c. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
- d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**
- e. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities.** This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
- f. The Business Plan 6.1:
  - i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

- iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
  - vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore.

Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: **would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**
32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases,

facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. **I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.**

### Conclusion

35. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this project seems at the very least unwise without:
- a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.
  - s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I

**strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**

38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

A large black rectangular redaction box covering the signature area.

Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502  
Via Email to: chatter@chittering.wa.gov.au

Thursday, 19 August 2019

Dear CEO and Councillors,

### **Objection: Lower Chittering Sports and Recreation Facility**

- I am asking that you consider this my submission of public comment as a ratepayer in regard to the recently advertised “Major Land Transaction” for the Lower Chittering Sports and Recreation Facility and “Land Transaction” for the sale the adjoining 3Ha block of land to Immaculate Heart College which is now included as part of their \$2M contribution towards the capital cost for the aforementioned major land transaction. This change along with the proposed loan agreement and altered operational cost contribution percentage agreement between the Shire and IHC has substantially changed this proposal from what was originally proposed to and endorsed by Council in October 2018.
- I am not opposed to the Shire of Chittering developing sporting and community facilities, however it needs to be done in line with both population growth and balanced with financial sustainability. There are already serious funding gaps identified in the long term financial plan for the Shire for building asset maintenance, indicating that the Shire are not well positioned to financially take on a project of size and \$5M of debt. What I am **strongly opposed to is the proposal** for the development of the Lower Chittering Sports and Recreational Centre by the Shire of Chittering in conjunction with Immaculate College in its current form due to the reasons below.

### **Land Transaction**

1. The arrangement for the sale of land to Immaculate Heart College (IHC) has been progressed and agreed upon without seeking the necessary public comment **in breach of s3.58 of the Local Government Act.** It is only after being raised by a ratepayer that it needed to be advertised in accordance to this section of the LG

ACT and feedback from ratepayers angry that there has been no meaningful consultation with the local community that that you have belatedly sought the required comment. This, and other errors and omissions, do not inspire confidence in Shire's management of the proposal thus far. When questioned on this point, the answer that the Shire have not breached the ACT yet because there was no intent to go ahead with this proposal is completely implausible. There was clear intent as indicated by the seeking of and approval for the transfer of land from the State Government for the 3Ha (lot 99 Santa Gertrudis) with the condition that it would be on sold to IHC for \$275K, which would then be applied by the Shire directly towards the Shire's capital cost contribution for the project. As per outlined in the Media Statement released by Rita Scaffotti outlining the land transfer as such in November 2018.

2. I do not believe that the Shire has complied fully with the Local Government Act Sect 3.58 in that it has not provided all the required details in its' public notice. Referring to its Business Plan for the facility is not appropriate as this is a separate matter to the land sale and contains much unrelated detail on topics other than what is specified to be included in the business case under the Act.
3. The Business Plan (3.3 Part 2) states the land was vested in the Shire for recreational purposes yet the following paragraph states the purpose of the sale is to create funds for infrastructure. Are these two aims compatible?
4. Furthermore, I challenge the timing of the advertising of the Land Transaction for the Development of the Sport and Recreation Facility as the Land Transaction itself was undertaken by the State Government in November 2018 as per their media release attesting to such, so that is the land transaction pertaining to a major trading undertaking or land development. Otherwise, the land transaction for the future land use for sport and recreation could be considered to have occurred back when the 10Ha block was vested to the Shire for such purpose by the State Government during the initial planning stage of the Maryville Estate. Which is it? The only part of this development that involves transferring of land are those two instances to the Shire only one of which involves transfer of land title for the subsequent on selling of the 3Ha parcel of land to Immaculate Heart College which is the subject of a separate land transaction proposal too? Although the \$275K sale revenue is mentioned in both advertised Land Transactions, this is not legally possible under accountancy laws and best practices.

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- c. I also question why sporting clubs have to pay  $\frac{1}{3}$  costs and IHC which will gain substantial benefit and sole usage at significant times is only proposed to pay 25% or up to \$100,000 which ever is the lesser.
- d. The table on page 16 of The Business Plan, proposes that the Gap Costs of this project be funded by deferral of \$416,000 of roadworks over the 2 years. However, more realistic numbers for the **Facility Gap costs are \$327,250 (2021/22) and \$437,250 (2022/23)**, assuming also that the College can meet the more realistic cost contributions of \$108,750 and \$124,250 in those years - a shortfall of \$348,500. Besides being an unrealistic amount, taking \$416,000 from roadworks or any other maintenance/service area is **NOT SUPPORTED.** **How to you propose to fund the remaining \$348,500?**
- e. I have serious concerns regarding the methodology used to determine the estimated revenue figures quoted. It has been stated a number of times during public meetings over the past 3 months by the Acting CEO at the time, Neil Hartley "Nowhere in WA could they find revenue figures high enough to support their case, so they used case study figures from South Australia as those revenue figures were much higher. I believe this to be intentionally misleading to not only the Grant provider, the Australian Federal Government, but also the public including residents and ratepayers from the Shire of Chittering to who those revenue figures were quoted as estimated revenue figures expected to be generated from

**this proposed Sport and Recreation Facility which has an entirely different business model to those in SA.**

15. At all of the public and community meetings, the majority of sporting clubs have indicated that they have no intention of using the proposed facility, preferring to stay with their own local sporting facility. This calls into question the need for and forecast operating income/costs of the facility. They also pointed out that the Canteen and Bar revenue generated from existing facilities is entirely facilitated by the clubs themselves and any profit is fundraising for the clubs to offset their costs in providing that service to the community, which is a considerable financial saving and considerable social benefit to the Shire of Chittering to have the clubs providing sport & recreation services to the community. Enhancing Social Capital. Without this fundraising revenue stream, and if costs skyrocketed to subsidise the Shire providing this service instead participation in sports would quickly become unaffordable, any benefit in having the new facility would be lost as there would not be the turnover quoted in the business case. The business case uses the current entire shire participation numbers for all sports at all facilities – It does not take into account that these numbers are their existing figures using other facilities so can not be counted towards both. The usage figures should be the projected population growth moving into the area not already counted towards existing facilities which the Shire also have to maintain. It's a duplication, doubling if you will of the number of people from the shire area from particular sporting clubs that will remain the same – not double when this facility is built its only 187 people per year population growth rate – that's including all ages so realistically there would be 60-80 people per year prospective new participants moving into the areas. Its intentionally misleading to quote existing participants as potential new ones!
16. All business cases related to this project, including the recently released one in June 2019, are seriously flawed. They have failed to take into consideration the 'opportunity costs' or adverse economic costs to other businesses or services (Shire and commercial). For example, the most recent report does not take into consideration the time value of money when predicting both the difference between the present value of cash inflows and the present value of cash outflows over a period of time. Further, this report does not:
  - a. Establish a Net Present Value, which is critical in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

- b. The contribution of IHC is misrepresented and incorrectly documented as mentioned in paragraph 3 above (e.g. \$275,000 Land Sale Funds). **This needs to be added to the amount the Shire will contribute.**
- c. The estimates of usage is misleading, linking the percentage of survey responses (itself flawed) to the Shire population. The participation rate of users is also unrealistic given stated views of most if not all sporting groups.
- d. For projects running over a long period of time, like this one, replacement cost of this asset overtime should be taken into account (depreciation). This has not been indicated or suggested in any of the documentation. It has also been ignored in all of the calculations provided by the Shire. Therefore, as with other issues addressed in this submission, **the true costs of the Project are not being provided in this Business Plan.**
- e. The 2016 Feasibility Study survey found **71% were against paying higher rates to subsidise improvements to Recreational Facilities.** This sentiment has been echoed loud and clear at several meetings of ratepayers, including the recent Shire Information Session on 10 June 2019. **When will Councillors listen to and act on the views of the people that elect them?**
- f. The Business Plan 6.1:
  - i. States “reallocating costs from within existing programs .... to ensure adding another facility will not stretch maintenance funds too thinly across all Shire asset classes”. Assets such as current sporting and recreational facilities are already suffering from a lack of funding - this loss making facility will only exacerbate this problem, lead to excessive rate increases and/or rationalisation of facilities.
  - ii. Storage space is proposed to be allocated to IHC but no fee is mentioned for this, being used 100% of the time and not available to other users. Presumably this is on the basis of their contribution to costs.
  - iii. The time/duration of a school day has not been defined and could lead to limited use after school and during school holidays by individuals and community groups.

- iv. The 2016 Feasibility Study survey found a significant proportion of respondents would use the facility on weekday mornings - this would not be possible given the preference given to IHC sole use.
  - v. **The 2016 Feasibility Study had a part II which is not included! It was the risk assessment for the top 5 risks identified – one of which was the lack of scheme water to the site and a number of alternatives were workshopped – all of which were found to be at considerable cost some more than a Million Dollars. A copy of this can be forwarded to you if you have misplaced your copy.**
  - vi. Operating hours of the facility have not been specified. Consideration of social activity on local residents should be considered and minimised by limiting activities to say 11.00pm and noise minimisation included in any use agreements.
17. The Shire contribution of \$345,648 (unfixed furniture/“in kind”) has not been included in the Table Expenditure Options (6.3).

## Environment

18. I understand that the majority of groundwater in the general area of the proposed Sports Facility can and does vary greatly dependent on a variety of factors that are likely to limit the availability of water now and into the future. This calls into question the viability of this Project and spending ratepayer funds on other issues, such as the recent Contract for Architectural Services, seem inappropriate until the critical water supply has been determined. To propose to use **artificial grass** should water not be available, is **environmentally unsound and impractical** for a number of reasons and should not be adopted. As mentioned above there was a risk assessment undertaken in 2016 to identify options for establishing a viable water supply – there are extensive environmental considerations as evidenced further by the Shire of Chittering putting in an objection on environmental grounds to the applications in 2001, 2004 and appeal in 2005 to the EPA of Chittering Valley Irrigators proposal to extract a commercial allocation of water to supply Lower Chittering Scheme Water from their Marbling Brook bore.

Surely it would be contradictory for the Shire of Chittering to now make a license application to draw a commercial quantity of water from the same proclaimed water source, and aquifer. There was also commercial negotiations made with CVI to supply water for this project which also were not approved by the Shire of Chittering.

19. A lack of water would seriously impact on the scope of this project: **would that not invalidate the loan grant?**

### **Effect on Other Sporting and Community Facilities**

20. No sporting body representation on the Steering Committee seems a significant omission and petty but unsurprising given the sporting bodies views on this project and Council's attitude to opposition.
21. The lack of consultation with sporting associations reported in the 2016 report also demonstrates this poorly researched and thought out project.
22. Of most concern is that this project will at the very minimum incur a further debt of \$13,580,105 over 20 years on top of borrowing the initial loan of \$4,625,000 which will amass an additional \$1,898,439 in interest. **In total, over the 20 years, a staggering cost of \$20,103,544 to the Shire and ultimately ratepayers.**

### **Consultation/Communication**

23. The Council has been forced to open community consultation belatedly after failing to have an open, full and informed consultation of all ratepayers given the significant impact on rates, future ability to borrow funds for other likely needs, and legal requirements to do so. This is particularly galling given the significant opposition that has arisen (and to date being ignored).
24. The Shire has accepted various reports from consultants to justify this proposal that are lacking in so many respects it is laughable. The reports appear to be written with the primary purpose of justifying this project/making it work. Money poorly spent.
25. Opposing views, particularly by sporting groups, has not only been ignored, but not given any voice in Council documents regarding this proposal (shades of "Yes Minister").

26. The Strategic Community Plan 2017-2027 was poorly canvassed for community consultation and should have been included with rate notices or some other more effective communication means.
27. No mention has been made of the Reference Group being required to publish minutes to keep the community informed of their deliberations. This should be a requirement for full and open government.

### Opportunity Cost

28. There appears to have been no discussion of the opportunity costs of this project up until the recent Business Plan. *Are other current and future needs of ratepayers going to be met, now and in future years as a consequence of this project's huge loan and operating costs?* For example, the 2016 Feasibility Study indicates facilities are required to meet needs in our community for pre-school/school age (met partly by this project) and over 55s (similar % to the former group) but there is no provision of facilities/activities needed for our substantial retired elderly community!.
29. This project will have an impact on local cafes/shops/bakeries located close to the exiting sports clubs. This loss of business/jobs has not been quantified. As this is a community project, adverse impacts on the community should be assessed in detail.
30. The 2016 Feasibility Study lists the need for (and upgrade) of additional tennis courts and other facilities thru out the Shire. It also mentions the possibility of consolidation of facilities i.e. closure of some facilities in favour of others. This does not appear to be addressed in the Business Plan. **Is this a deliberate omission with Council planning to decommission facilities to force users to use this of this facility?**
31. Similarly, the 2016 Feasibility Study mentions the need to address young peoples' needs (perhaps a BMX track and/or skate board park like at Muchea for Lower Chittering) - **this has not been addressed in the Business Plan.**
32. **Council has failed for many years to adequately fund current sporting facilities maintenance.** It is only now due to resistance to this project have funds been provided (but at the expense of other Shire needs previously rated higher). It is highly likely that ongoing maintenance costs of these, and this project, will severely impact Shire funds, leading to significant rate increases,

facilities not being maintained to the required standard and/or this proposed facility being closed due to excessive costs/lack of use.

### Other Issues

33. The Business Plan makes a case based on the growth of the Shire, stating it is expected to escalate. Given the significant down turn in the economy, population growth and the real estate down turn, it is hard to accept the Business Plan case that growth will escalate at this time or for some years. No updating of assumptions in the 2016 Report have been made to validate this aspect.
34. Part of the justification for the sale of the land is so that IHC can locate its future high school adjacent to the primary school on the same side of the road. No mention has been made as to the future use of the land on the opposite side of the road that was intended for the High School and owned by IHC. **I would like to know what is intended with that land as it impacts on the valuation of the proposed sale and should have been part of Shire's due diligence.**

### Conclusion

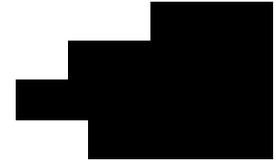
35. This project, while gaining valuable funding from the Commonwealth will place **a heavy and probably unsustainable burden on the Shire of Chittering and should not proceed** at this time.
36. To progress this project seems at the very least unwise without:
- a. Refusing the proposal for a loan on behalf of IHC (unsecured to a limited liability company) and increase their share of operating costs based on more realistic costs.
  - r. Resolution of the water issue.
  - s. Review of the Business Plan to provide accurate financial data as well as validate and correct information in various areas. If playing fields are deleted (as alluded to in the Business Plan) that will reduce the viability and usefulness of this project, calls in to further question the costings, and may breach the terms of the Grant for this project.
37. I am extremely dismayed at the level of incompetence shown by Council over the handling of this proposed project and I am strongly of the view that to proceed is detrimental to the good management and governance of the Shire of Chittering. I

**strongly urge Council to reconsider the proposal and defer all and any further consideration and expenditure for at least 5 years.**

38. The Council needs to **review its future communication and consultation with ratepayers on significant matters**, such as this project, as it has shown the Council to have been inept in doing so.
39. May I suggest that in future, all Council documents such as your Business Plan are paragraph numbered for ease of referring to when commenting on. It would make referring and reviewing comments easier for everyone.
40. Similarly, please put hyperlinks on your web pages to any references to other documents on the Shire web site. Not all ratepayers have the time or knowledge to find their way to many pages buried within (if they have internet access which many do not). I have raised this before to no avail. Perhaps staff need some training on this matter (it's not hard). Also your complaints mechanism is sorely lacking. It should be from easily located and credible with an online form to complete and/or to download and print.

Yours Sincerely,

A large black rectangular redaction box covering the signature area.



19 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
Bindoon WA 6502

**SUBMISSION – Chittering Sport & Recreation Facility**

Dear Mr Gilfellow,

I would like to take this opportunity to advise you of my support for the construction of the Chittering Sport & Recreation Facility.

I have lived in Chittering for nearly 12 months now and whilst I am very happy that my wife and I made the very significant decision to build our new home here, it must be said that the Shire has very few recreational facilities, which are a feature of many urban cities in Perth.

The deal arranged in which the Shire will only provide \$3m and end up with a \$9.7m facility is a great deal any way you look at it. We will then have a facility which will bring the people of the Shire together which is an outcome to look forward to.

This letter is my small way to show support for the project and I hope others will too.

I have no objections to this letter being made public, however, I request that my address and telephone number first be redacted.



Resident & Ratepayer

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

19 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

**MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

I support the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

I have been living in Lower Chittering now for over 2 years.

I think the Rec Centre has caused such a divide in the community and find it really sad as it seems to be such a great opportunity for Lower Chittering to expand its facilities and what the area has to offer the residents of Lower Chittering and surroundings.

I think it would be a shame to not utilise the amazing deal on offer from The Government, IHC and the Shire.

I have no objections to this letter being made public, however, request that my address and telephone number first be redacted.

I want to say a very big thank you to the Shire and its Councillors who have supported this project even after receiving so much abuse verbally from those that oppose it.

I think that that there are many people in the community especially Lower Chittering, that support the Rec centre. There are so many new young families moving to the area, the school has grown substantially this year alone and I think it would be a great asset to the area.

Again I would like to thank you for affording me the time to share my view.

Regards

[REDACTED]  
Resident & Ratepayer



19<sup>th</sup> August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

**MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

I support the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

I have owned 5 acres in Lower Chittering for 3 years and we have now built our forever home. We love the area and we are excited to see what's in store for the whole shire.

I support this project because I believe it will be a great asset for our shire. It could potentially bring big events to the area and boost tourism.

I have two children at Immaculate Heart College and having the use of the Rec Center will be a massive help to the school. There are no sporting options within our school when it rains and having the use of indoor courts will be invaluable.

I have no objections to this letter being made public, however, I request that my address and telephone number first be redacted.

I know for a fact that there are more numbers that support this project than what people believe. I was proactive in getting support signatures for a recent petition and some of the people were hesitant to sign due to having local businesses and the backlash they would receive from a few, very vocal people that want to see the whole rec center idea get shut down. This is such a great deal for the shire, I whole heartedly support it.

Regards

  
Resident & Ratepayer



19 August 2019

M Gilfellow  
Chief Executive Officer  
Shire of Chittering  
PO Box 70  
BINDOON WA 6502

**MAJOR LAND TRANSACTION SUBMISSION – LOWER CHITTERING SPORT & RECREATION FACILITY**

I support the major land transaction pertaining to the Lower Chittering Sport & Recreation Facility.

We have been residents of the Chittering Shire for 29 years and during this time we have been members of several health, fitness and sporting clubs. In particular, our family has contributed greatly to the Bindoon Netball Club which I am now a life member.

I am in full support of the Shire contributing \$3M for a new facility as the potential opportunities it will bring to our local area and community members are all in the name of health and well-being. The new facility could potentially allow for new competition for both the youth and elderly, the promotion of indoor sports and fitness activities, and could provide more suitable options for functions, clinics and celebrations which the locals halls simply cannot.

I have no objections to this letter being made public, however, request that my name, address and telephone number first be redacted.

Kind Regards,

  
Resident & Ratepayer

**From:** [REDACTED]  
**To:** [REDACTED]; [Chatter](#)  
**Subject:** ISB191653 - Support of Rec centre at Maryville Downs  
**Date:** Tuesday, 20 August 2019 8:43:31 AM

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Dear Matthew,

I would like to express my support for the Proposed Land Transaction for the Recreation Centre in Maryville Downs. I believe that it will be an excellent addition to the Chittering Shire and an asset that is needing for our growing community.

I have been a resident and land owner in the Chittering Shire since 2002 and have seen many people come to the area, with the expectation that they are making a change for an improved lifestyle. Unfortunately it can be difficult to meet people and become a part of a community when there are not many places for social interactions to occur. Providing something like the Recreation Centre addresses many of the needs of the growing community and is long over due.

We have 4 children between the ages of 5 and 14 and would love something more in the area to add variety to the standard facilities offered currently, without having to drive so far. Having somewhere that competitions can be held, so that visiting teams can come and compete will help everyone, from local business owners to all the local parents who loose their weekends to kids sporting competitions as well as adults who want to be involved with their own activities that would be catered to by this facility.

We live in a beautiful part of the state and it would be fantastic to have more centres where we can host events and show off Chittering and bring business to the area. It is in an ideal position, so as not to interfere with traffic on the main road and it is on the tourist drive, bringing passing traffic to businesses who can benefit from that traffic to prosper.

Kind Regards  
[REDACTED]