



**Chief Executive Officer Attachments**  
**ORDINARY MEETING OF COUNCIL**  
**Wednesday 17 October 2018**

REPORT NUMBER	REPORT TITLE AND ATTACHMENT DESCRIPTION	PAGE NUMBER(S)
9.4.1	<b>Memorandum of Understanding: Chittering Tourist Association Inc.</b>	N/A
9.4.2	<b>Request for Financial Assistance: Lions Cancer Institute, Children's Christmas Day Out</b> 1. Letter of Request 2. Flyer for Christmas Big Day Out	1 – 2
9.4.3	<b>Adoption of Corporate Business Plan 2017-2021</b> 1. Corporate Business Plan 2017-2021	3 – 85
9.4.4	<b>Policy Register Amendment: Policy 3.18 Vehicle Use</b> 1. "Draft" Policy 3.18 Use of Council Vehicles 2. Table of Vehicle Values (Attachment to Policy 3.18)	86 – 94
9.4.5	<b>Development at Lots 88 and 89 Great Northern Highway Bindoon for proposed Lifestyle Village and Caravan Park</b> 1. Bindoon Lifestyle Village Feasibility Report, Breakaway Tourism 2. Preliminary site plan for the "integrated" Lifestyle Village / Caravan Park Development on the old Golf Course Site 3. Request for Fee Proposal – Engineering Consultancy for Wastewater Treatment and Disposal	95 – 154
9.4.6	<b>Lower Chittering Sports and Recreation Facility</b> 1. Feasibility Study – Summary Document 2. Master Plans, Facility Concept Drawing and 3D Image 3. Quantity Surveyors Estimate for Stage 1 Facility 4. Draft Business Case (including Cost Benefit Analysis)	155 – 204
9.4.7	<b>Recruitment for Chief Executive Officer</b> 1. Local Government Operational Guideline 10 – Appointing a CEO 2. Recruitment Consultant Fee Proposals (x 3) - <b>CONFIDENTIAL</b> 3. Draft CEO Contract of Employment - <b>CONFIDENTIAL</b>	205 – 216

Good Afternoon Alison and Lisa,

Thank you for your interest in supporting our worthy project.

This year like last we are taking out all the Cancer, Handicapped and Special Needs Children from all the hospitals out for the day on Dec 22<sup>nd</sup> (for some a first time experience), the special little ones, due to their illness won't get out of hospital this year, will receive refreshments, show bags a movie for them to enjoy before returning to hospital, including a special visit from Santa who will be giving out presents which can only be made possible through the generosity from businesses like yourself. Sadly there is no Government Funding so we are asking on behalf of the children and being a registered charity we carry DGR Status making your contribution 100% Tax Deductable.

The Lions Cancer Institute is asking for your support to help us continue our FREE mobile Cancer Screening, this service would normally cost \$360 per patient.

At the same time we are taking special needs, Cancer and Handicapped Children from all the hospitals out for the day at Christmas.

I do have 10 kiddies from the Chittering Shire in the Perth Children's Hospital I need to get sponsored.

The Special Children's Christmas Big Day Out is the day all our special needs, Cancer and Handicapped Children look forward to.

The kind support of Chittering Shire Council with any little ones would be greatly appreciated.

Please assist the Lions to continue to save lives.

In return for your support you do receive a Certificate of Appreciation from us as well as the Shire's details being put on the back of the sponsored children's tickets so they know who has helped them.

Regards

Leanne Dunlop

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A project of Lions Clubs International in Western Australia.



## **“SPECIAL CHILDREN’S CHRISTMAS BIG DAY OUT”**



Thank you for your interest in this worthy project. The Lions Cancer Institute is hosting the annual **SPECIAL CHILDREN’S CHRISTMAS BIG DAY OUT**” which is a Red Carpet event at the Local Cinema Complex or Club, for LOCAL Sick, Handicapped and Severely Disabled Children in your community.

This is an event that will benefit your community in two ways.

- ❖ **Firstly**, and most importantly, your support of these special children assures them an exceptional outing, guaranteed to bring joy to those in your local area who, through no fault of their own, are not always afforded the pleasures of a normal childhood.
- ❖ **Secondly**, and equally important funds raised from this event will be used to purchase and maintain our **Free Mobile Cancer Screening Unit**, the **Lions Cancer Screening** is a free service run by Lions Club Members & volunteers that travels around WA diagnosing people with potential Skin Cancer.

The “**SPECIAL CHILDRENS CHRISTMAS BIG DAY OUT**” is an event for Terminally Ill, Handicapped and Disabled Children in your local area and we are asking the local Businesses, on behalf of these special little ones, to put their support behind them. We are aiming to take over **5100 Special Needs Children** and carers out for a day to remember and we would be most grateful if you could support us by sponsoring one of the following groups from your local Special Schools.

**10 Children \$1000**

**8 Children \$800**

**6 Children \$600**

Supporters of 100 Children or more will entitle the company to display their banners and signs during the Event. Of course, we realize that it may not be within your means to assist with a group of this size, and we definitely need your help, so any support will be most greatly appreciated. Your help **WILL** make a difference.

This is your chance to give a little for the kiddies within your local area. Naturally, the Children will greatly appreciate any support

On behalf of the Lions Cancer Institute and the children, we thank you.

Kind Regards  
Leanne Dunlop

*These Special Little Children suffer with Autism, Cerebral Palsy, Leukemia, Downs Syndrome, Cystic Fibrosis, Spinal Bifida, and other serious illnesses please help so they can have a great fun day out*

For your convenience we accept credit card. We will send a tax receipt

----- Sign: \_\_\_\_\_



Expiry Date: \_\_\_\_/\_\_\_\_

Amount \$ \_\_\_\_\_ CCV: \_\_\_\_

Company Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Authorised by: \_\_\_\_\_

Postal Address: \_\_\_\_\_

Email Address: \_\_\_\_\_



# Corporate Business Plan 2017-2021



*Chittering - from Muchea through Bindoon to Wannamal*



## INTRODUCTION

Under the Local Government Act 1995, Councils have the general power to provide for the good governance of the people in their district. They generally do this through the provision of a range of services along with investment in new and existing community infrastructure (roads, parks, sporting and community facilities). Local Governments are also required to assess and regulate planning and development and to provide for Emergency Services management and preparedness.

An essential part of the governance process is for Councils to determine exactly what services and infrastructure is required by residents and ratepayers through the process of preparing and enacting a Strategic Community Plan. Council's Community Strategic Plan was reviewed in late 2016 / early 2017 and covers the ten year period from 2017 to 2027.

Council is required to update and review its planning documents on a regular basis and this review of the Corporate Business Plan is part of that process. Council's Corporate Business Plan is a medium term (2017-2021) plan, which sets out the shorter term priorities for Council based on the strategic direction and goals as articulated in the ten year Strategic Community Plan.

The Corporate Business Plan also guides the formation of the annual budget and is reflective of community aspirations with regard to the provision and maintenance of services and facilities within the Shire. A number of internal planning documents inform the development of the Corporate Business Plan including:

- Long Term Financial Plan
- Asset Management Plans (Roads, Buildings and Open Space)
- Fleet Management Plan
- Community Development Plan
- Sports and Recreation Plan
- Trails Network Masterplan
- Community Safety and Crime Prevention Plan
- Communication Plan
- Disability Access and Inclusion Plan
- Workforce Plan
- Age Friendly Community Plan
- Bushfire Risk Management Plan

## MESSAGE (Shire President & CEO)

The Shire of Chittering Corporate Business Plan 2017-2021 is an important part Council's plan for the future. The plan reflects both our short and medium term operational needs, and covers off on significant projects or service improvements identified by both Council and the community in the years ahead. Major projects such as the new medical centre and the upgrade of Binda Place have been completed since the last plan was adopted and this revised plan has been updated accordingly.

Importantly, the end of the mining boom, subdued economic growth and rising unemployment has impacted on all communities. In tough economic times, people naturally find it more difficult to make ends meet. Council has responded by exploring opportunities for improving the efficiency of its own operations and reducing costs. As a result, Council is in a position to adopt responsible and measured rate increases, and will continue to do so while tough economic times persist.

However, services still have to be provided and assets maintained and renewed. In some cases, service levels have to increase to meet community expectations or to maintain and preserve new infrastructure. New or emerging ways of generating economic activity will be important to the long term sustainability of the Shire. Private investment in the creation of jobs and economic activity will be increasingly important, as will Council's advocacy role with other levels of government. Above all, whatever we do has to be both affordable and realistic.

Despite the tough economic times, the Shire is entering an exciting period over the next few years with major highway linkages (Northlink and the Great Northern Highway upgrade) to be delivered between now and the end of 2019. The Muchea Employment Node (MEN), a 1,100 hectare industrial area in the south of the Shire, will benefit from having these major transport upgrades at its doorstep. The jobs that are created through both the development and operation of the MEN will be vital to the economy of the region in the years ahead.

The Corporate Business Plan has been developed around the following five major themes as identified in the Strategic Community Plan:

- Community - *An inclusive, active, safe and healthy community*
- Natural Environment - *A protected and bio-diverse environment which community and visitors enjoy*
- Built Environment - *Well-planned built landscapes that are progressive, vibrant, diverse and reflect the Shire's unique country lifestyle*
- Economic Growth - *Thriving, sustainable and diverse economic investment and local employment opportunities from cottage to large-scale industry*
- Strong Leadership - *A responsive and empowering Council which values consultation, accountability and consistency*

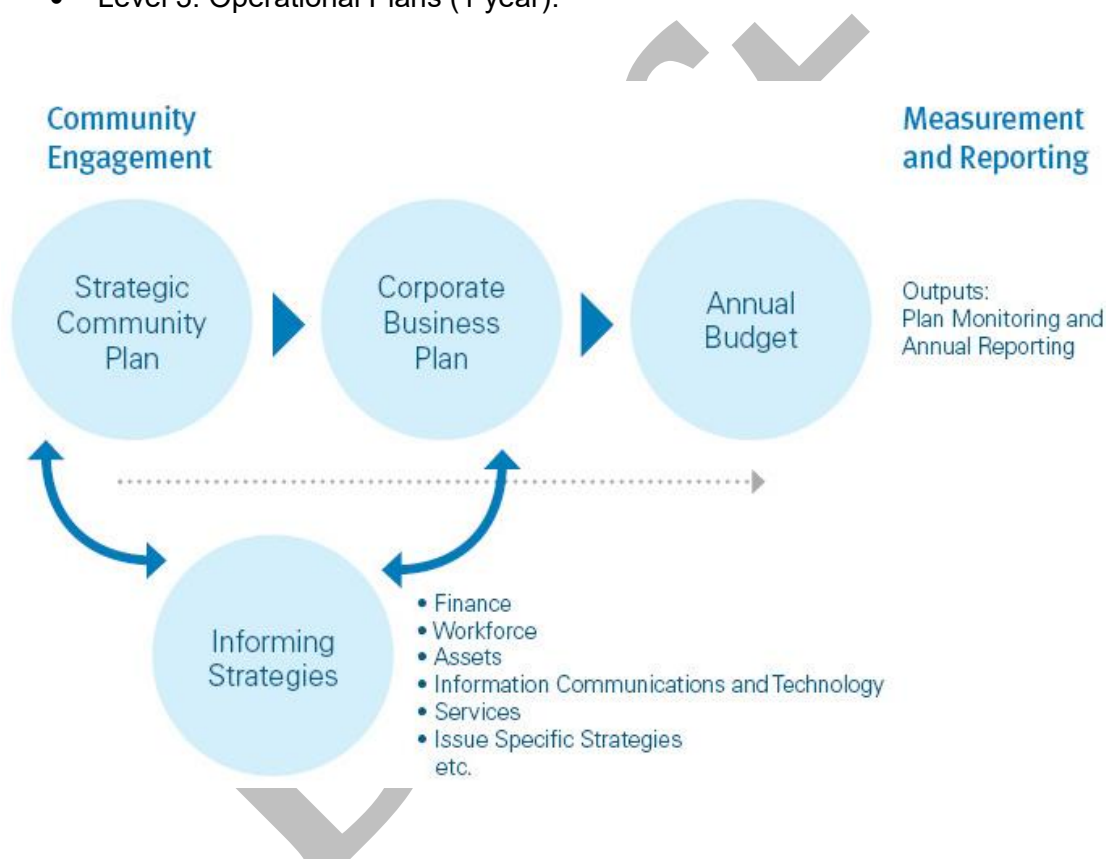
We look forward to working with the community in the years ahead to deliver a future for the region which builds on its natural strengths and which provides a range of employment and investment opportunities for both individuals and the broader business sector.

## INTEGRATED PLANNING FRAMEWORK

The Integrated Strategic Planning Framework provides the basis for improving the practice of strategic planning in local government. Its purpose is to ensure integration of community priorities into strategic planning for Councils, in addition to delivering the objectives that have been set from these priorities.

Specifically, the Framework sets out the requirements for three levels of integrated strategic planning:

- Level 1: Strategic Community Plan (10+ years);
- Level 2: Corporate Business Plan (4+ years); and
- Level 3: Operational Plans (1 year).



The **Strategic Community Plan** sets out our vision and aspirations for our community for the next ten years. The SCP addresses the questions:

- Where are we now?
- Where do we want to be?
- How do we get there?

The **Corporate Business Plan** sets out the Shire of Chittering's shorter-term priorities and "activates" and enables the community to monitor the Council's progress towards achieving these aspirations.

The Shire of Chittering needs to work with key stakeholders and partners, such as the State and Federal Government, to achieve the community vision, objectives and strategies. The Shire also needs to work within its financial capability in order to leave a legacy for future generations.

## BACKGROUND

### Key Statistics

The Shire of Chittering covers an area of 1,220km with its southern boundary being only 55km from the Perth CBD. There are three gazetted townships in Chittering - Bindoon, Muchea to the South of Bindoon and Wannamal to the North. There are also two districts - Upper Chittering and Lower Chittering, both south of Bindoon.

#### Key Statistics

**Population:** 5,472 residents (2016 census)

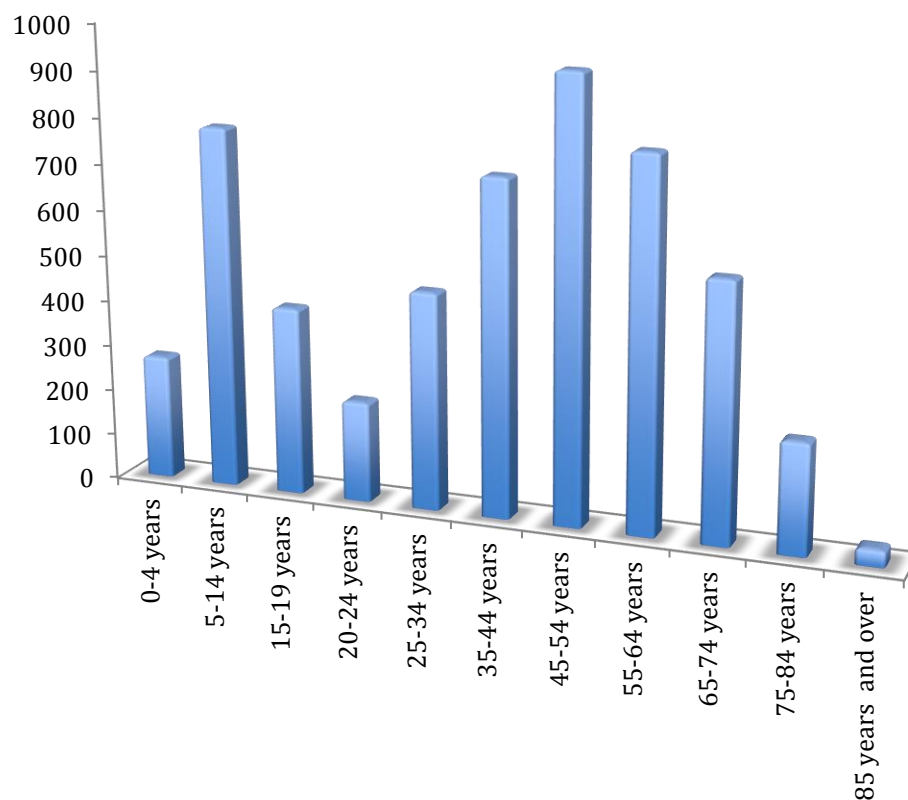
**Number of Rateable Properties:** 2,834

**Median age:** 43.5

**Geographical area:** 1,220 km<sup>2</sup>

**Distance from Perth:** 55 km (to southern border)

**Length of Roads:** 280km of sealed roads and 150km of unsealed roads



**Population by Age Group**



### Future Growth

The Shire of Chittering continues to enjoy high growth rates as a peri-urban local government showing a population growth of 54% since 2006 and 24% since 2011 (ABS 2016). This represents the greatest population growth of all local government areas in the Wheatbelt planning regions. Most population growth is occurring in the southern part of the Shire with people choosing a semi-rural lifestyle.

Population forecasts for the Shire (WA Tomorrow Report using Band B projections) estimate that 8,000 people will live in the Shire by 2026, which represents a 48% increase from the 2016 census.

Currently, 15% of the population is aged 65 and over. It is expected that the Shire's aged population profile will increase significantly over the next ten years which will in turn increase the demand for healthcare and diversity of housing and land options.

At the other end of the age spectrum, there is a comparatively large number of children aged 0-14 years (19.3% of the population), but this figure drops significantly for the 15-24 age bracket (11.5% of the population).

There is a tendency for young people (15 to 19 year olds) to leave the Shire. This is a result of limited local employment, education and training opportunities and restricted transport.

### Social Context

Socially the Shire's communities tend to live and socialize within their own areas e.g. Wannamal, Bindoon, Muchea, Upper and Lower Chittering. However, there are some events e.g. Bindoon and Districts Agricultural Society Show Day and ANZAC Day in which the communities do get together. Local business associations have also served to bring people together.

Community events and activities are an important aspect of living in the Shire of Chittering, as is the provision of sport and recreation opportunities. Both these elements will continue to be an important part of our social fabric and provide enjoyment and generate community cohesion.

Services which are taken for granted in more populated areas are more difficult to attract and maintain. This, combined with our aging population, puts a greater emphasis on the range and scope of health services, provision of housing diversity and assisted transport. This trend is likely to continue in the future.

Within this setting, the provision of local community services is managed through complex funding and regulatory circumstances. In the future, it is anticipated that local government will be expected to play an even greater role in coordinating community service provision at the local level.

In addition to community programs and services, the provision and facilitation of adequate infrastructure is a key responsibility of local government. Public infrastructure, including drainage, streetscaping, parks, community buildings, recreation facilities and public areas, form a significant portion of local government budgets.

## Economic Context

The Wheatbelt Development Commission (WDC) is working with member Shires of the Northern Growth Alliance (NGA) on the development phase of Perth's peri-urban northern growth corridor including the current industry investment, jobs in the pipeline and additional jobs that can be created with innovative partnerships with the private sector.

The Northern Growth region is a dynamic and growing area located on Perth's Northern Fringes incorporating a range of opportunities for large and boutique scale pursuits in agriculture, horticulture, fisheries and tourism, with affordable and strategically placed industrial land adjacent to major national and state transport links. Key facts about the region are as summarized as follows:

- 11,150 km<sup>2</sup> covering the Shires of Chittering, Dandaragan & Gingin
- Established industries include intensive agriculture, horticulture, fisheries, aquaculture, associated transport and logistics and tourism
- Two major highway links to Perth and northern Western Australia
- Only 1 to 2.5 hours drive from Perth Airport
- 11 coastal and hinterland towns
- Home to 21,000 people by 2021
- 17,000 new residential land lots ready to be released
- \$450M Gross Regional Product in 2012/13
- NBN Digital Connectivity
- Significant ground water supplies

The Shire's economy is based predominately on broad-acre farming and orchards / vineyards, semi-rural cottage based industries and a growing mix of tourism based ventures including farm stays and B&B's. At present there is limited industry, being extractive industry operations (gravel, clay and sand), the State livestock yards (WAMIA) and a mineral sands processing factory (Tronox). Local businesses include the Bindoon Bakehaus and Cafe, IGA supermarket, specialty shops, local accommodation and farmstay options as well as viticulture, nurseries, wineries and boutique food producers.

There is an large scale (1,100 ha) industrial area in the south of the Shire (the Muchea Employment Node) which is set aside for industry uses such as transport, agribusiness, fabrication, warehousing, wholesaling and general industry. The Structure Plan for this area has been in place since 2011 and the first development parcel (160 ha) is in the planning approval stage. New development in the employment node will provide a concentration of employment opportunities for people living in and around the Shire of Chittering. In Muchea, private sector investment is increasing rapidly. Examples include:

- Ingham's Chickens investment of \$70M will relocate its Wanneroo production facility resulting in 400 direct and 1,000 indirect jobs;
- BP is investing \$15M in a major service centre and truck-stop to be completed by 2019;
- Western Australian Meat Industry Association (WAMIA) Muchea Livestock Centre processed a record 108,830 head of cattle and 557,713 head of sheep in 2015/16; and
- Sirona Capital has invested \$48M to begin the 350ha Northern Gateway Industrial Estate in Muchea and Bullsbrook.

Government investment of \$1.5B in NorthLink WA and Great Northern Highway will realise a convergence of an estimated 14 million tonnes of freight at Muchea by 2022. Funding of \$20M will plan for the Bindoon Bypass. When the \$200M Bindoon Bypass is complete, Great Northern Highway's Restricted Access Vehicle (RAV) will increase to RAV10 permitting 53.5m road trains to terminate at Muchea, well south of the current restrictions to Wubin.

Heavy industry areas at Muchea and an Intermodal Freight Terminal planned in Bullsbrook will combine to be the State's major transport and logistics hub surrounded by an estimated 1.3 million people by 2050. These developments will deliver 1,000's of jobs within 20kms of Ellenbrook and other northern suburbs. Other private investment in the Shire of Chittering is creating jobs. For example, the \$7M Moora Citrus Packers Pty Ltd state-of-the-art citrus packing facility north of Bindoon has created 15 local jobs. In full production Moora Citrus and Moora Citrus Packers will turn over \$24M, produce 13,000 tonnes of fruit and create 50-60 jobs in the supply chain. A large scale resort development south of Bindoon will create a similar number of new jobs, as well as adding significant new amenity for the town and surrounding area.

The agriculture industry in the Shire of Chittering is valued at \$48.9M. This is made up of edible food products (\$28.4M) and uneatable agricultural products (e.g. turf, flower) (\$20.5M). The future Bindoon Bypass is part of the overall upgrade of the Great Northern Highway from Muchea to Wubin. One of the stated aims of the upgrade is to allow for 53m road trains to travel south as far as Muchea. Three major arterial transport links (Brand Highway, Great Northern Highway and Northlink) will intersect at the site of the Muchea Employment Node (MEN) making this a central hub for transport logistics, agribusiness related industry and general industry on the north side of Perth.

A route for the Great Northern Highway bypass of Bindoon has been announced by the State Government with funding set aside for design and property acquisition. The bypass presents both benefits and challenges for the town of Bindoon; improvements to safety and amenity on the one hand and potential negative impacts for local businesses on the other. Council and the community have been working on a Bindoon Deviation Strategy which is aimed at mitigating any negative impacts on the local community.

The future of Bindoon depends, to a large extent, on the infrastructure which is available to support growth and economic development. The population of the town (at around 800) is currently insufficient to support a sustainable future. The town will need to grow to provide for a more sustainable population base and will need to include a mix of housing choice which is more suited to an aging population. A more compact form of urban development will not be possible without supporting infrastructure, including piped sewerage.

Council has an "Open for Business" approach to attracting and realising the potential of new development and assisting with the development process. While Council has a strong focus on economic development and job creation within the Shire, the preservation of natural assets and amenity remains a high priority. The focus is therefore on responsible and sustainable development which creates opportunities and which provides for a diverse and robust local economy.

## CONTROLLING COSTS

Overall, debt levels remain low, cash reserves are healthy and Council has a strong Financial Health Indicator of 94. The FHI is a measure of a Local Governments financial health as calculated from seven financial ratios. The measure is calculated and published by the Department of Local Government.

A score of 70 indicates sound financial health - the maximum score is 100. The FHI is one factor to consider in assessing overall performance. Other factors include: the range of services offered; efficiency of services and customer satisfaction.

### Employee Costs

Shire staffing levels are relatively low in comparison to similar size Council's. In addition, the number of full time staff has remained constant for a number of years. At the same time, the community is growing (at an average rate of 4-5% per year); equating to 1,000 additional residents over the last five years. During the same period, employee costs have remained constant.

Population growth leads to asset growth and service growth which either results in increased costs or an efficiency dividend. In this case, Council has delivered a considerable efficiency dividend to its residents over recent years. While this is admirable, future decisions regarding staffing levels will need to account for the growth in assets and service provision over time.

The preparation of a new Workforce Plan will commence shortly with consideration being given to further efficiencies which can be delivered through streamlined processes and systems and the adoption of industry standard practices (such as a new Chart of Accounts which streamlines financial accounting and reporting practices).

In addition, Council has delivered significant infrastructure over recent years, and investment is now required to preserve and maintain that infrastructure. As a result, a review of the Workforce Plan is required to identify appropriate staffing levels, particularly in the Parks, Planning and Finance areas. Additional resources would also be necessary to cater for new initiatives such as expanding the range and extent of community events as it is no longer possible to do more with less.

### Fleet Costs

A recent Fleet Management review has identified net savings of around \$115,000 per year in fleet costs. This has been achieved through:

- Optimisation of fleet change-over for both light fleet and heavy fleet
- Extending the life of low utilised plant
- Best value analysis for all light fleet and heavy plant procurement
- Operational KPI reporting to mitigate risk and drive efficiency
- Performance management of mechanical maintenance activities
- Disposal of some lights vehicles and plant
- Reducing the number of private use vehicles
- Fringe Benefit Tax and operating cost savings
- Transitioning to a more efficient, 4 cylinder light vehicle fleet.

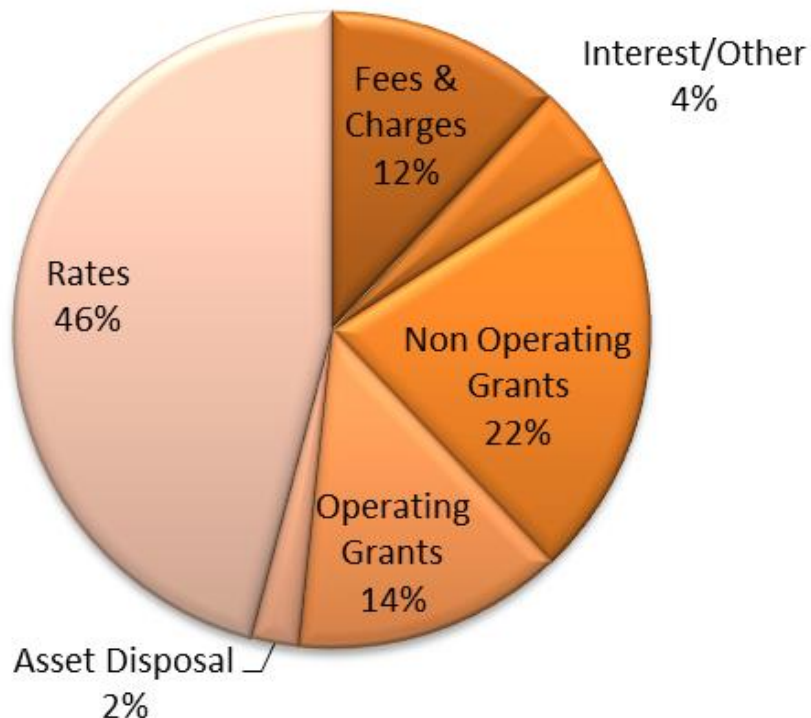


## THE ANNUAL BUDGET

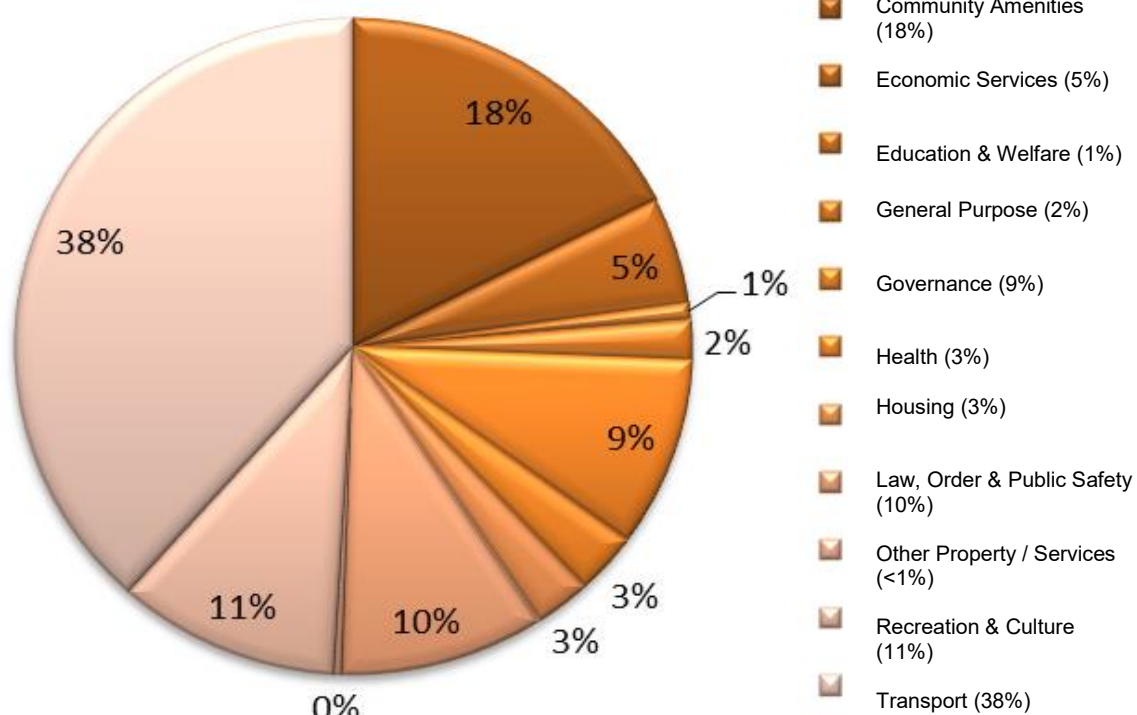
### Where Does the Money Come From?

In 2016-2017 the Shire of Chittering had an operating budget of approximately \$11.5r

Revenue is raised in a number of ways, including the issuing of rates notices to property owners, however rates income only accounts for about half of the total revenue.



### Where is the Money Spent?



Council services include the following:

- Transport: Roads, Footpaths, Bridges and Crossovers
- Community Amenities: Landfill, Recycling, Waste Collection, Litter Control, Stormwater Drainage, Septic Inspections, Landcare, Town Planning, Cemetery, Toilets
- Recreation & Culture: Public Building (5) Maintenance, Reserves (6), Ovals (4), Public Open Spaces (5), Parks (5), Library, Heritage Precinct, Community Grants and Australia Day Awards & Celebrations
- Law, Order & Public Safety: Ranger Services and Fire Services
- Governance: Elected Members (Councillors), Regional Group Membership & Collaboration, Business Plans, Legal & Audit Fees, Administration Costs
- Economic Services: Weed Control, Events, Tourist Information, Regional Collaboration, Signage, Building Control, Economic Development, Local Business Support, Club & Community Group Support, Community Bus
- Health: Environmental Health Officer and Chittering Health Centre
- Housing: Community and Staff Housing
- General Purpose: Rates expenses, including salaries
- Education & Welfare: Education Scholarships, School Bus Shelters, Youth Services, Community Events and Ferguson House Maintenance
- Other Property / Services: Private and Public Works

## ASSET MANAGEMENT

Asset management planning is a comprehensive process to ensure that delivery of services from infrastructure is provided in a financially sustainable manner. Council has the following Asset Management Plans in place:

- Road Asset Management Plan (updated in November 2017)
- Buildings and Structures (updated in November 2017)
- Parks, Ovals & Reserves (developed in 2016)

The existing Asset Plans have been recently updated with current valuations and asset inspection data and are valid for the purpose of forward planning (preservation of existing assets and investment in new infrastructure). The update and review of asset management plans is an ongoing and continual process.

The collection of asset data and condition assessments over time allows for predictive asset models to be refined so that they more closely match what is actually occurring in practice; resulting in more accurate budget forecasts and improved investment decisions.

### Roads Asset Management Plan

The road network comprises 280 km of sealed roads, 150 km of unsealed roads and 464 km of kerbing. The current pavement management model, which was field validated in late 2016, requires further work to refine the treatments and units rates which apply to various classes and segments of road throughout the network. As outlined above, this is part of an ongoing process and will continue into the future.

The Roads Asset Management Plan (refer Attachment 3) indicates that Council should invest between \$1.6m per annum (short term / 5yr investment profile) and \$1.8m per annum (mid-term / 10yr investment profile) in operations, maintenance

and capital renewal funding. This would maintain the road network at a satisfactory level of service and prevent excessive deterioration through programmed works (reseals and overlays). Council is currently investing within this band and as a result, the projected level of funding over the first ten years of the plan is satisfactory. The Whole of Life modelling however indicates a shortfall in the outer years (ie. beyond ten years). This will need to be monitored over time and may change based on updated and refined asset data and further field verification. The more data that is collected and verified, the more accurate the system becomes in terms of predicting future expenditure levels.

Replacement value of the road network is \$124m, with \$27m being the value of the formation. However, the formation is not depreciable and does not form part of the Depreciable Value when undertaking financial modelling. Logically, when a road segment is renewed, the formation generally remains unchanged, so the true replacement value of the road network is closer to \$97m. Council is currently investing about 2% of the asset value per year to renew and upgrade the road network.

In relation to its unsealed network, Council is currently investing \$200,000/year. The model recommends an annual expenditure of \$285,000 per year on maintenance grading (not including re-gravelling). It may therefore be appropriate to consider increased investment in this program in order to improve the overall road network; principally through re-gravelling of unsealed roads with higher traffic volumes.

### **Buildings Asset Management Plan**

The buildings and structures network comprises 7 amenities buildings, 14 civic and corporate buildings, 18 residential buildings, 12 recreation buildings, 1 heritage building, 7 waste buildings and 107 other structures (fire sheds, water tanks, bus shelters etc). The replacement value of these facilities is \$25.3m. The Asset Management Plan suggests that the level of investment required to maintain the service is around \$1.4m per annum over the life of the plan.

In FY 16/17, Council allocated a total of \$1.2m for all costs associated with its building and structures asset portfolio (including depreciation of \$400,000). Excluding depreciation, insurance and utilities, the annual amount allocated for the operation, maintenance and upgrade of Council buildings is about \$570,000 per annum (about 2.2% of the asset replacement value).

The asset model indicates that Council should invest between \$730,000 per annum (short term / 5yr investment profile) to \$894,000 per annum (mid-term / 10yr investment profile) in operations, maintenance and capital renewal funding in order to maintain the buildings to a satisfactory level of standard and prevent excessive deterioration over time.

The Buildings Asset Management Plan (refer Attachment 4) indicates that Council's current investment is insufficient to maintain the asset over the medium to long term. Council will need to monitor this closely over the next few years.

### **Parks, Ovals and Reserves**

The Parks, Ovals and Reserves Asset Management Plan consists of 254 individual asset items (eg. amenities, carparks, fencing, irrigation, lighting). The assets have a replacement value of \$3.0m (excluding non-depreciable assets such as passive parks, sports fields and natural reserves).

The projected cost to provide the service is \$770,000 per year over the life of the plan. Council presently invests \$570,000 per year on this asset class. While this is \$200,000 short of the finding level as indicated in the asset plan, the current expenditure is considered adequate to provide for a satisfactory level of service.

However, the plan indicates that renewal funding levels are insufficient to renew all parks, ovals and reserves over the medium term. This will be monitored and reviewed as part of ongoing asset plan updates.

## **COMMUNITY STRATEGIC PLAN**

In 2012, Council developed its first Community Strategic Plan covering the period from 2012 to 2022. The community was engaged in the development of the plan through survey, written feedback and workshops. The Community Strategic Plan was reviewed in late 2016 with the final version being adopted in June 2017. The review involved a community engagement process from Sep to Dec 2016 including:

- two open invitation workshops in October,
- a Community Planning Advisory Group (CPAG) workshop in November; and
- a Youth Krew workshop also in November.

The aim of the workshops was to hear from a wide variety of residents and businesses. Community members were also encouraged to provide feedback through the website and also at the Shire offices.

Council considered the community vision and aspirations within the context of this consultation and within local constraints and opportunities. Council member concerns and priorities were well aligned to those of the community.

A summary of those projects and activities with a direct linkage to the Community Strategic Plan is at Attachment 6. Note that this is not a comprehensive listing of all activities undertaken by Council which impact positively on the delivery of Community Strategic Plan Priorities. It is simply a listing of relevant projects which have been considered in terms of developing this Corporate Business Plan.

## **CAPITAL WORKS PROGRAM**

The Capital Works Program (Attachment 1) is developed based on the following:

- Roads Asset Management Plan (Attachment 3)
- Buildings Asset Management Plan (Attachment 4)
- Ten Year Road Network Program (Attachment 5)
- Ten Year Building Program (Attachment 6)
- Ten Year Fleet Replacement Program (Attachment 7)
- Strategic Community Plan Priorities (Attachment 8)
- Community Development Plan
- Sports and Recreation Plan
- Trails Network Master Plan
- Community Safety and Crime Prevention Plan
- Youth Development Plan
- Disability Access and Inclusion Plan



The Capital Works Program is structured to align with historical funding levels and to reflect those projects identified within the various plans and programs as indicated above. Proposed new initiatives or increased allocations to particular programs are funded from either increased revenue (rates and grants/subsidies), loan borrowings, drawing down of existing reserves or disposal of surplus assets.

### **Summary of Proposed New Initiatives**

The Five Year Capital Program includes a number of new / revised initiatives Subject to affordability and viability (including development of a business case where appropriate), the following new initiatives are proposed over the next five years:

- Regional Sports Facility in Lower Chittering
- Independent Living Unit Development / Lifestyle Village
- Low cost caravan / camping facility
- Place making plan for local townsites
- Youth facilities (BMX / Skate Park) in Muchea
- Continued upgrade / enhancement of existing recreational facilities
- Continued upgrade of historical precinct (new arts building)
- Community Gymnasiums in Bindoon and Muchea
- New trails and upgrades of existing trails
- Mountain bike trail facility
- Chittering Lake - Lakeview Park
- Ongoing enhancements to Binda Place
- Cricket Practice Nets in Muchea
- Upgrade Sports Change Rooms in Muchea

## **FINANCING**

### **Long Term Financial Plan**

Council's Long Term Financial Plan (LTFP) is currently a 15-year rolling plan that informs the Corporate Business Plan and the annual budget process. The most recent LTFP was prepared in 2013 (with the assistance of consultants UHY Haines Norton) for the period from 2013 to 2028.

The 2013-2028 LTFP was based on a number of assumptions including:

- 4.3% annual population growth
- 4.0% return on investments
- 3.2% inflation
- 7.5% rate revenue increase (including 4.3% population & 2% service growth)
- \$1.5m in operating grants, increasing in-line with inflation
- Reducing loan borrowings over the life of the plan

While population growth remains on track, inflation and investment returns are down on those which were forecast in the 2013-2028 LTFP. As a result of subdued economic activity and low inflation, Council has delivered a series of rate rises for the last three financial years which are lower than those as required by the LTFP. This has been partially mitigated by a decision (in the 2016/17 Financial Year) to move from Unimproved Value (UV) to Gross Rental Value (GRV) for the rating of a number of residential and rural residential properties.

The LTFP is currently under review with updated assumptions including:

- 4.3% annual population growth
- 2.0% return on investments
- 2.0% inflation
- 5.0% rate revenue increase (including 2% inflation & 2% service growth)
- Loan borrowings as per the Capital Program (Appendix 1)
- Property disposals and acquisitions as per the Capital Program

A separate briefing on the Long Term Financial Plan will be as provided to Council in November 2018. In summary, the operational activities and capital projects as outlined Draft Corporate Business Plan are considered affordable, with modest and responsible rate increases over the life of the plan.

### Cash Backed Reserves

Council is in the fortunate position of having modest loan borrowings and a healthy cash reserve of around \$2m. A number of the reserves pre-date comprehensive asset planning and long term financial planning and it is evident that Council has the opportunity to draw down some of the reserves and rationalise others.

Reserve	Current Balance (\$)	Purpose	Recm
Employee Entitlements	137,438	Accumulated leave entitlements	Retain/Grow
Plant Replacement	733,250	Plant purchases	Retain/Grow
Community Housing	72,327	Repairs / improvements	<a href="#">Review</a>
Seniors Housing	7,463	Repairs / improvements	<a href="#">Review</a>
Public Open Space	271,035	Public open space development	<a href="#">Review</a>
Cemetery Development	33,979	Future improvements	Retain
Recreation Development	333,601	Develop or acquire land & facilities	Retain/Grow
Ambulance Replacement	4,345	Council contribution	<a href="#">Review</a>
Waste Management	292,537	Replacement / rehab of landfill	Retain/Grow
Contributions to Roadworks	37,383	Maintenance of Mooliabeenee Rd	Retain
Sewerage Services	101,995	Connection of Properties	Retain/Grow
TOTAL	2,025,353		

## VISION

Based on feedback from the Community Strategic Plan engagement process, the Council supports the following vision for the Shire:

### ***“A connected thriving community”***

This has been developed based on clear messages from the community that focus on living, working and playing in a thriving, diverse community in harmony with the natural environment.

- We will plan for our growing communities.
- We will value and look after our natural environment and habitat.
- We will advocate and partner with government and service providers ensuring future services in the local community.
- We will connect our diverse communities.

## Values

Excellence - a culture of achieving high quality outputs and service delivery

Customer Focus - catering for the needs of our customers, and to achieve positive outcomes

Integrity - acting with honesty, respect, and in a transparent manner

Respect - recognising and acknowledge individuals, their opinions, and contributions

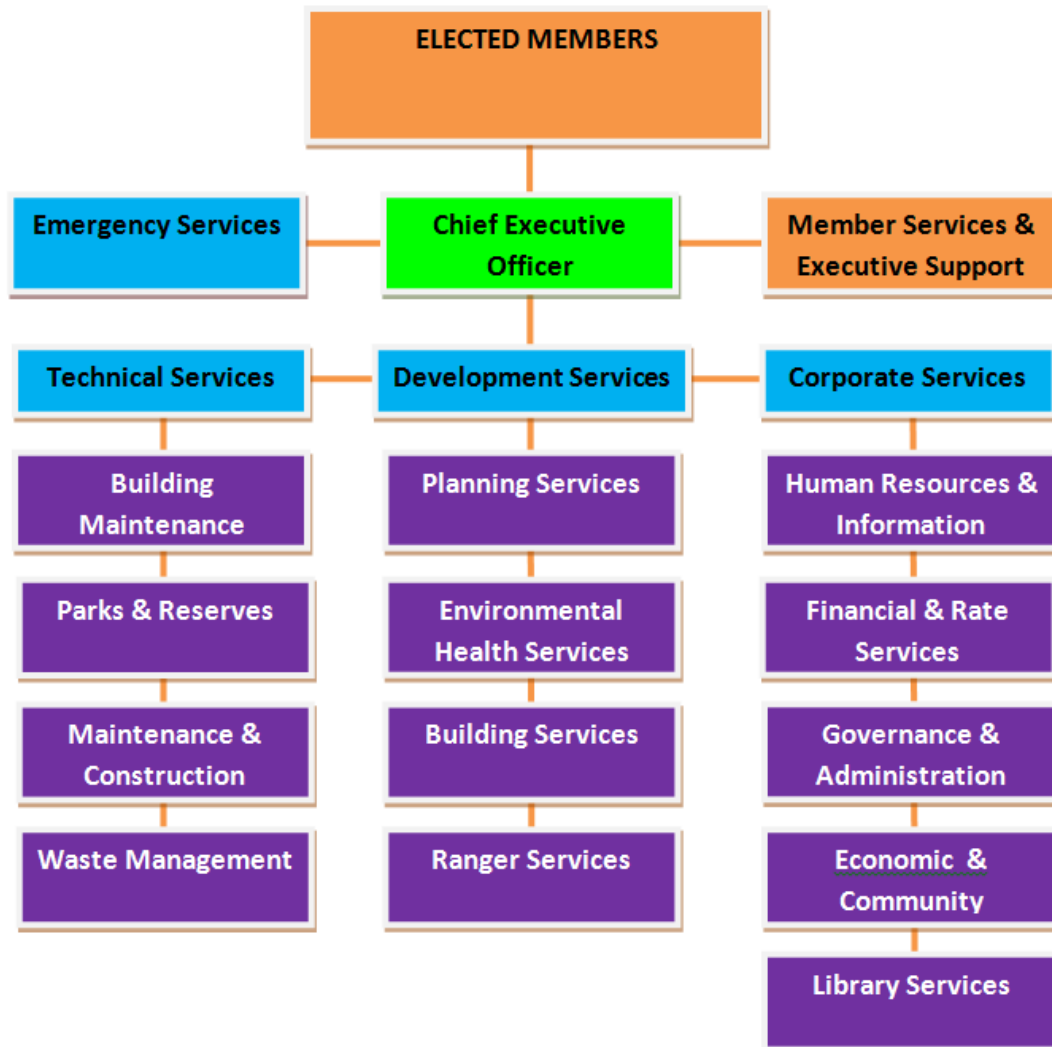
Valuing our Staff – a commitment to fostering an enthusiastic, dedicated workforce, with appropriate skills to carry out tasks and to provide services to our community

Consistency - consistency in dealings with all persons and organisations

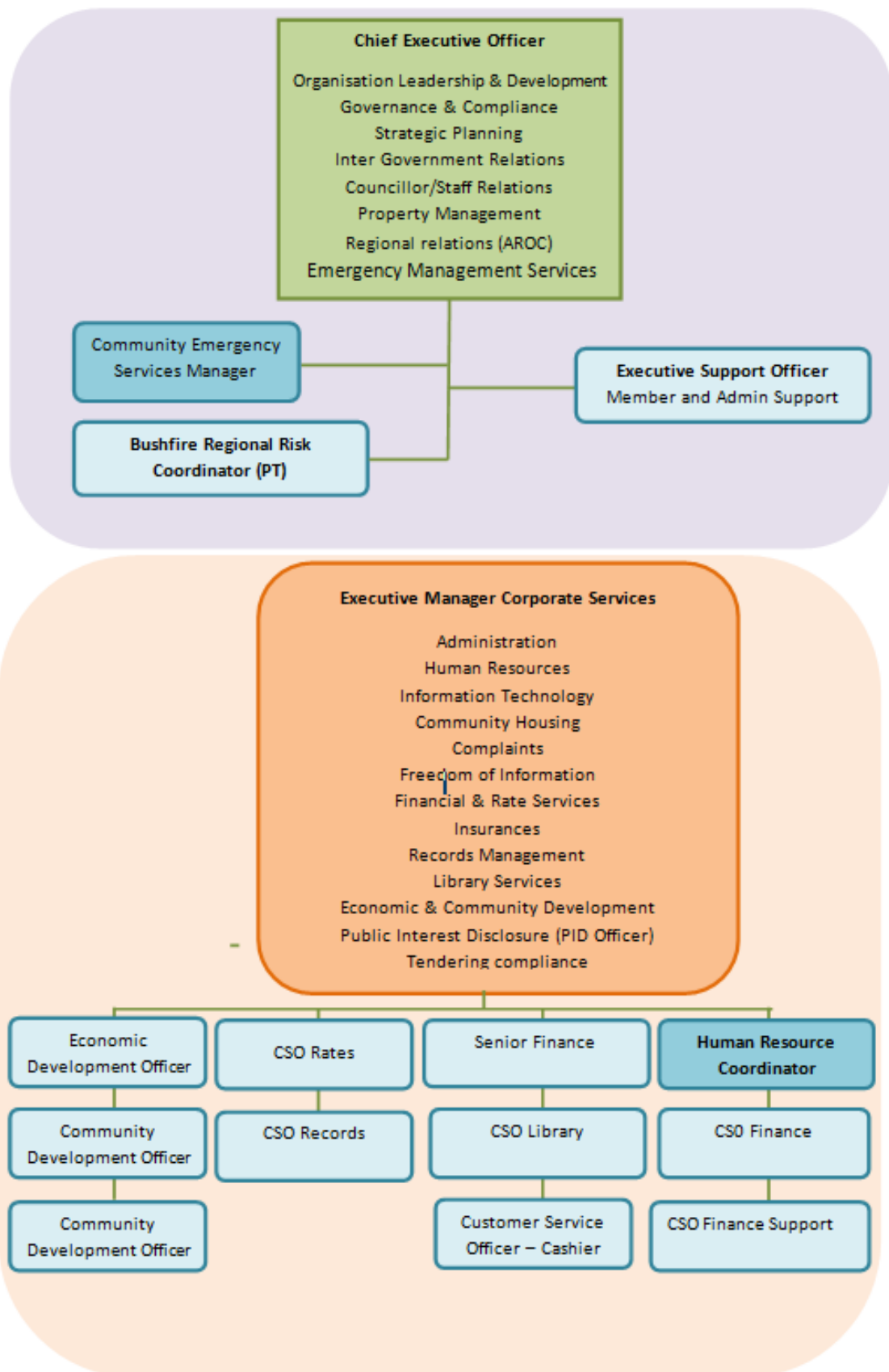
Communication - plain and clear exchange of information, in a timely manner; open and effective communication; aiming for a non-adversarial approach to dispute resolution

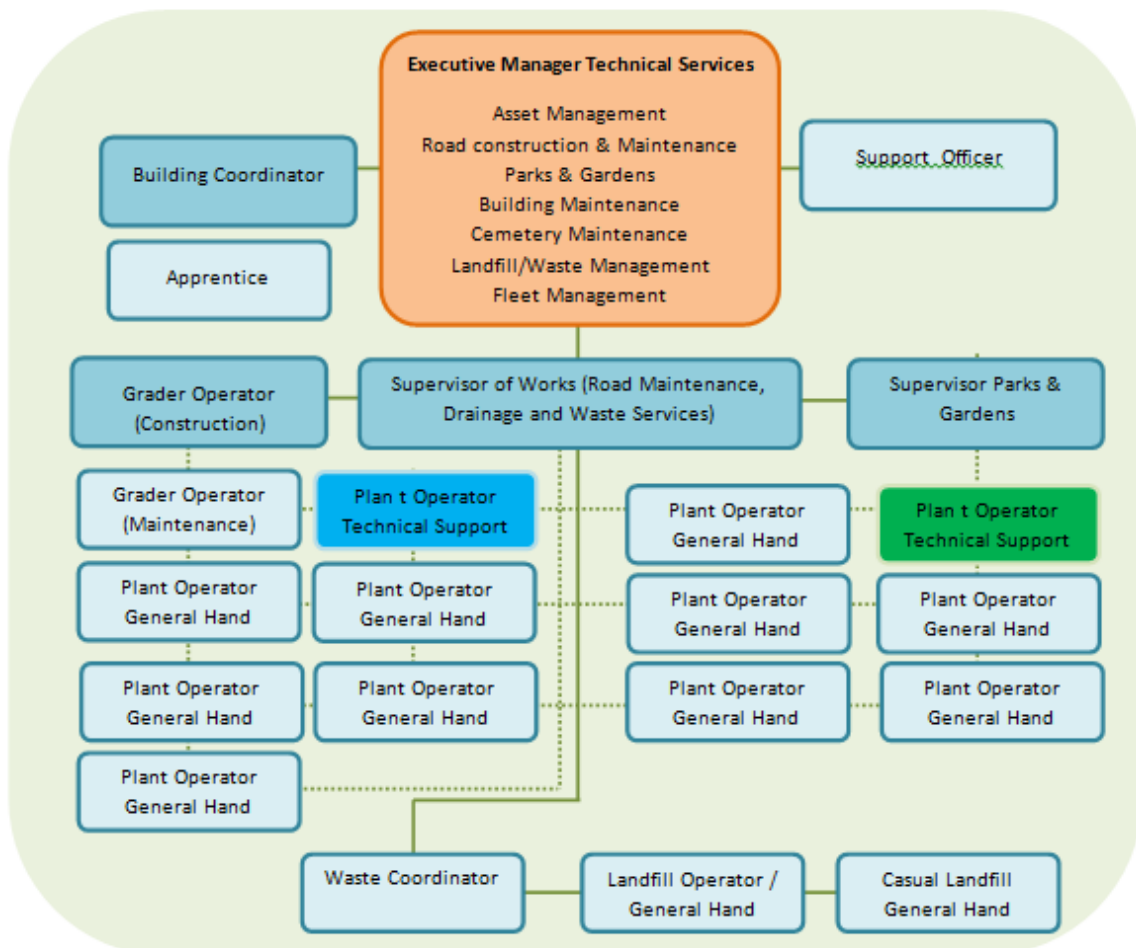
Continuous Improvement - continue to pursue innovation and stay abreast of change.

## Organisation Structure









**Attachments**

The following supporting documents are attached:

Attachment 1. Ten Year Capital Works Program

Attachment 2. Five Year Financial Forecast

Attachment 3. Roads Asset Management Plan – Summary Document

Attachment 4. Buildings Asset Management Plan – Summary Document

Attachment 5. Ten Year Road Network Program

Attachment 6. Ten Year Buildings Program

Attachment 7. Ten Year Fleet Replacement Program

Attachment 8. Strategic Community Plan Priorities

## ATTACHMENT 1

Capital Works Program - Corporate Business Plan (2017-2021)															
Combined Listing sourced from Sport and Recreation Plan, Trails Network Masterplan, Roads Program, Buildings Program, Fleet Program, Long Term Financial Plan and Proposed New Initiatives															
Infrastructure Type / Location	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total	Funding Dissection			Check Total
												Shire	Grant	Other	
<b>Road Network Program</b>															
Rural Road Gravel Reconstruction	93,700	177,627	148,012	160,542	180,304	226,658	203,481	192,256	203,310	201,607	1,787,497	1,787,497			1,787,497
Rural Road/Town Street Reseal	295,526	373,015	339,754	315,752	328,648	336,060	353,908	336,541	400,708	304,271	3,384,182	3,384,182			3,384,182
Rural Road Reconstruction	1,776,404	991,601	988,804	874,166	487,818	424,503	881,829	731,273	745,898	760,816	8,663,112	3,663,112	5,000,000		8,663,112
Town Streets Reconstruction	352,079	475,148	700,051	768,979	672,307	857,192	676,153	713,458	727,727	804,138	6,747,232	3,047,232	3,700,000		6,747,232
Bridges	160,629	-	150,000	250,000	-						560,629	560,629			560,629
<i>Roads Sub-Total</i>	<i>2,678,338</i>	<i>2,017,391</i>	<i>2,326,620</i>	<i>2,369,439</i>	<i>1,669,077</i>	<i>1,844,413</i>	<i>2,115,371</i>	<i>1,973,528</i>	<i>2,077,643</i>	<i>2,070,832</i>	<i>21,142,651</i>	<i>12,442,651</i>	<i>8,700,000</i>		<i>21,142,651</i>
<b>Plant Replacement Program</b>	27,727	548,955	345,273	621,364	127,636	629,682	582,364	316,091	358,364	122,727	3,680,183	3,680,183			3,680,183
<b>Building Asset Preservation Program</b>	58,526	57,000	80,600	71,016	110,000	127,720	206,075	141,151	205,188	38,139	1,095,415	1,095,415			1,095,415
<b>Council Facilities</b>															
New Customer Service / Office Refit	48,000	48,000									96,000	96,000			96,000
Records Storage	20,000										20,000	20,000			20,000
IT server / IT systems upgrade	100,000	30,000									130,000	130,000			130,000
Depot Relocation							100,000	1,000,000			1,100,000	1,100,000			1,100,000
<b>Bindoon</b>															
Acquire land - Binda Place Access	665,000										665,000	665,000			665,000
CCTV - Binda Place / Admin Building	44,128														
Place Making Plan for Bindoon	28,000										28,000	28,000			28,000
Clune Park Upgrade		40,000				40,000				40,000	120,000	120,000			120,000
Trail upgrade - rear of businesses		40,000													
Pop-up Park		20,000													
<b>Caravan Park / Lifestyle Village</b>															
Lifestyle Village Feasibility	10,000										10,000	10,000			10,000
Caravan Park Feasibility		10,000													
Re-purchase of Land		500,000									500,000	500,000			500,000
Expression of Interest / Legals		20,000									20,000	20,000			20,000
Lease payments (Income)			-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-400,000	-400,000			-400,000

Infrastructure Type / Location	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total	Shire	Grant	Other	Check Total
<b>Chinkabee Sporting Complex</b>															
Acquire land for expansion	62,500	68,125	66,250	64,375							261,250	261,250			261,250
Resurface Outdoor Courts	40,000								40,000						
Community Gymnasium			10,000	150,000							160,000	50,000	50,000	50,000	150,000
Minor New Works Allocation			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000					
Cricket pitch resurface		10,000							10,000		20,000	20,000			20,000
Masterplan for Sport & Rec Facilities		10,000													
Implementation of Masterplan				250,000	250,000							250,000	250,000		500,000
<b>Brockman Centre</b>															
Access ramps and paths		38,000									38,000	10,000	20,000	8,000	38,000
Minor New Works Allocation			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	80,000	80,000			80,000
Replace Arts Building				20,000	300,000	200,000					520,000	320,000	200,000		520,000
<b>Muchea</b>															
Ablution Block (Sandown Park)	240,000										240,000	120,000		120,000	240,000
Pavillion	78,000										78,000	78,000			78,000
Resurface Netball Courts	30,000								30,000		60,000	60,000			60,000
CCTV for Hall and Park	6,950														
BMX / Skate Park (John Glenn Park)		10,000	80,000								90,000	90,000	70,000		160,000
Cricket Practice Nets		75,000									75,000	29,000	23,000	23,000	75,000
Changeroom Extension		10,000	90,000								100,000	40,000	30,000	30,000	100,000
Equipment Upgrades							10,000				10,000	10,000			10,000
Community Gymnasium				10,000	150,000						160,000	60,000	50,000	50,000	160,000
Retic and Lighting (Sandown Park)				50,000	100,000						150,000	50,000	50,000	50,000	150,000
Muchea Entrance Signage		20,000									20,000	20,000			20,000
Minor New Works Allocation				10,000	10,000	10,000	10,000	10,000	10,000	10,000	70,000	70,000			70,000
<b>Lower Chittering</b>															
CCTV for Hall	7,582										7,582	3,700	14,800		18,500
Equipment Upgrades		10,000					10,000				20,000	20,000			20,000
Sports & Rec Facility Concept Design		60,000									60,000	60,000			60,000
Regional Sports Facility - St 1 #			300,000	9,300,000							9,600,000	3,000,000	4,600,000	2,000,000	9,600,000
Regional Sports Facility - St 2					100,000	6,000,000					6,100,000	2,600,000	2,000,000	1,500,000	6,100,000
<b>Wannamal</b>															
Lock-up Storage Shed for Rest Area		5,000									5,000	5,000			5,000
Minor Works Allocation			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000			45,000
Resurface tennis courts					180,000						180,000	120,000	60,000		180,000
Equipment Upgrades							10,000				10,000	20,000			20,000
Trail Enhancement		20,940									20,940	20,940			20,940

# - Shire funding includes \$1,000,000 from reserves and \$2,000,000 in new loan borrowings

Infrastructure Type / Location	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total	Shire	Grant	Other	Check Total
<b>Trails / Reserves</b>															
Memorial Gardens at Cemetary	5,000	20,000									25,000	25,000			25,000
Black Boy Ridge Trail Upgrades	20,000	30,000									50,000	50,000			50,000
Blackboy Ridge New Trails						20,000	30,000				50,000	50,000			50,000
Carty Reserve to Bindoon Trail - St 1	10,000	20,000	50,000	50,000	50,000						180,000	120,000	60,000		180,000
Carty Reserve to Bindoon Trail - St 2						10,000	20,000	50,000	50,000	50,000	180,000	120,000	60,000		180,000
Chittering Lake - Lakeview Park				20,000	150,000	150,000					320,000	320,000			320,000
Mountain Bike Park - ##		10,000	100,000	100,000	100,000	100,000	100,000	100,000			610,000	310,000	300,000		610,000
Madden Road POS - Nature Park		5,000	50,000												
<b>Ongoing Reserve Allocations</b>															
Rec Development (Lower Chittering)	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000	2,000,000			2,000,000
Waste Management	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000	1,000,000			1,000,000
Sewerage	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000	500,000			500,000
Sub-Total	4,529,751	4,103,411	3,823,743	13,411,194	3,621,713	9,456,815	3,518,810	3,915,770	3,106,195	2,656,698	51,263,021	31,515,139	16,537,800	3,831,000	51,883,939

<b>Land Disposals</b>															
Lot 168 Binda Place (Subdivision)		40,000									40,000				
Lot 168 Binda Place (Disposal)		-350,000									-350,000				
6169 Great Northern Highway		-300,000									-300,000				
Lot 14 Wells Glover Rd		-120,000									-120,000				
Lot 104 Gray Rd (Highway Resumption)		-200,000									-200,000				
Lot 104 Gray Rd (Subdivision)		30,000									30,000				
Lot 104 Gray Road (Disposal)			-300,000								-300,000				
131 Muchea East Road (Remediation)		40,000									40,000				
131 Muchea East Road (Disposal)			-400,000								-400,000				
Lot 8017 on DP400412 (IHC) - Purchase		20,000									20,000				
Lot 8017 on DP400412 (IHC) - Disposal			-280,000								-280,000				
Existing Depot in Bindoon - Disposal								-600,000			-600,000				
Sub-Total		-840,000	-980,000								-2,420,000				

<b>TOTAL</b>	<b>4,529,751</b>	<b>3,263,411</b>	<b>2,843,743</b>	<b>13,411,194</b>	<b>3,621,713</b>	<b>9,456,815</b>	<b>3,518,810</b>	<b>3,915,770</b>	<b>3,106,195</b>	<b>2,656,698</b>	<b>48,843,021</b>	<b>31,515,139</b>	<b>16,537,800</b>	<b>3,831,000</b>	<b>49,463,939</b>
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*Average Annual Expenditure for Ten Years 2017-18 to 2026-27* **4,884,302**

*Average Annual Expenditure less Grants and Other Sources of Funding* **3,151,514**

## - Includes 50% Grant Funding in every year from 19/20 onwards



## Statement of Comprehensive Income by Program – for the period 2017-2022

## ATTACHMENT 2

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Governance	33,958	12,558	12,935	13,323	13,722	14,134
General purpose funding	6,652,481	6,277,067	6,465,379	6,659,340	6,859,121	7,064,894
Law, order, public safety	388,940	509,060	524,332	540,062	556,264	572,952
Health	47,275	57,265	58,983	60,752	62,575	64,452
Education and welfare	22,550	26,775	27,578	28,406	29,258	30,135
Housing	161,617	170,155	175,260	180,517	185,933	191,511
Community amenities	955,106	971,199	1,000,335	1,030,345	1,061,255	1,093,093
Recreation and culture	102,038	47,999	49,439	50,922	52,450	54,023
Transport	106,446	107,728	110,960	114,289	117,717	121,249
Economic services	108,528	258,058	265,800	273,774	281,987	290,447
Other property and services	106,312	42,500	43,775	45,088	46,441	47,834
	8,685,251	8,480,364	8,734,775	8,996,818	9,266,723	9,544,724
<b>Expenses Excluding Finance Costs</b>						
Governance	-1,095,485	-815,758	-840,231	-865,438	-891,401	-918,143
General purpose funding	-224,504	-227,186	-234,002	-241,022	-248,252	-255,700
Law, order, public safety	-1,133,802	-1,236,403	-1,273,495	-1,311,700	-1,351,051	-1,391,582
Health	-352,386	-350,694	-361,215	-372,051	-383,213	-394,709
Education and welfare	-93,686	-106,108	-109,291	-112,570	-115,947	-119,425
Housing	-301,833	-328,509	-338,364	-348,515	-358,971	-369,740
Community amenities	-2,046,022	-2,164,242	-2,229,169	-2,296,044	-2,364,926	-2,435,873
Recreation and culture	-1,235,039	-1,301,602	-1,340,650	-1,380,870	-1,422,296	-1,464,965
Transport	-4,446,816	-4,486,902	-4,621,509	-4,760,154	-4,902,959	-5,050,048
Economic services	-616,195	-920,888	-653,721	-673,333	-693,533	-714,339
Other property and services	-46,104	-28,452	-29,306	-30,185	-31,090	-32,023
	-11,564,872	-11,966,744	-12,030,953	-12,391,882	-12,763,638	-13,146,547
<b>Finance Costs</b>						
Governance	0	-2,000	-2,592	-2,073	-1,540	-993
Health	-26,785	-25,676	-24,529	-21,187	-20,037	-18,836
Housing	-11,220	-9,127	-7,045	-4,989	-5,196	-129
Recreation and culture	-5,512	-3,589	-4,013	-3,688	-1,808	-717
Transport	-12,489	-11,972	-11,437	-12,985	-12,280	-11,544
Economic Services	0	-14,900	-39,294	-45,915	-36,666	-27,791
Other Property and Services	0	0	-1,100	0	0	0
	-56,006	-67,264	-90,010	-90,837	-77,527	-60,010
Non-operating Grants, subsidies	2,515,944	1,337,484	1,377,609	1,418,937	1,461,505	1,505,350
Other Comprehensive Income	280,000	0				
(Loss) on disposal of assets	-8,936	-62,706	1,000,000	500,000	0	0
	2,787,008	1,274,778	2,377,609	1,918,937	1,461,505	1,505,350
<b>TOTAL COMPREHENSIVE INCOME</b>	-148,619	-2,278,866	-1,008,580	-1,566,964	-2,112,937	-2,156,483

*Forecast Statement of Comprehensive Income by Type - for the period 2017 - 2022*

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>						
<b>Revenues</b>						
Rates	5,268,496	5,435,077	5,598,129	5,766,073	5,939,055	6,117,227
Operating grants, subsidies & contributions	1,574,733	1,271,542	1,309,688	1,348,979	1,389,448	1,431,132
Fees and charges	1,367,224	1,389,012	1,430,682	1,473,603	1,517,811	1,563,345
Interest earnings	142,700	140,602	144,820	149,165	153,640	158,249
Other revenue	332,098	244,131	251,455	258,999	266,769	274,772
	8,685,251	8,480,364	8,734,775	8,996,818	9,266,723	9,544,724
<b>Expenses</b>						
Employee costs	-3,648,634	-3,204,609	-3,300,747	-3,399,770	-3,501,763	-3,606,816
Materials and contracts	-2,642,221	-3,433,471	-3,536,475	-3,642,569	-3,751,846	-3,864,402
Utility charges (electricity, gas, water etc.)	-130,933	-143,934	-148,252	-152,700	-157,281	-161,999
Depreciation on non-current assets	-4,564,872	-4,629,753	-4,768,646	-4,911,705	-5,059,056	-5,210,828
Interest expense	-56,006	-67,264	-69,282	-71,360	-73,501	-75,706
Insurance expense	-197,442	-177,206	-182,522	-187,998	-193,638	-199,447
Other expenditure	-380,770	-377,781	-389,114	-400,788	-412,811	-425,196
	-11,620,878	-12,034,018	-12,395,039	-12,766,890	-13,149,896	-13,544,393
	-2,935,627	-3,553,654	-3,660,264	-3,770,072	-3,883,174	-3,999,669
Non-operating grants, subsidies	2,515,944	1,337,484	1,377,609	1,418,937	1,461,505	1,505,350
Profit on asset disposals	280,000	0	1,000,000	500,000	0	0
Loss on asset disposals	-8,936	-62,706				
Loss on revaluation of non-current assets	0	0				
<b>Net Result</b>	-148,619	-2,278,876	-1,282,655	-1,851,135	-2,421,669	-2,494,319
<b>Other comprehensive income</b>	0	0	0	0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	-148,619	-2,278,876	-1,282,655	-1,851,135	-2,421,669	-2,494,319

*Forecast Statement of Financial Position - for the period 2017 - 2022*

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>						
Cash and Equivalents	3,151,551	3,753,114	1,731,630	1,818,212	1,909,122	2,004,578
Trade and Other Receivables	389,372	888,720	645,840	678,132	712,039	747,641
Inventories	3,540	5,706	3,676	3,860	4,053	4,255
<b>TOTAL CURRENT ASSETS</b>	<b>3,544,463</b>	<b>4,647,540</b>	<b>2,381,146</b>	<b>2,500,203</b>	<b>2,625,213</b>	<b>2,756,474</b>
<b>NON-CURRENT ASSETS</b>						
Investments	42,500	42,500	42,500	42,500	42,500	42,500
Other Receivables	34,957	51,449	56,593	59,423	62,394	65,513
Property Plant and Equipment	29,984,906	30,358,930	31,003,082	32,553,236	34,180,898	35,889,943
Infrastructure	103,130,874	103,874,306	58,524,335	61,450,552	64,523,079	67,749,233
<b>TOTAL NON-CURRENT ASSETS</b>	<b>133,193,237</b>	<b>134,327,185</b>	<b>89,626,510</b>	<b>94,105,711</b>	<b>98,808,871</b>	<b>103,747,190</b>
<b>TOTAL ASSETS</b>	<b>136,737,700</b>	<b>138,974,725</b>	<b>92,007,656</b>	<b>96,605,914</b>	<b>101,434,084</b>	<b>106,503,664</b>
<b>CURRENT LIABILITIES</b>						
Trade and Other Payables	187,755	222,018	277,426	291,297	305,862	321,155
Current Portion of Long-term Liabilities	85,892	82,355	275,085	388,168	397,740	297,578
Provisions	472,933	497,807	524,792	551,032	578,583	607,512
<b>TOTAL CURRENT LIABILITIES</b>	<b>746,580</b>	<b>802,180</b>	<b>1,077,303</b>	<b>1,230,497</b>	<b>1,282,185</b>	<b>1,226,246</b>
<b>NON-CURRENT LIABILITIES</b>						
Long-term Borrowings	1,097,595	1,018,765	2,198,841	2,000,847	1,583,103	1,274,083
Provisions	147,099	151,975	156,534	164,361	172,579	181,208
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,244,694</b>	<b>1,170,740</b>	<b>2,355,375</b>	<b>2,165,208</b>	<b>1,755,682</b>	<b>1,455,291</b>
<b>TOTAL LIABILITIES</b>	<b>1,991,274</b>	<b>1,972,920</b>	<b>3,432,678</b>	<b>3,395,705</b>	<b>3,037,867</b>	<b>2,681,536</b>
<b>NET ASSETS</b>	<b>134,746,426</b>	<b>137,001,805</b>	<b>88,574,978</b>	<b>93,210,209</b>	<b>98,396,217</b>	<b>103,822,127</b>
<b>EQUITY</b>						
Retained Surplus	55,992,517	56,361,998	53,941,357	54,211,064	54,482,119	54,754,530
Reserves - Cash Backed	1,336,877	1,590,116	1,716,263	1,724,844	1,733,469	1,742,136
Revaluation surplus	77,417,032	79,049,691	44,334,890	44,556,564	44,779,347	45,003,244
<b>TOTAL EQUITY</b>	<b>134,746,426</b>	<b>137,001,805</b>	<b>99,992,510</b>	<b>100,492,473</b>	<b>100,994,935</b>	<b>101,499,910</b>

## SHIRE OF CHITTERING



# Roads

## Asset Management Plan

### Summary Document



Extracts from Version 2.0 of the Roads Asset Management Plan dated October 2017

## Background

This document contains relevant extracts from the Shire of Chittering Roads Asset Management Plan which was updated in October 2017 and discussed with Council at a Briefing Session on 1 November 2017. Council was briefed regarding the draft asset plan and road network model on 29 Nov 2016. However, they form an important part of the long term planning process and are a critical part of the Long Term Financial Planning process.

The Road Asset Management Plan has been developed to promote and establish sustainable financial management and continuous improvement of the Shires' infrastructure assets. It covers roads, culverts, car parks, storm water channel (kerbing) and drainage. The data utilised in the creation of the Asset Management Plan is based on the Shires operational asset register contained within RAMM that was subject to management evaluation with future renewals be determined based on the Shire's road hierarchy and associated service levels. The condition ratings were established as a result of a full network assessment conducted by Talis Consultants in February 2017.

The AMP covers a 10 year period from 2017-2018 to 2026-2027.

The Road Infrastructure asset category is the Shire's highest value asset class. The road network consists of 280 km of sealed roads and 150 km of unsealed roads. The table below provides further information on the various asset groups within this class.

ASSET GROUP	2016-17 REPLACEMENT COST
Roads – Subgrade <sup>1</sup>	\$27.28m
Roads – Pavement	\$57.87m
Roads – Seal	\$30.20m
Roads – Concrete/Asphalt	\$0.06m
Kerbing	\$3.62m
Drainage	\$3.12m
Culverts	\$3.06m
	<b>\$125.21m</b>

## Future Growth and Demand

The major factor impacting demand for Shire transport assets is increasing population. Census statistics released by ABS indicate that the Shires population in 2016 was 5,472 persons, an increase of 941 persons since 2011 (4,531), being an increase of 20.77% per annum over the five years since 2011, or 4.15% per annum.

The WA Tomorrow 2012 Report, using Band B projections, forecasts that the Shires population will reach 8,000 by 2026. The projected increase in population levels indicate that there will be further development and subdivision of land for residential and lifestyle lots. This development will result in increased local road network infrastructure over the next 10 years, which the Shire will be responsible for servicing and renewing.

## Lifecycle Management

The lifecycle management section details how the Shire plans to manage and operate both current and future assets to the agreed levels of service whilst optimising life cycle costs.

- Maintenance expenditure levels are considered to be adequate to meet current service levels
- Maintenance work represents 70% of the total roads maintenance expenditure for 2016/17.
- Current expenditure for Operations and Maintenance is \$1,066,417 per year.
- By 2026/27 required expenditure for Operations and Maintenance is expected to be around \$1,378,0500 per year.

<sup>1</sup> The subgrade or formation of the road network has not be condition rated and is not depreciable.

### Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

Maintenance includes reactive, planned and specific maintenance work activities. Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including culverts and pipes, etc. This work may generally falls below the capital/maintenance threshold but may require a specific budget allocation. Actual past maintenance expenditure is shown below.

#### Maintenance Expenditure Trends

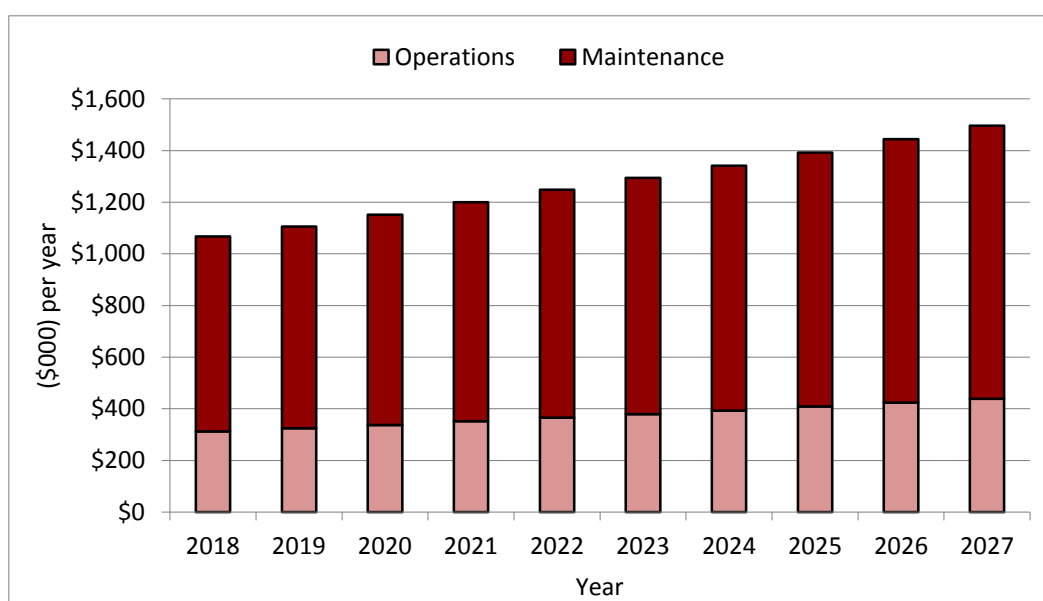
Year	Maintenance Expenditure
2014/2015	\$1,135,760
2015/2016	\$1,111,851
2016/2017	\$1,066,417

Current maintenance expenditure levels are based on historical data to meet the basic level of service, and are considered to be inadequate to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels. Assessment and prioritisation of reactive maintenance is undertaken by operational staff using experience and judgement.

#### Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 1. Note that all costs are shown in 2017 dollar values.

**Figure 1: Projected Operations and Maintenance Expenditure**





## Renewal/Replacement Plan

Renewal expenditure is major work that does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

### Renewal plan

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template'.

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or
- Method 3 uses a combination of average *network renewals* plus *defect repairs* in the *Renewal Plan* and *Defect Repair Plan* worksheets on the 'Expenditure template'.

Method 2 was used for this asset management plan.

The Shire is currently developing the ranking criteria to be used to determine priority of identified renewal proposals and will be included in future revisions of this Plan.

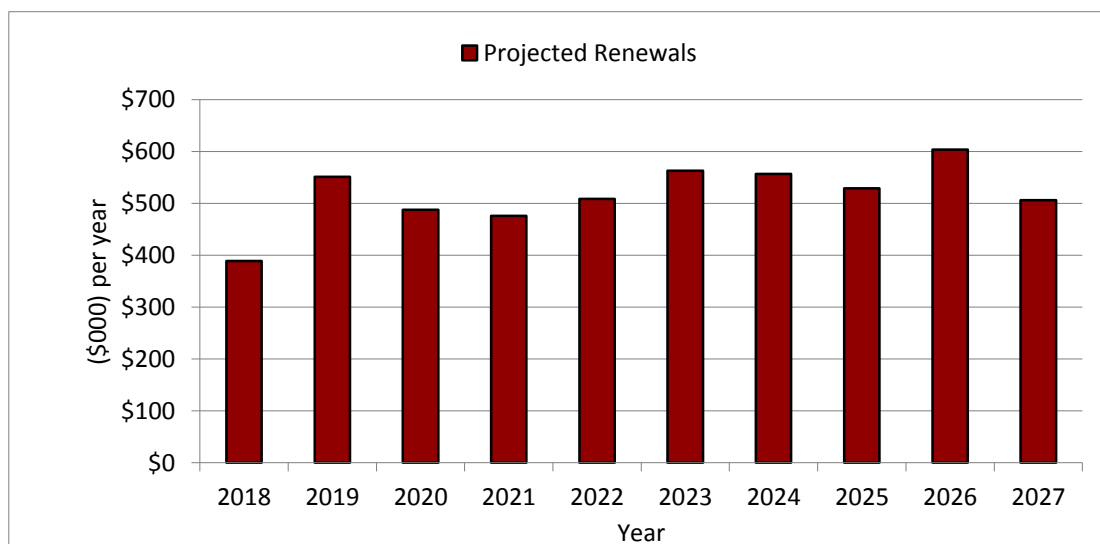
Renewals are funded from capital works programs and grants where available.

### Summary of projected renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 2. Note that all costs are shown in 2017 dollar values.

The projected capital renewal program is shown in Appendix B.

**Figure 2: Projected Capital Renewal Expenditure**



### Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works, which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Shire from land development. These assets from growth are considered in Section 4.4.

#### Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The Shire is currently developing the ranking criteria to be used to determine priority of future upgrade and new assets, and will be included in future revisions of this Plan.

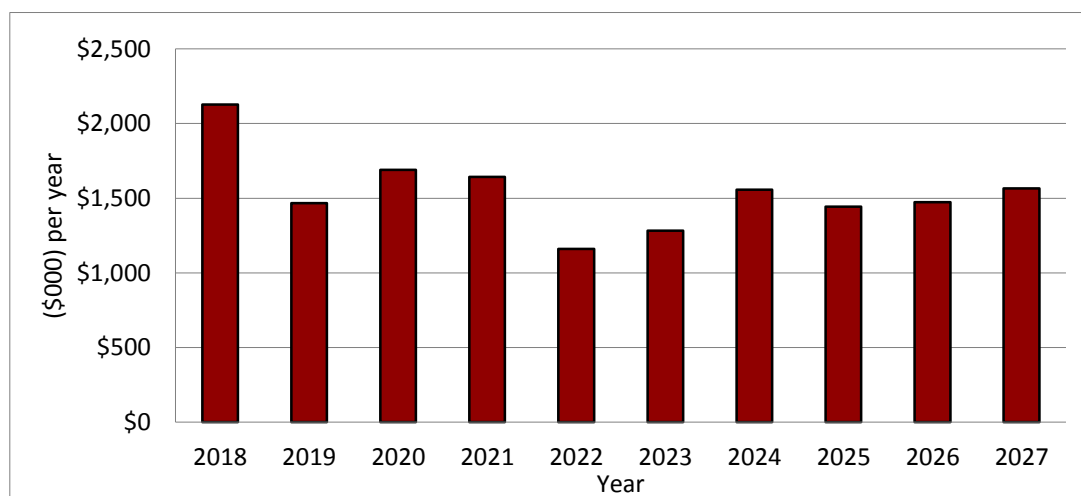
#### Standards and specifications

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

#### Summary of projected upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Figure 3. The projected upgrade/new capital works program is shown in Appendix C. All costs are shown in current 2017 dollar values.

**Figure 3: Projected Capital Upgrade/New Asset Expenditure**



## Financial Summary

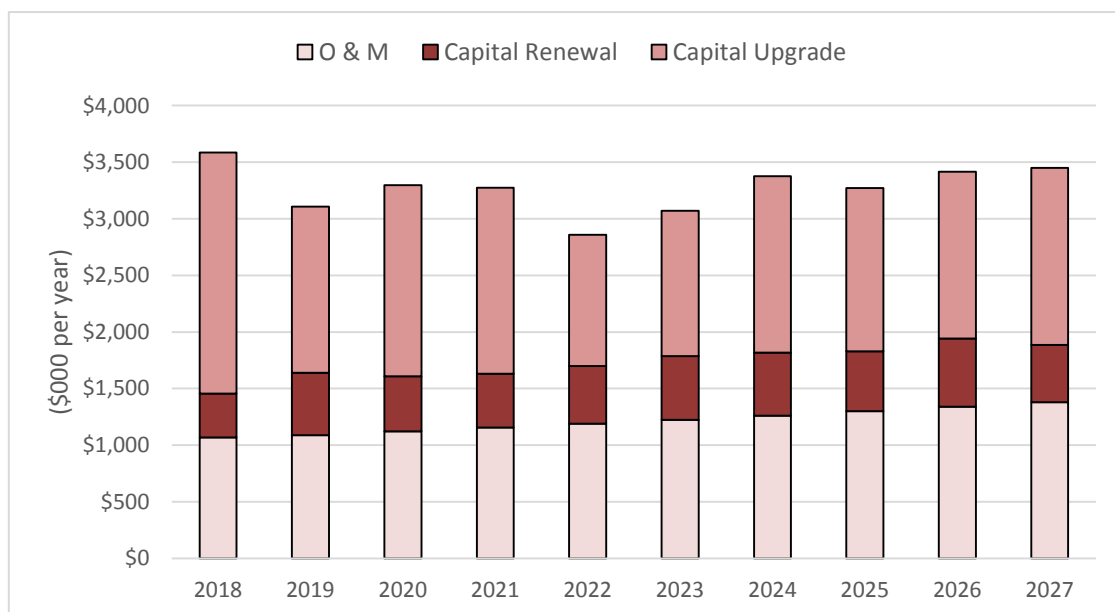
This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

## Financial Statements and Projections

The financial projections are shown in Figure 4 for projected operating (operations and maintenance), capital renewal expenditure and capital upgrade/expansion/new assets, net disposal expenditure and estimated budget funding.

Note that all costs are shown in 2017 dollar values.

**Figure 4: Projected Operating and Capital Expenditure and Budget**



## Financial sustainability in service delivery

There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

### Short Term – 5 year financial planning period

The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$1,637,000 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$1,917,000 per year giving a 5 year funding surplus of \$280,000 per year. This is 117% of projected expenditures giving a 5 year sustainability indicator of 1.17.

**Medium term – 10 year financial planning period**

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is \$1,791,000 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$1,779,000 per year giving a 10 year funding shortfall of (\$13,000) per year and a 10 year sustainability indicator of 0.99. This indicates that the Shire has 99% of the projected expenditures needed to provide the services documented in the asset management plan.

**Long term - Life Cycle Cost**

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is \$4,042,000 per year (operations and maintenance expenditure plus depreciation expense in year 1).

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure in year 1. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is \$1,618,000 (operations and maintenance expenditure plus budgeted capital renewal expenditure in year 1).

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap.

The long term life cycle gap for services covered by this asset management plan is -\$2,424,000 per year (-ve = gap, +ve = surplus). Life cycle expenditure is 40% of life cycle costs giving a life cycle sustainability index of 0.40.

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Based on current expenditure trends, depreciation methodologies employed, and investment levels in renewal of transport assets, the long term life cycle cost analysis predicts that the Shires transport asset base will deteriorate, or be consumed, at a faster rate than what it is being renewed/replaced.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist the Shire in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

**Sustainability of Service****Asset Consumption Ratio**

This ratio shows the written down current value of the Shire's depreciable assets relative to their 'as new' value in up to date prices. It is calculated by dividing the written down value by the current replacement cost from the corporate operational asset register in 2016. The target ratio should be between 50% and 75%. A ratio of less than 50% indicates a rapid deterioration of the asset base, whilst a ratio greater than 75% may indicate an over investment in the asset base. Integrated Planning and Reporting Advisory Standard KPI targets for this ratio are outlined below.

**Standard is not met** if ratio data cannot be identified or ratio is less than 50%.

**Standard is met** if ratio data can be identified and ratio is 50% or greater.

**Standard is improving** if this ratio is between 60% and 75%.

These figures are shown in table below.

<b>Asset Class</b>	<b>2016-17 Asset Consumption Ratio</b>
Road Assets Depreciated Replacement Cost	\$94,776,824
Road Assets Current Replacement Cost	\$125,209,974
<b>Road Assets</b>	<b>75.70%</b>

The ratio above of 75.70% indicates the **Standard is improving**.

**Asset Sustainability Ratio**

This ratio indicates whether assets are being replaced or renewed at the same rate that the overall asset stock is wearing out. It is calculated by dividing the annual capital expenditure spent on replacement and renewals by the annual depreciation expense. If capital expenditure on renewing or replacing assets is at least equal to depreciation on average over time, then the value of the existing stock will be maintained. If capital expenditure on existing assets is less than depreciation then underspending on renewal or replacement of assets will occur and this is likely to result in additional maintenance costs for assets that have exceeded their useful life that may exceed the cost of renewal or replacement. Integrated Planning and Reporting Advisory Standard KPI targets for this ratio are outlined below.

**Standard is not met** if ratio data cannot be identified or ratio is less than 90%.

**Standard is met** if ratio data can be calculated and ratio is 90% or greater.

**Standard is improving** if this ratio is between 90% and 110%

<b>Asset Class</b>	<b>2016-17 Asset Sustainability Ratio</b>
Road Assets Capital Renewals 2016/17	\$1,655,671
Annual Depreciation	\$3,179,858 <sup>2</sup>
<b>Road Assets</b>	<b>52.10%</b>

The ratio above of 52.10% above indicates the **Standard is not met**.

<sup>2</sup> The Shire is currently reviewing annual depreciation rates to ensure they are reflective of remaining useful life and residual values.

**Asset Renewal Funding Ratio**

This is an indicator as to the ability of the Shire to fund the projected asset renewals and replacements in the future and therefore continue to provide existing levels of service, without additional operating income or reductions in operating expenses, or an increase in net financial liabilities above that currently projected.

It is calculated by dividing the 'Net Present Value' of the Long Term Financial Plan allocations for building renewals by the 'Net Present Value' of the Asset Management Plan projected capital expenditure on renewals over the same 10 year period, 2017/18 to 2026/27.

Integrated Planning and Reporting Advisory Standard KPI targets for this ratio are outlined below.

**Standard is not met** if ratio data cannot be identified or ratio is less than 75%

**Standard is met** if ratio data can be identified and ratio is between 75% and 95%.

**Standard is improving** if this ratio is between 95% and 105% and the ASR falls within the range 90% to 110% and ACR falls within the range of 50% to 75%.

Asset Class	Current Values	Asset Renewal Funding Ratio NPV <sup>3</sup>
Road Assets NPV 10 Year Planned Renewals funded in LTFP	\$18,832,770	\$15,424,078
Road Assets NPV 10 Year Required Renewals in required Asset Management Plan	\$19,788,993	\$16,167,297
<b>Road Assets</b>		<b>95.40%</b>

The ratio of 95.40% above indicates the **Standard is met**.

<sup>3</sup> NPV was calculated using a discount rate of 3.9%.



## SHIRE OF CHITTERING



# Buildings

## Asset Management Plan

### Summary Document



Extracts from Version 3.0 of the Buildings Asset Management Plan dated October 2017

## Background

This document contains relevant extracts from the Shire of Chittering Buildings Asset Management Plan which was updated in October 2017 and discussed with Council at a Briefing Session on 1 November 2017. Council was briefed regarding the draft asset plan and road network model on 29 Nov 2016. However, they form an important part of the long term planning process and are a critical part of the Long Term Financial Planning process.

This Asset Management Plan covers all Council buildings. The data utilised in the development of the Buildings Asset Management Plan was based on a condition and data inventory undertaken in April 2017 and is considered to be approximately 98% accurate. The AMP covers a 10 year period from 2017-2018 to 2026-2027.

The Buildings asset portfolio consists of 86 individual asset items, and is the second largest asset portfolio by value.

The table below classifies the assets into eight key groups.

Asset Group	Number	2016-17 Replacement Cost
Civic and Corporate	4	\$3,362,000
Community	23	\$16,206,587
Heritage	1	\$524,000
Operational	13	\$518,446
Parks & Reserves	9	\$700,300
Recreation	10	\$512,077
Residential	18	\$4,759,000
Waste	13	\$521,778
<b>TOTAL</b>	<b>86</b>	<b>\$27,104,188</b>

## Future growth and demand

The major factor impacting demand for community and Council building assets is increasing population. Recent 2016 Census statistics released by ABS indicate that the Shires population is 5,472 persons, an increase of 941 persons since 2011 or 20.77% increase per annum, or 4.15% per annum over the 5 years.

WA Tomorrow 2012 Report, using Band B projections, forecasts that the Shires population will reach 8,000 by 2026. Ensuring the number and level of facilities are available to meet increasing population levels over the next 10 years will be a challenge for the Shire.

## Lifecycle Management

The lifecycle management section details how the Shire plans to manage and operate both current and future assets to the agreed levels of service whilst optimising life cycle costs.

- Maintenance expenditure levels are considered to be adequate to meet current service levels.
- Reactive maintenance work represents 100% of the total buildings maintenance expenditure for 2016/17.
- Current expenditure for Operations and Maintenance is \$590,594 per year.
- By 2026-27 required expenditure for Operations and Maintenance is expected to be around \$752,400 per year.

The Buildings assets shown in the Shire's Buildings.Plus asset register and covered by this asset management plan are shown below.

**Table: Assets covered by this Plan**

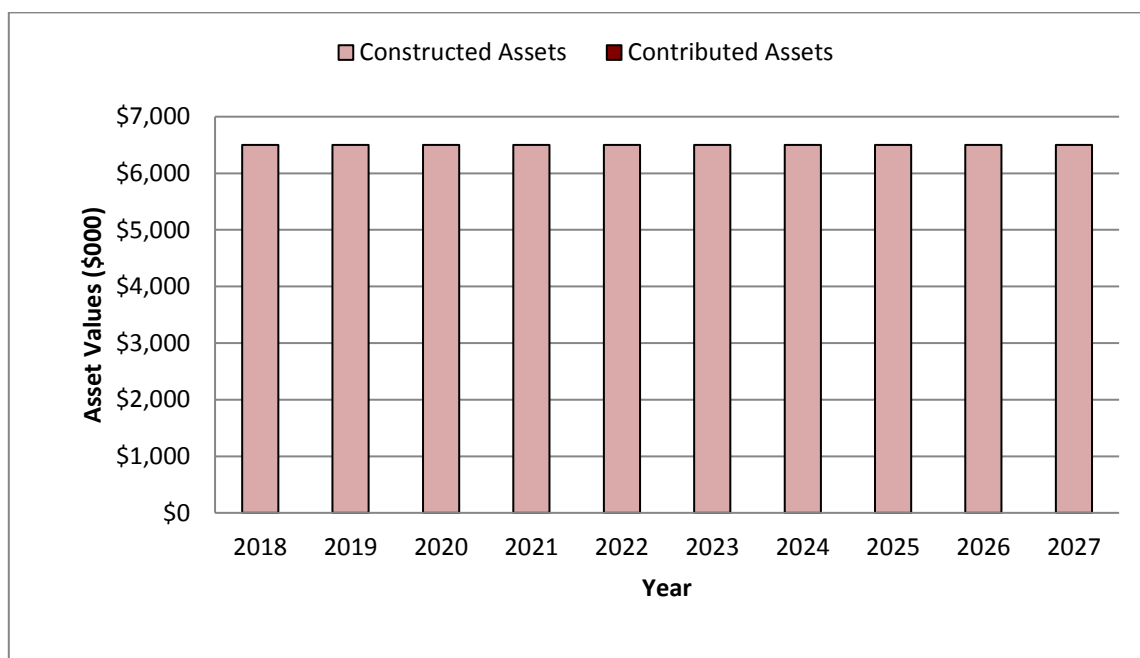
Asset Group	Number	2016-17 Replacement Cost
Civic and Corporate	4	\$3,362,000
Community	23	\$16,206,587
Heritage	1	\$524,000
Operational	13	\$518,446
Parks & Reserves	9	\$700,300
Recreation	10	\$512,077
Residential	18	\$4,759,000
Waste	13	\$521,778
<b>TOTAL</b>	<b>86</b>	<b>\$27,104,188</b>

### New Assets and Asset Upgrades

There are no projected new contributed building assets as a result of growth.

The current Long Term Financial Plan lists a Regional Recreation Facility project for Lower Chittering in 2018, however this project will not proceed until funding has been secured. Council is currently reviewing its Long Term Financial Plan and will re-assessing the estimated timing of this project including funding options.

**Figure 1: New Assets (cumulative)**



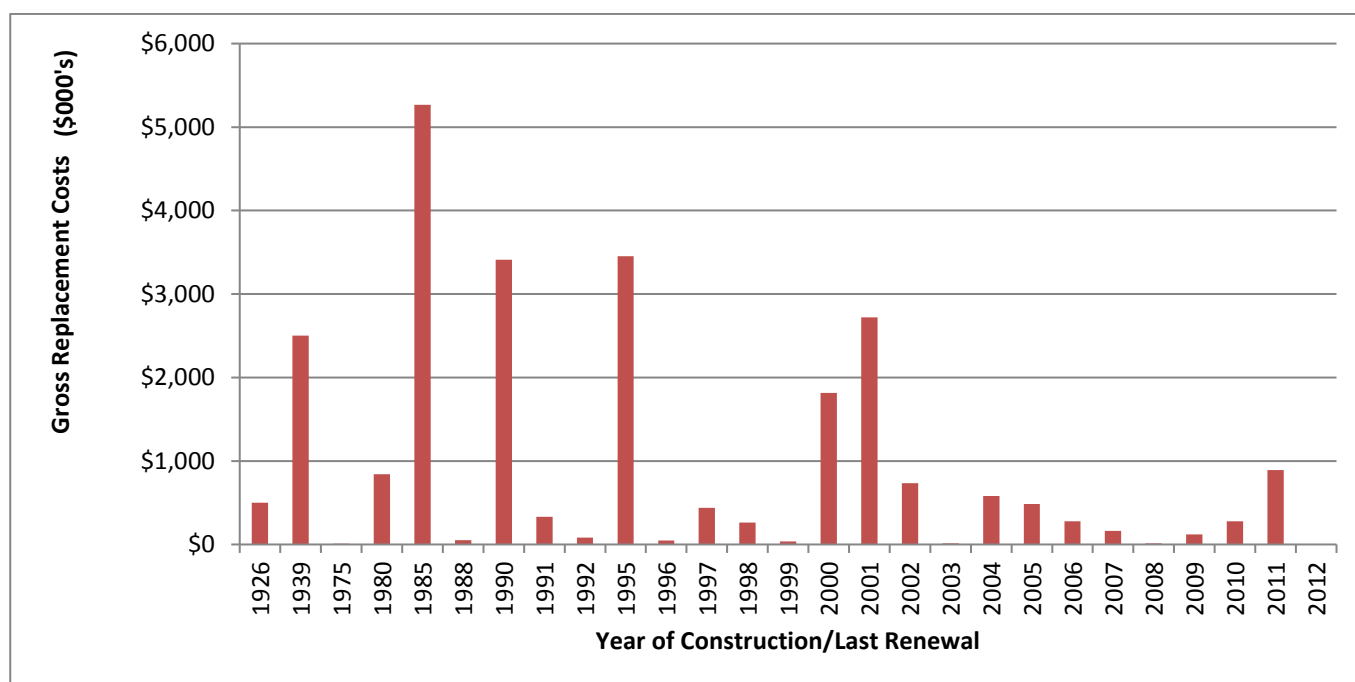
## Lifecycle Management Plan

The lifecycle management plan details how the Shire plans to manage and operate the assets at the agreed levels of service while optimising life cycle costs.

### Asset age profile

The age profile of the assets included in this Buildings Asset Management Plan is shown in Figure 1.

**Figure 1: Asset Age Profile**



**Note:** The asset age profile has been determined from the information provided by AVP Valuers in relation to the condition assessment of each building incorporated in the Plan.

### Asset condition

Condition is measured using a 1 – 5 rating system<sup>1</sup> as detailed in the Table below.

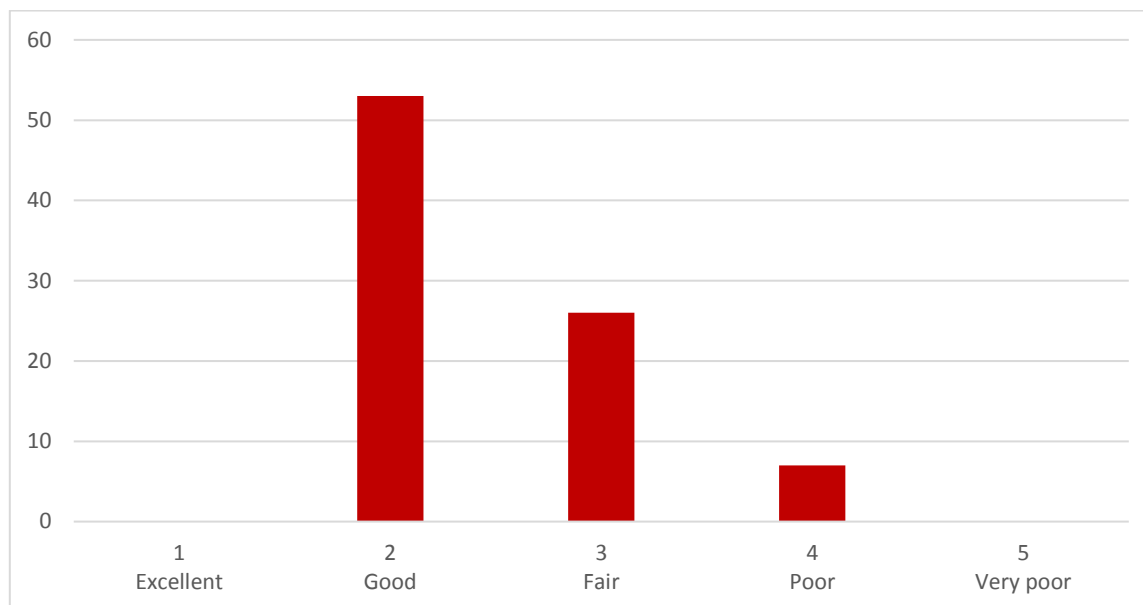
**Table: Condition Rating Description**

Condition Rating	Description	
1	Excellent	A new asset or an asset in overall excellent condition, with only a slight condition decline. Only planned maintenance required.
2	Good	An asset in an overall good condition but with minor signs of deterioration evident, serviceability may be slightly impaired. Minor maintenance is required.
3	Fair	An asset with obvious signs of deterioration. Significant maintenance and some renewal is required.
4	Poor	An asset with severe condition deterioration. Serviceability is becoming limited. Significant renewal is required.
5	Very Poor	An asset that has failed and is no longer serviceable. There is risk in leaving the asset in service. Replacement is required.

<sup>1</sup> IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned', 'average' changed to 'fair')

The condition profile of assets included within this AM Plan is shown in Figures 2 and 3.

**Figure 2: Asset Condition Profile**



### Asset valuations

The value of assets recorded in the asset register as at 30 June 2017 covered by this asset management plan is:

Current Replacement Cost	\$27,104,188 <sup>2</sup>
Depreciable Amount	\$15,225,854
Depreciated Replacement Cost	\$15,225,854
Annual Depreciation Expense	\$573,026

### Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

### Maintenance plan

Maintenance includes reactive, planned and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

<sup>2</sup> This figure includes \$427,388 of small building structures not included in the Fair Value Report from NS Advisory Services, dated 30 June 2017.

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, etc. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.

Actual past operations and maintenance expenditure is shown in the Table below.

**Table: Operations and Maintenance Expenditure Trends**

Year	Operations & Maintenance Expenditure
2013/2014	\$609,955
2014/2015	\$558,253
2015/2016	\$583,250
2016/2017	\$590,594

Current maintenance expenditure levels are considered to be inadequate to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

Assessment and prioritisation of reactive maintenance is undertaken by operational staff using experience and judgement.

### Standards and specifications

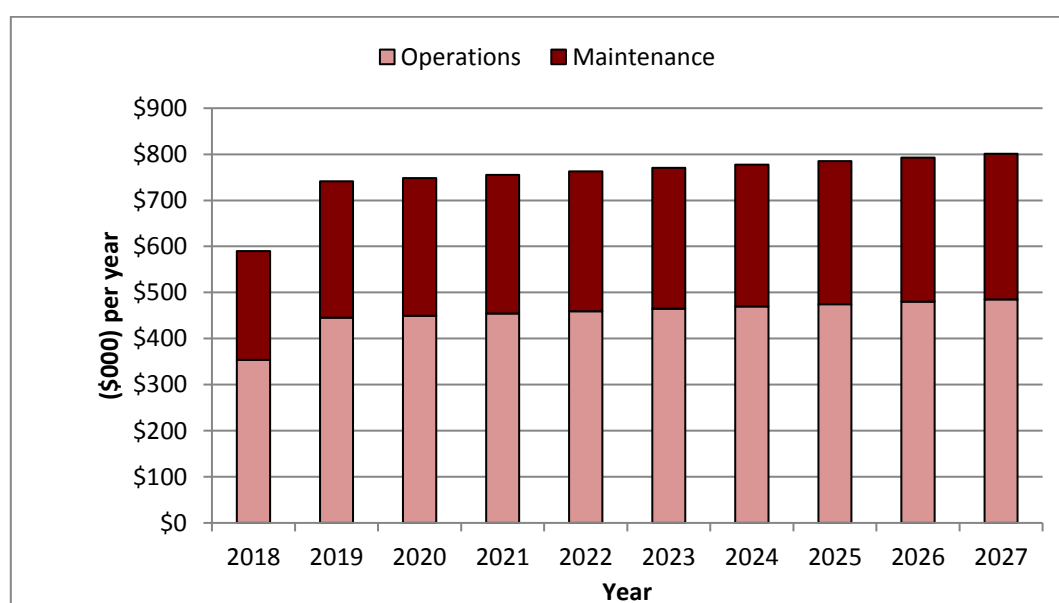
Maintenance work is carried out in accordance with the following Standards and Specifications.

- Applicable Australian Standards
- Building Code of Australia; and
- Acceptable standards of construction.

### Operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 4. Note that all costs are shown in 2017 dollar values.

**Figure 4: Projected Operations and Maintenance Expenditure**





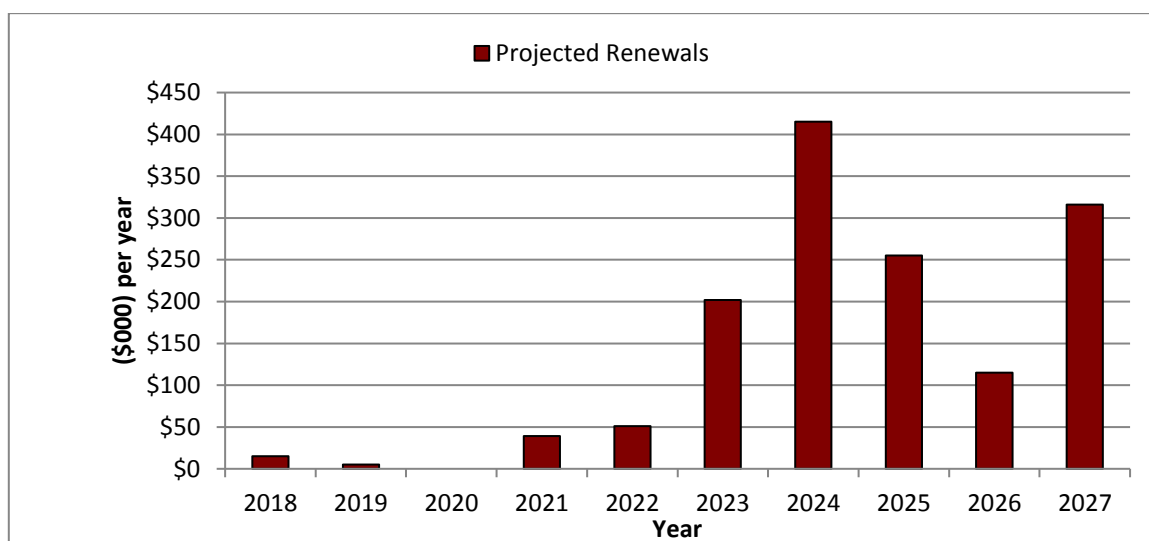
### Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Renewal will be undertaken using 'low-cost' renewal methods where practical. Assets requiring renewal have been identified from capital renewal expenditure projections from an external condition modelling system, Buildings.Plus.

### Summary of projected renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5. Note that all costs are shown in 2017 dollar values.

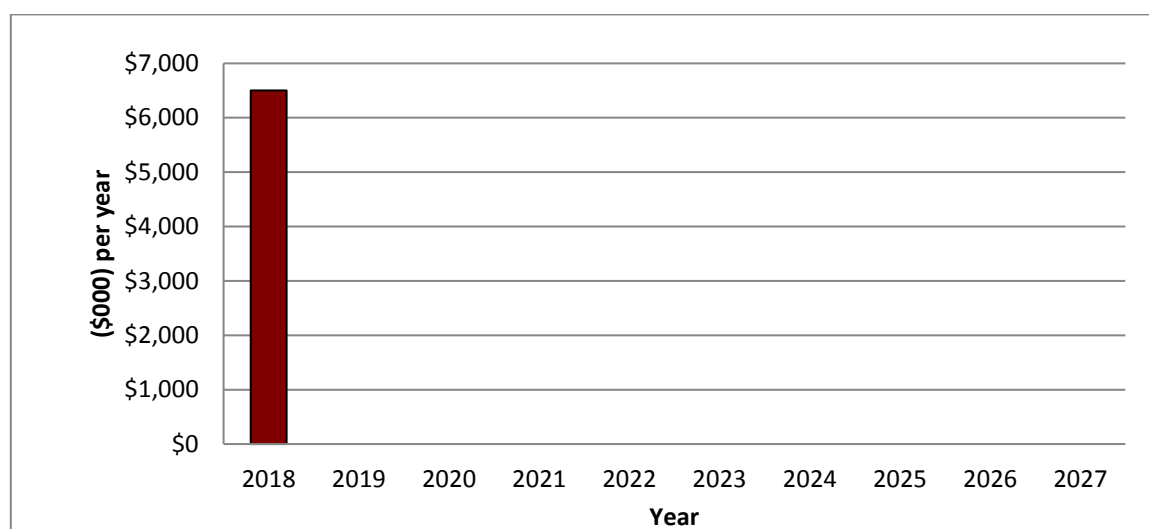
**Figure 5: Projected Capital Renewal Expenditure**



### Creation/Acquisition/Upgrade Plan

Projected upgrade/new asset expenditures are summarised in Figure 6.

**Figure 6: Projected Capital Upgrade/New Asset Expenditure**



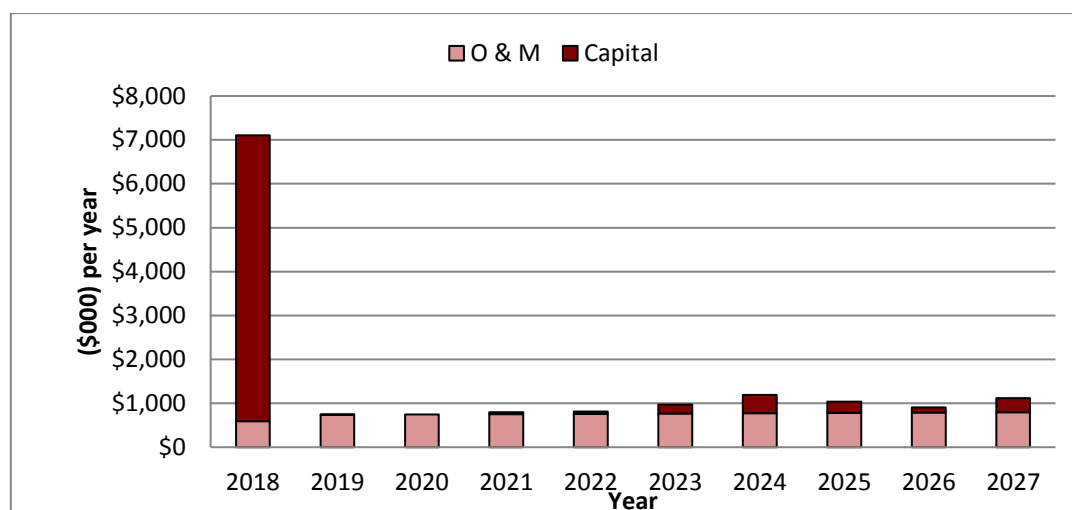
**Note:** The proposed project in 2018 was a Regional Recreational Facility for Lower Chittering, which is listed in the Shire's current Long Term Financial Plan. This project will not proceed at this time as funding has not been secured for its construction. The Shire is currently reviewing its Long Term Financial Plan and will re-assessing the timing of this project including funding options.

## FINANCIAL SUMMARY

The financial projections are shown in Figure 7 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Note that all costs are shown in 2017 dollar values.

**Figure 7: Projected Operating and Capital Expenditure**



**Note:** The proposed capital project in 2018 was a Regional Recreational Facility for Lower Chittering, which is listed in the Shire's current Long Term Financial Plan. This project will not proceed as funding has not been secured for its construction. The Shire is currently reviewing its Long Term Financial Plan and will re-assessing the estimated timing of this project including funding options.

### Financial sustainability in service delivery

There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

#### Short term – 5 year financial planning period

The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$741,000 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$730,000 per year giving a 5 year funding shortfall of **(\$11,000)**. This is 98% of projected expenditures giving a 5 year sustainability indicator of 0.98.

#### Medium term – 10 year financial planning period

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is \$894,000 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$693,000 per year giving a 10 year funding shortfall of **(\$201,000)** per year and a 10 year sustainability indicator of 0.78. This indicates that Council has 78% of the projected expenditures needed to provide the services documented in the asset management plan.

### Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is \$1,163,000 per year (operations and maintenance expenditure plus depreciation expense in year 1). Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure in year 1. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is \$812,000 (operations and maintenance expenditure plus budgeted capital renewal expenditure in year 1).

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap.

The life cycle gap for services covered by this asset management plan is **(\$351,000)** per year (-ve = gap, +ve = surplus). Life cycle expenditure is 70% of life cycle costs giving a life cycle sustainability index of 0.70.

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future. Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

Based on current expenditure trends, depreciation methodologies employed, and investment levels in renewal of building assets, the long term life cycle cost analysis predicts that the Shires buildings asset base will deteriorate, or be consumed, at a faster rate than what it is currently being renewed/replaced.

### Sustainability of Service

There are three key performance indicators for financial sustainability as recommended in the Department of Local Government (LG) Asset Management National Framework and Guidelines that have been considered in the analysis of the buildings financial data. The aim of the Framework is to enhance the sustainable management of local government assets by encouraging 'whole of life' and 'whole of organisation' approaches.

### Asset Consumption Ratio

This ratio shows the written down current value of the Shire's depreciable assets relative to their 'as new' value in up to date prices. It is calculated by dividing the written down value by the current replacement cost from the corporate operational asset register in 2017. The target ratio should be between 50% and 75%. A ratio of less than 50% indicates a rapid deterioration of the asset base, whilst a ratio greater than 75% may indicate an over investment in the asset base. Integrated Planning and Reporting Advisory Standard KPI targets for this ratio are outlined below.

**Standard is not met** if ratio data cannot be identified or ratio is less than 50%.

**Standard is met** if ratio data can be identified and ratio is 50% or greater.

**Standard is improving** if this ratio is between 60% and 75%.

Asset Class	Asset Consumption Ratio
Buildings Depreciated Replacement Cost	\$15,225,854
Buildings Current Replacement Cost	\$27,104,188
<b>Buildings</b>	<b>56.2%</b>

The calculated ratio of 56.2% above indicates the **Standard is met**.

### Asset Sustainability Ratio

This ratio indicates whether assets are being replaced or renewed at the same rate that the overall asset stock is wearing out. It is calculated by dividing the annual capital expenditure spent on replacement and renewals by the annual depreciation expense. If capital expenditure on renewing or replacing assets is at least equal to depreciation on average over time, then the value of the existing stock will be maintained. Integrated Planning and Reporting Advisory Standard KPI targets for this ratio are outlined below.

**Standard is not met** if ratio data cannot be identified or ratio is less than 90%.

**Standard is met** if ratio data can be calculated and ratio is 90% or greater.

Standard is improving if this ratio is between 90% and 110% <b>Asset Class</b>	<b>Asset Sustainability Ratio</b>
Buildings Capital Renewals 2016/17	\$0
Annual Depreciation	\$573,026
<b>Buildings</b>	<b>0.0%</b>

The calculated ratio of 0.0% indicates that the **Standard is not met**. This ratio can only be measured accurately if an assessment is made of the amount spent on capital renewal and replacement.

### Asset Renewal Funding Ratio

This ratio is an indicator as to the ability of the Shire to fund the projected asset renewals and replacements in the future and therefore continue to provide existing levels of service, without additional operating income or reductions in operating expenses, or an increase in net financial liabilities above that currently projected.

It is calculated by dividing the 'Net Present Value' of the Long Term Financial Plan allocations for building renewals by the 'Net Present Value' of the Asset Management Plan projected capital expenditure on renewals over the same 10 year period, 2016/17 to 2025/26.

Integrated Planning and Reporting Advisory Standard KPI targets for this ratio are outlined below.

**Standard is not met** if ratio data cannot be identified or ratio is less than 75%

**Standard is met** if ratio data can be identified and ratio is between 75% and 95%.

**Standard is improving** if this ratio is between 95% and 105% and the ASR falls within the range 90% to 110% and ACR falls within the range of 50% to 75%.

<b>Asset Class</b>	<b>Current Values</b>	<b>Asset Renewal Funding Ratio NPV<sup>3</sup></b>
Buildings NPV 10 Year Planned Renewals funded in LTFP	\$702,800	\$630,883
Buildings NPV 10 Year Required Capital Renewals from Asset Management Plan	\$1,414,675	\$1,058,770
<b>Buildings</b>		<b>59.6%</b>

The calculated ratio of 59.6% indicates that the **Standard is not met**.

<sup>3</sup> NPV was calculated using a discount rate of 3.9%.

## ATTACHMENT 5

## Ten Year Road Network Program

ROAD PROGRAMME	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Rural Road Gravel Reconstruction	\$ 93,700	\$ 177,527	\$ 148,012	\$ 160,542	\$ 180,304	\$ 226,658	\$ 203,481	\$ 192,256	\$ 203,310	\$ 201,607
Rural Road/Town Street Reseal	\$ 295,526	\$ 373,015	\$ 339,754	\$ 315,752	\$ 328,648	\$ 336,060	\$ 353,908	\$ 336,542	\$ 400,708	\$ 304,271
Rural Road Reconstruction	\$ 1,776,404	\$ 991,601	\$ 988,804	\$ 874,166	\$ 487,818	\$ 424,503	\$ 881,829	\$ 731,273	\$ 745,898	\$ 760,816
Town Streets Reconstruction	\$ 352,079	\$ 475,148	\$ 700,051	\$ 768,979	\$ 672,307	\$ 857,192	\$ 676,153	\$ 713,458	\$ 727,727	\$ 804,138
Bridges	\$ 160,629	\$ -	\$ 150,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 2,678,338</b>	<b>\$ 2,017,391</b>	<b>\$ 2,326,620</b>	<b>\$ 2,369,439</b>	<b>\$ 1,669,077</b>	<b>\$ 1,844,413</b>	<b>\$ 2,115,370</b>	<b>\$ 1,973,528</b>	<b>\$ 2,077,643</b>	<b>\$ 2,070,832</b>

FUNDING SOURCES										
Regional Road Group	\$ 338,532	\$ 653,061	\$ 659,592	\$ 666,188	\$ 672,849	\$ 679,578	\$ 686,374	\$ 693,237	\$ 776,426	\$ 784,190
Road 2 Recovery	\$ -	\$ -	\$ 387,600	\$ 387,600	\$ 387,600	\$ 387,600	\$ 387,600	\$ 395,352	\$ 395,392	\$ -
Black Spot	\$ 614,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Road runoff funds	\$ -	\$ -	\$ 150,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MRWA Bridge funds	\$ -	\$ -	\$ 1,129,429	\$ 1,065,651	\$ 608,628	\$ 777,235	\$ 1,041,397	\$ 884,938	\$ 905,825	\$ 891,249
Own Resources	\$ 1,505,820	\$ 1,364,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 2,678,338</b>	<b>\$ 2,017,391</b>	<b>\$ 2,326,620</b>	<b>\$ 2,369,439</b>	<b>\$ 1,669,077</b>	<b>\$ 1,844,413</b>	<b>\$ 2,115,370</b>	<b>\$ 1,973,528</b>	<b>\$ 2,077,643</b>	<b>\$ 2,070,832</b>

## ASSUMPTIONS

Road to Recovery funds will continue till 2026/27 at a 2% increase every five year.

Regional Road Group funds will increase by 1% each year. The Shire is successful in receiving the full allocation of 20% of the Moora Sub group Regional Road Group funds.

MRWA Bridge funding is an estimate supplied by Main Roads

No funding available till after 2016/17 water flow testing completed

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Unsealed Road Grading</b>	\$ 112,280	\$ 112,280	\$ 112,280	\$ 112,280	\$ 112,280	\$ 112,280	\$ 112,280	\$ 112,280	\$ 112,280	\$ 112,280
Renewal	\$ 389,226	\$ 550,542	\$ 487,766	\$ 476,293	\$ 508,952	\$ 562,718	\$ 557,389	\$ 528,797	\$ 604,018	\$ 505,877
Upgrade	\$ 2,289,112	\$ 1,466,749	\$ 1,838,854	\$ 1,893,145	\$ 1,160,125	\$ 1,281,695	\$ 1,557,981	\$ 1,444,730	\$ 1,473,625	\$ 1,564,954
<b>TOTAL</b>	<b>\$ 2,790,618</b>	<b>\$ 2,129,571</b>	<b>\$ 2,438,900</b>	<b>\$ 2,481,719</b>	<b>\$ 1,781,357</b>	<b>\$ 1,956,693</b>	<b>\$ 2,227,650</b>	<b>\$ 2,085,808</b>	<b>\$ 2,189,923</b>	<b>\$ 2,183,112</b>
<b>Bridges</b>	<b>-\$ 160,629</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Upgrade (less Bridges)</b>	<b>\$ 2,128,483</b>	<b>\$ 1,466,749</b>	<b>\$ 1,688,854</b>	<b>\$ 1,643,145</b>	<b>\$ 1,160,125</b>	<b>\$ 1,281,695</b>	<b>\$ 1,557,981</b>	<b>\$ 1,444,730</b>	<b>\$ 1,473,625</b>	<b>\$ 1,564,954</b>



## Gravel Road Reconstruct

Road Name	Stk	Project Leng	2017/18 PROJECT LENGTH BUDGET	2018/19 PROJECT LENGTH BUDGET	2019/20 PROJECT LENGTH BUDGET	2020/21 PROJECT LENGTH BUDGET
Ashtman Road	0.0 to 2.1	2.23	\$ -	\$ -	\$ -	\$ -
Atkinson Road	0.03 to 0	0.3	\$ -	\$ -	\$ -	\$ -
Barn Road	0.87 to 6	5.67	\$ -	\$ -	\$ -	\$ 69,197
Blizzard Road	0.0 to 0.1	0.35	\$ -	\$ -	\$ -	\$ -
Bore Road	0.02 to 1	1.1	\$ -	\$ -	\$ -	\$ -
Brennan Road	0.0 to 2.1	2.57	\$ -	\$ -	\$ -	\$ -
Brynie Road	0.05 to 1	1.61	\$ -	\$ -	\$ -	\$ -
Clune Road	0.0 to 0.4	0.47	\$ -	\$ -	\$ -	\$ -
Cook Road	3.24 to 5	1.83	\$ -	\$ -	\$ -	\$ -
Crey Road	0.0 to 0.6	0.66	\$ -	\$ -	\$ -	\$ -
Davern Street	0.36 to 0	0.48	\$ -	\$ -	\$ -	\$ -
Davis Road	0.26 to 3	3.1	\$ -	\$ 81,294	\$ -	\$ -
Densley Road	0.0 to 1.1	1.7	\$ -	\$ -	\$ -	\$ -
Dewars Road	0.0 to 0.4	0.61	\$ -	\$ -	\$ -	\$ -
Flat Rocks Road	0.0 to 7.4	7.44	\$ -	\$ 55,686	\$ 26,949	\$ -
Ippello Road	0.0 to 6.1	6.02	\$ -	\$ -	\$ -	\$ -
Gingling Road	0.0 to 2.1	2.01	\$ -	\$ -	\$ -	\$ -
Gray Road	3.44 to 6	3.35	\$ -	\$ -	\$ -	\$ -
Harris Road	0.17 to 1	1.76	\$ -	\$ -	\$ -	\$ -
Head Road	1.5 to 2.1	0.87	\$ -	\$ -	\$ -	\$ -
Kangaroo Gully Road	0.0 to 1.1	1.94	\$ -	\$ -	\$ -	\$ -
Kay Road	1.34 to 2	0.77	\$ -	\$ -	\$ -	\$ -
Kinkella Road	0.0 to 0	0.85	\$ -	\$ -	\$ -	\$ -
Lewis Road	0.0 to 0.1	7.96	\$ -	\$ -	\$ -	\$ -
Maddern Road	3.85 to 8	5.06	\$ -	\$ -	\$ -	\$ -
Martin Road	0.0 to 0.1	0.36	\$ -	\$ -	\$ -	\$ -
McGlew Road	0.0 to 3.1	3.02	\$ -	\$ -	\$ -	\$ -
Moss Road	0.0 to 0.1	0.37	\$ -	\$ -	\$ -	\$ -
Nolan Road	0.05 to 1	1.18	\$ -	\$ -	\$ -	\$ -
North Road	1.29 to 1	8.99	\$ -	\$ -	\$ -	\$ -
Old Gin Road	1.31 to 2	1.64	\$ -	\$ -	\$ -	\$ -
Owen Road	0.3 to 3.1	3.45	\$ -	\$ -	\$ -	\$ -
Perry Road	0.0 to 2.1	2.85	\$ -	\$ -	\$ -	\$ -
Phillimore Street	0.01 to 0	0.25	\$ -	\$ -	\$ -	\$ -
Pines Road	0.0 to 3.1	3.22	\$ -	\$ -	\$ -	\$ -
Reserve Road	1.08 to 5	4.82	\$ -	\$ -	\$ -	\$ -
Sandow Road	0.0 to 0.1	0.8	\$ -	\$ -	\$ -	\$ -
Settlement Road	0.47 to 1	0.72	\$ -	\$ -	\$ 21,145	\$ -
Settlement South Road	0.05 to 0	0.4	\$ -	\$ -	\$ -	\$ -
Snake Spring Road	0.0 to 0.1	0.88	\$ -	\$ -	\$ -	\$ -
Spice Road	0.4 to 1.1	1.52	\$ -	\$ -	\$ -	\$ -
Spillman Road	0.04 to 5	5.11	\$ 93,700	\$ -	\$ -	\$ -
Stephens Road	0.1 to 2.1	2.7	\$ -	\$ -	\$ -	\$ -
Tea Tree North Road	0.0 to 5.1	5.8	\$ -	\$ -	\$ -	\$ -
Tea Tree Road	4.4 to 8.1	3.62	\$ -	\$ -	\$ 99,918	\$ -
Timana Road	2.35 to 4	2.11	\$ -	\$ -	\$ -	\$ -
Tory Road	1.01 to 1	0.39	\$ -	\$ -	\$ -	\$ -
Valley View Drive	0.05 to 1	1.39	\$ -	\$ -	\$ -	\$ -
Waldeck East Road	0.4 to 3.0	2.63	\$ -	\$ -	\$ -	\$ -
Waldeck West Road	0.04 to 2	2.14	\$ -	\$ -	\$ -	\$ -
Wandana Road	3.27 to 8	5.42	\$ -	\$ -	\$ -	\$ -
		88.34	\$ 93,700	\$ 177,527	\$ 148,012	\$ 160,542
			2	4.37	2.92	3.66

## Gravel Road Reconstruct

Road Name	Stk	Project Length	S.K.	2021/22 PROJECT LENGTH	BUDGET	S.K.	2022/23 PROJECT LENGTH	BUDGET	S.K.	2023/24 PROJECT LENGTH	BUDGET	S.K.	2024/25 PROJECT LENGTH	BUDGET
Ashman Road	0.0 to 2.1	2.23	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Atkinson Road	0.03 to 0	0.3	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Barn Road	0.87 to 6	5.67	-	-	\$ -	-	-	\$ -	-	2.33 to 3.29	0.35	18,691	-	\$ -
Blizzard Road	0.0 to 0.1	0.35	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Bore Road	0.02 to 1	1.1	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Brennan Road	0.0 to 2.1	2.57	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Bryns Road	0.05 to 1	1.61	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Clune Road	0.0 to 0.4	0.47	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Cook Road	3.24 to 5	1.83	-	-	\$ -	-	3.24 to 4.74	1.5	76,250	-	\$ -	-	-	\$ -
Cray Road	0.0 to 0.6	0.66	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Davern Street	0.36 to 0	0.48	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Davis Road	0.26 to 3	3.1	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Densley Road	0.0 to 1.1	1.7	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Dewars Road	0.0 to 0.6	0.61	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Flat Rocks Road	0.0 to 7.4	7.44	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Ippollo Road	0.0 to 6.1	6.02	-	0.79	34,077	-	-	\$ -	-	-	\$ -	-	3.69 to 5.45	82,934
Gingling Road	0.0 to 2.1	2.01	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Gray Road	3.44 to 6	3.35	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Harris Road	0.17 to 1	1.76	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Head Road	1.5 to 2.1	0.87	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Kangaroo Gully Road	0.0 to 1.1	1.94	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Kay Road	1.34 to 2	0.77	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Kinkella Road	0.0 to 0.1	0.85	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Lewis Road	0.0 to 0.1	7.96	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Maddern Road	3.85 to 8	5.06	-	-	\$ -	-	3.89 to 5.89	2	90,583	-	\$ -	-	-	\$ -
Martin Road	0.0 to 0.1	0.36	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
McGlew Road	0.0 to 3.1	3.02	-	-	\$ -	-	-	\$ -	-	0.0 to 1.0	1	46,158	1.0 to 2.0	47,121
Moss Road	0.0 to 0.1	0.37	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Nolan Road	0.05 to 1	1.18	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
North Road	1.29 to 1	8.99	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Old Gin Road	1.31 to 2	1.64	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Owen Road	0.3 to 3.1	3.45	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Perry Road	0.0 to 2.8	2.85	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Phillimore Street	0.01 to 0	0.25	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Pines Road	0.0 to 3.1	3.22	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Reserve Road	1.08 to 5	4.82	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Sandow Road	0.0 to 0.1	0.8	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Settlement Road	0.47 to 1	0.72	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Settlement South Road	0.05 to 0	0.4	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Snake Spring Road	0.0 to 0.1	0.88	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Spice Road	0.4 to 1.1	1.52	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Spillman Road	0.04 to 5	5.11	-	-	\$ -	-	2.53 to 3.85	1.32	59,785	-	\$ -	-	-	\$ -
Stephens Road	0.1 to 2.1	2.7	-	1.39	59,958	-	-	\$ -	-	-	\$ -	-	-	\$ -
Tea Tree North Road	0.0 to 5.1	5.8	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Tea Tree Road	4.4 to 8.1	3.62	-	2	86,270	-	-	\$ -	-	1.32 to 3.32	2	92,395	0.0 to 1.32	62,200
Timana Road	2.35 to 4	2.11	-	-	\$ -	-	-	\$ -	-	3.46 to 4.46	1	46,158	-	\$ -
Toy Road	1.01 to 1	0.39	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Valley View Drive	0.05 to 1	1.39	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Waldeck East Road	0.4 to 3.0	2.63	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Waldeck West Road	0.04 to 2	2.14	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Wandana Road	3.27 to 8	5.42	-	4.18	180,304	-	-	\$ -	-	-	\$ -	-	-	\$ -
		88.34		4.18	\$ 180,304		4.82	\$ 226,658		4.35	\$ 203,481	4.08	\$ 192,256	



## Gravel Road Reconstruct

Road Name	S/L	Project Length	S/L	2025/26 PROJECT LENGTH	BUDGET	S/L	2026/27 PROJECT LENGTH	BUDGET	S/L	2027/28 PROJECT LENGTH	BUDGET
Ashman Road	0.0 to 2.1	2.23	-	-	\$	-	-	\$	-	-	\$
Atkinson Road	0.03 to 0	0.3	-	-	\$	-	-	\$	-	-	\$
Barn Road	0.87 to 6	5.67	-	-	\$	-	-	\$	-	-	\$
Blizzard Road	0.0 to 0.1	0.35	-	-	\$	-	-	\$	-	-	\$
Bore Road	0.02 to 1	1.1	-	-	\$	-	-	\$	-	-	\$
Brennan Road	0.0 to 2.1	2.57	-	-	\$	-	-	\$	-	-	\$
Bryne Road	0.05 to 1	1.61	-	-	\$	-	-	\$	-	-	\$
Clune Road	0.0 to 0.4	0.47	-	-	\$	-	-	\$	-	-	\$
Cook Road	3.24 to 5	1.83	-	-	\$	-	-	\$	-	-	\$
Cray Road	0.0 to 0.6	0.66	-	-	\$	-	-	\$	-	-	\$
Davern Street	0.36 to 0	0.48	-	-	\$	-	-	\$	-	-	\$
Davis Road	0.26 to 3	3.1	-	-	\$	-	-	\$	-	-	\$
Densley Road	0.0 to 1.1	1.7	-	-	\$	-	-	\$	-	-	\$
Dewans Road	0.0 to 0.4	0.61	-	-	\$	-	-	\$	-	-	\$
Flat Rocks Road	0.0 to 7.4	7.44	-	-	\$	-	-	\$	-	-	\$
Ippollo Road	0.0 to 6.1	6.02	-	-	\$	-	-	\$	-	-	\$
Gingling Road	0.0 to 2.1	2.01	-	-	\$	-	-	\$	-	-	\$
Gray Road	3.44 to 6	3.35	-	-	\$	-	-	\$	-	-	\$
Harris Road	0.17 to 1	1.76	-	-	\$	-	-	\$	-	-	\$
Head Road	1.5 to 2.1	0.87	-	-	\$	-	-	\$	-	-	\$
Kangaroo Gully Road	0.0 to 1.1	1.94	-	-	\$	-	-	\$	-	-	\$
Kay Road	1.34 to 2	0.77	-	-	\$	-	-	\$	-	-	\$
Kinkella Road	0.0 to 0	0.85	-	-	\$	-	-	\$	-	-	\$
Lewis Road	0.0 to 0.1	7.96	-	-	\$	-	-	\$	-	-	\$
Maddern Road	3.85 to 8	5.06	-	-	\$	-	-	\$	-	-	\$
Martin Road	0.0 to 0.1	0.36	-	-	\$	-	-	\$	-	-	\$
McGlew Road	0.0 to 3.1	3.02	-	-	\$	-	-	\$	-	-	\$
Moss Road	0.0 to 0.1	0.37	-	-	\$	-	-	\$	-	-	\$
Nolan Road	0.05 to 1	1.18	-	-	\$	-	-	\$	-	-	\$
North Road	1.29 to 1	8.99	-	-	\$	-	-	\$	-	-	\$
Old Gin Road	1.31 to 2	1.64	-	-	\$	-	-	\$	-	-	\$
Owen Road	0.3 to 3.1	3.45	-	-	\$	-	-	\$	-	-	\$
Perry Road	0.0 to 2.1	2.85	-	-	\$	-	-	\$	-	-	\$
Phillimore Street	0.01 to 0	0.25	-	-	\$	-	-	\$	-	-	\$
Pines Road	0.0 to 3.1	3.22	-	-	\$	-	-	\$	-	-	\$
Reserve Road	1.08 to 5	4.82	-	-	\$	-	-	\$	-	-	\$
Sandow Road	0.0 to 0.1	0.8	-	-	\$	-	-	\$	-	-	\$
Settlement Road	0.47 to 1	0.72	-	-	\$	-	-	\$	-	-	\$
Settlement South Road	0.05 to 0	0.4	-	-	\$	-	-	\$	-	-	\$
Snake Spring Road	0.0 to 0.1	0.88	-	-	\$	-	-	\$	-	-	\$
Spice Road	0.4 to 1.1	1.52	-	-	\$	-	-	\$	-	-	\$
Spillman Road	0.04 to 5	5.11	-	-	\$	-	-	\$	-	-	\$
Stephens Road	0.1 to 2.1	2.7	-	-	\$	-	-	\$	-	-	\$
Tea Tree North Road	0.0 to 5.1	5.8	-	-	\$	-	-	\$	-	-	\$
Tea Tree Road	4.4 to 8.1	3.62	-	-	\$	-	-	\$	-	-	\$
Timaru Road	2.35 to 4	2.11	-	-	\$	-	-	\$	-	-	\$
Tow Road	1.01 to 1	0.39	-	-	\$	-	-	\$	-	-	\$
Valley View Drive	0.05 to 1	1.39	-	-	\$	-	-	\$	-	-	\$
Waldeck East Road	0.4 to 3.0	2.63	-	-	\$	-	-	\$	-	-	\$
Waldeck West Road	0.04 to 2	2.14	-	-	\$	-	-	\$	-	-	\$
Wandana Road	3.27 to 8	5.42	-	-	\$	-	-	\$	-	-	\$
		88.34		4.23	\$	203,310		3.82	\$	3.42	\$
											\$ 176,049

## Road Reseals

Road No.	Road Name	Slk	Project Length	2017/18 SLK	2017/18 PROJECT LENGTH	2017/18 BUDGET	2018/19 SLK	2018/19 PROJECT LENGTH	2018/19 BUDGET	2019/20 SLK	2019/20 PROJECT LENGTH	2019/20 BUDGET
8	Hay Flat Road	10.0 to 11.4	1.4									
2	Chittering Road	0.0 to 26.72	26.72			\$ -			\$ -			\$ -
7	Chittering Valley Road	0.0 to 8.78	8.78			\$ -			\$ -			\$ -
74	Chittering Street	0.0 to 1.65	1.65				0.0-1.65	1.65	\$ 66,538			
3	Dewars-Pool Road	0.0 to 9.39	9.39						\$ -			\$ -
111	Chinkabee Road	0.0 to 0.25	0.25						\$ -			\$ -
16	Gray Road	1.62 to 5.25	3.63									
9	Wells Glover Road	8.5 to 12.5	4			\$ -	8.08-8.35	0.27	\$ 10,888			
1	Moolabeenee Road	0.0 to 6.73	6.73							0.0 - 1.5	1.5	\$ 61,699
145	Hereford Way	0.0 to .950	0.95			\$ -	0.0-950	0.95	\$ 38,310			\$ -
146	Murray Grey Circle	0.0 to 3.64	3.64				0.0 - 1.87	1.87	\$ 75,409	1.87 to 3.640	1.84	\$ 75,684
164	Edmonds Place	0.0 to .160	0.97						\$ -	0.0 - 0.16	0.16	\$ 6,581
180	Ayrshire Loop	0.0 to 3.340	3.34			\$ -	0.0-1.6	1.6	\$ 64,521			
147	Devon Way	0.0 to 2.03	2.03									
149	Angus Way	0.0 to .500	0.5							0.0 to 0.5	0.5	\$ 20,566
150	Santa Gertrudius Drive	0.0 to 4.58	2.11				0.0 to 2.91	2.91	\$ 117,348	2.91 - 4.58	1.67	\$ 68,691
200	Sugar Gum Drive	0.0 to 1.20	1.2									
188	Ghost Gum Ridge	0.0 to 1.91	1.91									
78	Hart Drive	0.0 to 5.24	5.24	0.0 - 5.24	5.24	\$ 207,164						
153	Powderbark Drive	0.0 to 1.30	1.3									
38	Reserve Road	0.0 to 1.08	1.08							0.0 - 1.09	1.09	\$ 44,834
13	Crest Hill Road	1.6 to 4.6	3							1.6-3.1	1.5	\$ 61,699
107	Peters Road	0.0 to 0.85	0.85									
178	Leschenaultia Drive	0.0 to 2.18	2.18									
49	West Point Road	0.0 to 3.730	3.73									
52	Middern Road	0.0 - 2.235	2.235	0.0-2.235	2.235	\$ 88,361						
Total			98.815	Total	7.475	\$ 295,526	Total	9.25	\$ 373,015	Total	8.26	\$ 339,754

## Road Reseals

Road No.	Road Name	Slk	Project Length	2020/21 SLK	2020/21 PROJECT LENGTH	BUDGET	2021/22 SLK	2021/22 PROJECT LENGTH	BUDGET	2022/23 SLK	2022/23 PROJECT LENGTH	BUDGET
8	Hay Flat Road	10.0 to 11.4	1.4			\$ -			\$ -	0.0 - 2.0	2	\$ 83,910
2	Chittering Road	0.0 to 26.72	26.72			\$ -			\$ -			
7	Chittering Valley Road	0.0 to 8.78	8.78			\$ -			\$ -			
74	Chittering Street	0.0 to 1.65	1.65			\$ -			\$ -			
3	Dewars-Pool Road	0.0 to 9.39	9.39			\$ -			\$ -			
111	Chinkabee Road	0.0 to 0.25	0.25			\$ -			\$ -	0.0 - 0.25	0.25	\$ 10,489
16	Gray Road	1.62 to 5.25	3.63			\$ -			\$ -	1.62 - 2.62	1	\$ 41,955
9	Wells Glover Road	8.5 to 12.5	4			\$ -			\$ -	2.0 - 5	3	\$ 125,865
1	Moolabeenee Road	0.0 to 6.73	6.73	1.5 - 3.76	2.26	\$ 91,137	0.0 - 2.0	2	\$ 82,265			
145	Hereford Way	0.0 to .950	0.95			\$ -			\$ -			
146	Murray Grey Circle	0.0 to 3.64	3.64			\$ -			\$ -			
164	Edmonds Place	0.0 to .160	0.97			\$ -	0.0 to .970	0.97	\$ 39,898			
180	Ayrshire Loop	0.0 to 3.340	3.34	1.6 to 3.34	1.74	\$ 70,167			\$ -			
147	Devon Way	0.0 to 2.03	2.03			\$ -	0.0 to 2.03	2.03	\$ 83,499			
149	Angus Way	0.0 to .500	0.5			\$ -			\$ -			
150	Santa Gertrudius Drive	0.0 to 4.58	2.11			\$ -			\$ -			
200	Sugar Gum Drive	0.0 to 1.20	1.2	0.0 - 1.20	1.2	\$ 48,391			\$ -			
188	Ghost Gum Ridge	0.0 to 1.91	1.91			\$ -	0.0 - 1.91	1.91	\$ 78,563			
78	Hart Drive	0.0 to 5.24	5.24			\$ -			\$ -			
153	Powderbark Drive	0.0 to 1.30	1.3	0.0 to 1.13	1.13	\$ 45,568			\$ -			
38	Reserve Road	0.0 to 1.08	1.08			\$ -	0.0 to 1.08	1.08	\$ 44,423			
13	Crest Hill Road	1.6 to 4.6	3	3.1 - 4.6	1.5	\$ 60,489			\$ -			
107	Peters Road	0.0 to 0.85	0.85			\$ -			\$ -			
178	Leschenaultia Drive	0.0 to 2.18	2.18			\$ -			\$ -	0.0 to .85	0.85	\$ 35,662
49	West Point Road	0.0 to 3.730	3.73			\$ -			\$ -	0.0 - 0.91	0.91	\$ 38,179
52	Maddern Road	0.0 - 2.235	2.235			\$ -			\$ -			
Total				Total	7.83	\$ 315,752	Total	7.99	\$ 328,648	Total	8.01	\$ 336,060



## Road Reseals

Road No.	Road Name	Slk	Project Length	2023/24 SLK	2023/24 PROJECT LENGTH	BUDGET	2024/25 SLK	2024/25 PROJECT LENGTH	BUDGET	2025/26 SLK	2025/26 PROJECT LENGTH	BUDGET
8	Hay Flat Road	10.0 to 11.4	1.4	2.0 - 4.0	2	\$ 85,588	4.0 - 7.0	3	\$ 130,950	7.0 - 10.50	3.5	\$ 155,831
2	Chittering Road	0.0 to 26.72	26.72			\$ -			\$ -			\$ -
7	Chittering Valley Road	0.0 to 8.78	8.78				0.0 to 1.28	1.28	\$ 55,872	1.28-3.38	2	\$ 89,046
74	Chittering Street	0.0 to 1.65	1.65									
3	Dewars-Pool Road	0.0 to 9.39	9.39			\$ -			\$ -	7.39-9.39	2	\$ 89,046
111	Chinkabee Road	0.0 to 0.25	0.25			\$ -			\$ -			\$ -
16	Gray Road	1.62 to 5.25	3.63	2.62 - 4.62	2	\$ 85,588	4.62 - 5.25	0.63	\$ 27,500			
9	Wells Glover Road	8.5 to 12.5	4				7.2 TO 8.5	1.3	\$ 56,745			\$ -
1	Moolabeenuee Road	0.0 to 6.73	6.73			\$ -			\$ -			\$ -
145	Hereford Way	0.0 to .950	0.95			\$ -			\$ -			\$ -
146	Murray Grey Circle	0.0 to 3.64	3.64			\$ -			\$ -			\$ -
164	Edmonds Place	0.0 to .160	0.97			\$ -			\$ -			\$ -
180	Ayrshire Loop	0.0 to 3.340	3.34			\$ -			\$ -			\$ -
147	Devon Way	0.0 to 2.03	2.03			\$ -			\$ -			\$ -
149	Angus Way	0.0 to .500	0.5			\$ -			\$ -			\$ -
150	Santa Gertrudius Drive	0.0 to 4.58	2.11			\$ -			\$ -			\$ -
200	Sugar Gum Drive	0.0 to 1.20	1.2									
188	Ghost Gum Ridge	0.0 to 1.91	1.91									
78	Hart Drive	0.0 to 5.24	5.24			\$ -			\$ -			\$ -
153	Powderbark Drive	0.0 to 1.30	1.3			\$ -			\$ -			\$ -
38	Reserve Road	0.0 to 1.08	1.08			\$ -			\$ -			\$ -
13	Crest Hill Road	1.6 to 4.6	3	1.6 to 4.6	3	\$ 128,383			\$ -			\$ -
107	Peters Road	0.0 to 0.85	0.85			\$ -			\$ -			\$ -
178	Leschenaultia Drive	0.0 to 2.18	2.18	0.91 - 2.18	1.27	\$ 54,349						
49	West Point Road	0.0 to 3.730	3.73			\$ -	0.0 TO 1.5	1.5	\$ 65,475	1.5 - 3.0	1.5	\$ 66,785
52	Maddern Road	0.0 - 2.235	2.235									
Total			98.815	Total	8.27	\$ 353,908	Total	7.71	\$ 336,542	Total	9	\$ 400,708

## Road Reseals

Road No.	Road Name	SLK	Project Length	SLK	2026/27 PROJECT LENGTH	BUDGET
8	Hay Flat Road	10.0 to 11.4	1.4			
2	Chittering Road	0.0 to 26.72	26.72			\$ -
7	Chittering Valley Road	0.0 to 8.78	8.78	3.38-5.38	2	\$ 90,827
74	Chittering Street	0.0 to 1.65	1.65			
3	Dewars-Pool Road	0.0 to 9.39	9.39	5.39-7.39	2	\$ 90,827
111	Chinkabee Road	0.0 to 0.25	0.25			\$ -
16	Gray Road	1.62 to 5.25	3.63			
9	Wells Glover Road	8.5 to 12.5	4	9.4-10.4	1	\$ 45,414
1	Mooliabeenee Road	0.0 to 6.73	6.73			\$ -
145	Hereford Way	0.0 to .950	0.95			\$ -
146	Murray Grey Circle	0.0 to 3.64	3.64			\$ -
164	Edmonds Place	0.0 to .160	0.97			\$ -
180	Ayrshire Loop	0.0 to 3.340	3.34			\$ -
147	Devon Way	0.0 to 2.03	2.03			\$ -
149	Angus Way	0.0 to .500	0.5			\$ -
150	Santa Gertrudius Drive	0.0 to 4.58	2.11			\$ -
200	Sugar Gum Drive	0.0 to 1.20	1.2			
188	Ghost Gum Ridge	0.0 to 1.91	1.91			
78	Hart Drive	0.0 to 5.24	5.24			\$ -
153	Powderbark Drive	0.0 to 1.30	1.3			\$ -
38	Reserve Road	0.0 to 1.08	1.08			\$ -
13	Crest Hill Road	1.6 to 4.6	3			\$ -
107	Peters Road	0.0 to 0.85	0.85			\$ -
178	Leschenaultia Drive	0.0 to 2.18	2.18			
49	West Point Road	0.0 to 3.730	3.73	3.0 - 4.7	1.7	\$ 77,203
52	Maddern Road	0.0 - 2.235	2.235			
Total				6.7	\$ 304,271	

Road N°	Road Name	Sik
2	Chittering Road(RRG)	0.0 to 26.720
2	Chittering/Lake Road(BS)	0.0 to 26.721
7	Chittering Valley Road(RRG)	0.0 to 8.780
36	Muchea South Road(RRG)	0.0 to 5.290
4	Muchea East Road	1.4 to 5.9
9	Wells Glover Road	8.5 to 12.5
1	Moolabeenue Road	0.0 to 6.73
55	Spice Road Blackspot	0.0 to 1.560
7	Chittering Road(NBS)	13.79 to 14.50
7	Chittering Valley/Chittering 2	8.780 C/R
10	Julinar Road(BS, Staged over 2 years)	Sik 3.5 to 4.1
4	Muchea East/Wandena Road (NBS)	Sik 6.0
2	Blue Plains/Maddern	sik 1.54
30	Wandena Road	sik 1.98 to 2.75
Totals		

2027/18		2018/19		2019/20	
Sik	PROJECT LENGTH	BUDGET	Sik	PROJECT LENGTH	BUDGET
10.77-12.83	2.06	\$ 591,444	20.51-23.10	1.59	\$ 391,951
		\$ 245,677			\$ 246,510
					\$ -
					\$ 280,668
					\$ 0
0.0 to 1.05	1.05	\$ 391,918	1.05 to 2.55	1.5	\$ 399,650
					\$ 399,667
					\$ 599,650
					\$ 303,585
13.79 to 14.50	0.71	\$ 127,201			
3.70 to 4.00	0.3	\$ 31,000			
	6	\$ 262,398			
sik 1.54	0.1	\$ 283,399			
1.98 to 2.75	0.77	\$ 89,034			
Total	5.09	\$ 1,776,404	Total	3.09	\$ 991,601
					\$ 983,804

Road N°	Road Name	Slk
2	Chattering Road(NBS)	0.0 to 26.720
2	Chattering/Lake Road(BS)	0.0 to 26.721
7	Chattering Valley Road(NBS)	0.0 to 8.780
36	Muchea South Road(BBS)	0.0 to 5.290
4	Muchea East Road	1.4 to 5.9
9	Wells Glover Road	8.5 to 12.5
1	Moolabeenee Road	0.0 to 6.73
55	Spice Road	0.0 to 1.560
	Blackspot	
7	Chattering Road(NBS)	13.79 to 14.50
7	Chattering Valley(Chattering 2	8.780 CWR
10	Jullimar Road(BS, Staged over 2 years)	Slk 3.6 to 4.1
4	Muchea East/Wandena Road (NBS)	Slk 6.0
2	Blue Plains/Maddern	slk 1.54
30	Wandena Road	slk 1.98 to 2.75
Total		



## Rural Roads Reconstruction

Road Hwy		Road Name	Sik	2023/24		2024/25		2025/26	
Road N°	by			Sik	PROJECT LENGTH	BUDGET	Sik	PROJECT LENGTH	BUDGET
2		Chittering Road(R8G)	0.0 to 26.720			288413 \$	-		0 \$
2		Chittering/Lake Road(BS)	0.0 to 26.721						
7		Chittering Valley Road(R8G)	0.0 to 8.780			348225	0		0
36		Muchea South Road(P8G)	0.0 to 5.290						
4		Muchea East Road	1.4 to 5.9						
9		Wells Glover Road	8.5 to 12.5			348225 \$	-		362293 \$
1		Moolabeenee Road	0.0 to 6.73			358467 \$	731,273		372949 \$
55		Spice Road	0.0 to 1.560	2.8 to 3.76	1. 2.46		3.76 to 5.76	2	3.76 to 5.76
		Blackspot							
7		Chittering Road(NBS)	13.79 to 14.50						
7		Chittering Valley/Chittering 2	8.780 CWR						
10		Jullimar Road[BS, Staged over 2 years]	Sik 3.6 to 4.1						
4		Muchea East/Wandena Road (NBS)	Sik 6.0						
2		Blue Plains/Maddern	sik 1.54						
30		Wandena Road	sik 1.98 to 1.75						

Road N°	Road Name	SLK
2	Chittering Road[NBSG]	0.0 to 26.720
2	Chittering/Lake Road[B5]	0.0 to 26.721
7	Chittering Valley Road[NBSG]	0.0 to 8.780
36	Murchea South Road[BBSG]	0.0 to 5.290
4	Murchea East Road	1.4 to 5.9
9	Wells Glover Road	8.5 to 12.5
1	Moolabeena Road	0.0 to 6.73
55	Spice Road	0.0 to 1.560
	Blackspot	
7	Chittering Road[NBS]	13.75 to 14.50
7	Chittering Valley/Chittering 2	8.780 CVR
10	Jullimar Road[B5, Staged over 2 years]	SLK 3.6 to 4.1
4	Murchea East/Wandena Road (NBS)	SLK 6.0
2	Blue Plains/Maddern	slk 1.54
30	Wandena Road	slk 1.98 to 2.75
	Totals	
	Total	\$ 760,815



## Town Street Reconstruction

Road Name	SLK	Project Length	Project description	2017/18 SLK	2017/18 PROJECT LENGTH	BUDGET	2018/19 SLK	2018/19 PROJECT LENGTH	BUDGET	2019/20 SLK	2019/20 PROJECT LENGTH	BUDGET
Archibald Street	0.0 to 2.05	2.05	Reconstruct/asphalt seal			\$ -			\$ -	.43-.58	0.15	\$ 161,550
Carl Street	0.0 to 2.08	2.08	Reconstruct/asphalt seal	1.06 to 1.23	0.17	\$ 179,872			\$ -			\$ -
Steer Street	0.0 to .520	0.52	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Arbuckle Street	0.0 to .640	0.64	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
McKenzie Street	0.0 to .330	0.33	Shoulder rehab. Final seal			\$ -	0.0 to .20	0.2	\$ 211,177			\$ -
Davern Street	0.0 to 1.690	1.12	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Phillimore Street	0.0 to 2.100	1.12	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Chittering Street	0.0 to 1.650	1.65	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Parkside Gardens	0.0 to .52	0.52	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Orchard Road	0.0 to .59	0.59	Reconstruct/two coat seal			\$ -			\$ -			\$ -
Sandpiper Mews	0.0 to .410	0.41	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Kingfisher Ct	0.0 to .600	0.6	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Whistler Close	0.0 to .240	0.24	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Ridgetop Ramble	0.96 to 2.970	2.97	Reconstruct shoulders and seal/Final seal	.960 to 1.60	0.64	\$ 172,207.00			\$ -	1.21 to 1.46	0.25	\$ 269,250
Ridgetop Ramble[BS]	1.9 TO 2.1	0.2	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Robin Gr	0.0 .430	0.43	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Evergreen Rise	0.0 to .380	0.38	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Rangeview Rise	0.0 to .280	0.28	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Forest Hill Parade	0.0 to 4.57	4.57	Reconstruct shoulders and seal/Final seal			\$ -	3.32 to 3.57	0.25	\$ 263,971	3.57 to 3.82	0.25	\$ 269,250
Edwards Place	0.0 to 2.20	2.2	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Learners Way	0.0 to 0.17	0.17	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Binda Place[R2R]	0.0 to .261	0.09	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Woolah Rise	0.0 to .15	0.15	Construct and seal			\$ -			\$ -			\$ -
<b>TOTAL</b>		<b>23.31</b>		<b>TOTAL</b>	<b>0.81</b>	<b>\$ 352,079</b>	<b>TOTAL</b>	<b>0.45</b>	<b>\$ 475,148</b>	<b>TOTAL</b>	<b>0.65</b>	<b>\$ 700,051</b>

## Town Street Reconstruction

Road Name	Slk	Project Length	Project description	2020/21 SLK	2020/21 PROJECT LENGTH	BUDGET	2021/22 SLK	2021/22 PROJECT LENGTH	BUDGET	2022/23 SLK	2022/23 PROJECT LENGTH	BUDGET
Archibald Street	0.0 to 2.05	2.05	Reconstruct/asphalt seal	.58-.83	0.25	\$ 274,635	.83-1.08	0.25	\$ 280,128	1.08-1.33	0.25	\$ 285,731
Carl Street	0.0 to 2.08	2.08	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Steer Street	0.0 to .520	0.52	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Arbuckle Street	0.0 to .640	0.64	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
McKenzie Street	0.0 to .330	0.33	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Davern Street	0.0 to 1.690	1.12	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Philmore Street	0.0 to 2.100	1.12	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Chittering Street	0.0 to 1.650	1.65	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Parkside Gardens	0.0 to .52	0.52	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Orchard Road	0.0 to .59	0.59	Reconstruct/two coat seal			\$ -			\$ -			\$ -
Sandpiper Mews	0.0 to .410	0.41	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Kingfisher Ct	0.0 to .600	0.6	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Whistler Close	0.0 to .240	0.24	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Ridgetop Ramble	0.96 to 2.970	2.97	construct shoulders and seal/final seal	1.46 to 1.71	0.25	\$ 274,635			\$ -	1.71-1.96	0.25	\$ 285,731
Ridgetop Ramble(BS)	1.9 TO 2.1	0.2	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Robin Gr	0.0 .430	0.43	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Evergreen Rise	0.0 to .380	0.38	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Rangeview Rise	0.0 to .280	0.28	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Forest Hill Parade	0.0 to 4.57	4.57	construct shoulders and seal/final seal	3.82 to 4.02	0.2	\$ 219,708	4.07 to 4.42	0.35	\$ 392,179	4.42 to 4.57	0.25	\$ 285,731
Edwards Place	0.0 to 2.20	2.2	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Learners Way	0.0 to 0.17	0.17	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Binda Place(R2R)	0.0 to .261	0.09	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Woolah Rise	0.0 to .15	0.15	Construct and seal			\$ -			\$ -			\$ -
<b>TOTAL</b>		<b>23.31</b>		<b>TOTAL</b>	<b>0.7</b>	<b>\$ 768,979</b>		<b>0.6</b>	<b>\$ 672,307</b>		<b>0.75</b>	<b>\$ 857,192</b>

## Town Street Reconstruction

Road Name	SLK	Project Length	Project description	2017/18 SLK	2017/18 PROJECT LENGTH	BUDGET	2018/19 SLK	2018/19 PROJECT LENGTH	BUDGET	2019/20 SLK	2019/20 PROJECT LENGTH	BUDGET
Archibald Street	0.0 to 2.05	2.05	Reconstruct/asphalt seal			\$ -			\$ -	.43-.58	0.15	\$ 161,550
Carl Street	0.0 to 2.08	2.08	Reconstruct/asphalt seal	1.06 to 1.23	0.17	\$ 179,872			\$ -			\$ -
Steer Street	0.0 to .520	0.52	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Arbuckle Street	0.0 to .640	0.64	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
McKenzie Street	0.0 to .330	0.33	Shoulder rehab. Final seal			\$ -	0.0 to .20	0.2	\$ 211,177			\$ -
Davern Street	0.0 to 1.690	1.12	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Philmore Street	0.0 to 2.100	1.12	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Chattering Street	0.0 to 1.650	1.65	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Parkside Gardens	0.0 to .52	0.52	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Orchard Road	0.0 to .59	0.59	Reconstruct/two coat seal			\$ -			\$ -			\$ -
Sandpiper Mews	0.0 to .410	0.41	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Kingfisher Ct	0.0 to .600	0.6	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Whistler Close	0.0 to .240	0.24	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Ridgetop Ramble	0.96 to 2.970	2.97	Reconstruct shoulders and seal/final seal	.960 to 1.60	0.64	\$ 172,207.00			\$ -	1.21 to 1.46	0.25	\$ 269,250
Ridgetop Ramble(BS)	1.9 TO 2.1	0.2	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Robin Gr	0.0 .430	0.43	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Evergreen Rise	0.0 to .380	0.38	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Rangeview Rise	0.0 to .280	0.28	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Forest Hill Parade	0.0 to 4.57	4.57	Reconstruct shoulders and seal/final seal			\$ -	3.32 to 3.57	0.25	\$ 263,971	3.57 to 3.82	0.25	\$ 269,250
Edwards Place	0.0 to 2.20	2.2	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Learners Way	0.0 to 0.17	0.17	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Binda Place(R2R)	0.0 to .261	0.09	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Woolah Rise	0.0 to .15	0.15	Construct and seal			\$ -			\$ -			\$ -
<b>TOTAL</b>		<b>23.31</b>		<b>TOTAL</b>	<b>0.81</b>	<b>\$ 352,079</b>	<b>TOTAL</b>	<b>0.45</b>	<b>\$ 475,148</b>	<b>TOTAL</b>	<b>0.65</b>	<b>\$ 700,051</b>



## Town Street Reconstruction

Road Name	Slk	Project Length	Project description	2020/21 SLK	2020/21 PROJECT LENGTH	BUDGET	2021/22 SLK	2021/22 PROJECT LENGTH	BUDGET	2022/23 SLK	2022/23 PROJECT LENGTH	BUDGET
Archibald Street	0.0 to 2.05	2.05	Reconstruct/asphalt seal	.58-.83	0.25	\$ 274,635	.83-1.08	0.25	\$ 280,128	1.08-1.33	0.25	\$ 285,731
Carl Street	0.0 to 2.08	2.08	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Steer Street	0.0 to .520	0.52	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Arbuckle Street	0.0 to .640	0.64	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
McKenzie Street	0.0 to .330	0.33	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Davern Street	0.0 to 1.690	1.12	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Phillmore Street	0.0 to 2.100	1.12	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Chittering Street	0.0 to 1.650	1.65	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Parkside Gardens	0.0 to .52	0.52	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Orchard Road	0.0 to .59	0.59	Reconstruct/two coat seal			\$ -			\$ -			\$ -
Sandpiper Mews	0.0 to .410	0.41	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Kingfisher Ct	0.0 to .600	0.6	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Whistler Close	0.0 to .240	0.24	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Ridgetop Ramble	0.96 to 2.970	2.97	construct shoulders and seal/final seal	1.46 to 1.71	0.25	\$ 274,635			\$ -	1.71-1.96	0.25	\$ 285,731
Ridgetop Ramble(BS)	1.9 TO 2.1	0.2	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Robin Gr	0.0 .430	0.43	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Evergreen Rise	0.0 to .380	0.38	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Rangeview Rise	0.0 to .280	0.28	Shoulder rehab. Final seal			\$ -			\$ -			\$ -
Forest Hill Parade	0.0 to 4.57	4.57	construct shoulders and seal/final seal	3.82 to 4.02	0.2	\$ 219,708	4.07 to 4.42	0.35	\$ 392,179	4.42 to 4.57	0.25	\$ 285,731
Edwards Place	0.0 to 2.20	2.2	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Learners Way	0.0 to 0.17	0.17	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Binda Place(R2R)	0.0 to .261	0.09	Reconstruct/asphalt seal			\$ -			\$ -			\$ -
Woolah Rise	0.0 to .15	0.15	Construct and seal			\$ -			\$ -			\$ -
<b>TOTAL</b>		<b>23.31</b>		<b>TOTAL</b>	<b>0.7</b>	<b>\$ 768,979</b>		<b>0.6</b>	<b>\$ 672,307</b>		<b>0.75</b>	<b>\$ 857,192</b>

## Town Street Reconstruction

Road Name	Slk	Project Length	Project description	2023/24 PROJECT LENGTH	BUDGET	2024/25 PROJECT LENGTH	BUDGET	2025/26 PROJECT LENGTH	BUDGET
Archibald Street	0.0 to 2.05	2.05	Reconstruct/asphalt seal	1.07-1.4	\$ 384,708	1.4-1.75	\$ 416,184	1.75-2.1	\$ 424,507
Carl Street	0.0 to 2.08	2.08	Reconstruct/asphalt seal	0.0 to .25	\$ 291,445	0.25 to .5	\$ 297,274	0.25 to .5	\$ 303,220
Steer Street	0.0 to .520	0.52	Shoulder rehab. Final seal						
Arbuckle Street	0.0 to .640	0.64	Shoulder rehab. Final seal						
McKenzie Street	0.0 to .330	0.33	Shoulder rehab. Final seal						
Davern Street	0.0 to 1.690	1.12	Shoulder rehab. Final seal						
Philmore Street	0.0 to 2.100	1.12	Shoulder rehab. Final seal						
Chittering Street	0.0 to 1.650	1.65	Shoulder rehab. Final seal						
Parkside Gardens	0.0 to .52	0.52	Reconstruct/asphalt seal						
Orchard Road	0.0 to .59	0.59	Reconstruct/two coat seal						
Sandpiper Mews	0.0 to .410	0.41	Shoulder rehab. Final seal						
Kingfisher Ct	0.0 to .600	0.6	Shoulder rehab. Final seal						
Whistler Close	0.0 to .240	0.24	Shoulder rehab. Final seal						
Ridgetop Ramble	0.96 to 2.970	2.97	construct shoulders and seal/final seal						
Ridgetop Ramble(BS)	1.9 TO 2.1	0.2	Reconstruct/asphalt seal						
Robin Gr	0.0 .430	0.43	Shoulder rehab. Final seal						
Evergreen Rise	0.0 to .380	0.38	Shoulder rehab. Final seal						
Rangeview Rise	0.0 to .280	0.28	Shoulder rehab. Final seal						
Forest Hill Parade	0.0 to 4.57	4.57	construct shoulders and seal/final seal						
Edwards Place	0.0 to 2.20	2.2	Reconstruct/asphalt seal						
Learners Way	0.0 to 0.17	0.17	Reconstruct/asphalt seal						
Binda Place(R28)	0.0 to .261	0.09	Reconstruct/asphalt seal						
Woolah Rise	0.0 to .15	0.15	Construct and seal						
TOTAL		23.31		0.58	\$ 676,153	0.6	\$ 713,458	0.6	\$ 727,727

## Town Street Reconstruction

Road Name	Slk	Project Length	Project description	SLK	2025/27 PROJECT LENGTH	BUDGET
Archibald Street	0.0 to 2.05	2.05	Reconstruct/asphalt seal	2.1 to 2.5	0.4	\$ 494,854
Carl Street	0.0 to 2.08	2.08	Reconstruct/asphalt seal	0.25 to .5	0.25	\$ 309,284
Steer Street	0.0 to .520	0.52	Shoulder rehab. Final seal			
Arbuckle Street	0.0 to .640	0.64	Shoulder rehab. Final seal			
McKenzie Street	0.0 to .330	0.33	Shoulder rehab. Final seal			
Davern Street	0.0 to 1.690	1.12	Shoulder rehab. Final seal			
Philmore Street	0.0 to 2.100	1.12	Shoulder rehab. Final seal			
Chittering Street	0.0 to 1.650	1.65	Shoulder rehab. Final seal			
Parkside Gardens	0.0 to .52	0.52	Reconstruct/asphalt seal			
Orchard Road	0.0 to .59	0.59	Reconstruct/two coat seal			
Sandpiper Mews	0.0 to .410	0.41	Shoulder rehab. Final seal			
Kingfisher Ct	0.0 to .600	0.6	Shoulder rehab. Final seal			
Whistler Close	0.0 to .240	0.24	Shoulder rehab. Final seal			
Ridgetop Ramble	0.96 to 2.970	2.97	construct shoulders and seal/final seal			
Ridgetop Ramble(BS)	1.9 TO 2.1	0.2	Reconstruct/asphalt seal			
Robin Gr	0.0 .430	0.43	Shoulder rehab. Final seal			
Evergreen Rise	0.0 to .380	0.38	Shoulder rehab. Final seal			
Rangeview Rise	0.0 to .280	0.28	Shoulder rehab. Final seal			
Forest Hill Parade	0.0 to 4.57	4.57	construct shoulders and seal/final seal			
Edwards Place	0.0 to 2.20	2.2	Reconstruct/asphalt seal			
Learners Way	0.0 to 0.17	0.17	Reconstruct/asphalt seal			
Binda Place(R2R)	0.0 to .261	0.09	Reconstruct/asphalt seal			
Woolah Rise	0.0 to .15	0.15	Construct and seal			
<b>TOTAL</b>		<b>23.31</b>			<b>0.65</b>	<b>\$ 804,138</b>

Future List	
16	Gray Road
25	Fewster Street
77	Hidaway Drive
80	Hart Drive
82	Bonza Place
83	Egret Place
84	Godwit Gl
85	Warbler Ct
86	Bittern Pl
87	Heron HI
88	Spoonbill Cl
89	Teal Pl
90	Pelican Rise



## Bridges

Bridge N°	Scope of works	Road Name	Sik	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
4025	Substructure repairs	Chittering Road	9.25						
4026	Substructure repairs	Chittering Road	11.2					\$ 150,000	
4027	Replace with culvert	Chittering Road	11.34						\$ 250,000
4030	Substructure repairs	Chittering Valley Road	0.32						\$ 150,000
4031	Substructure repairs	Chittering Valley Road	1.05						\$ 150,000
4701	Replace with Culvert	Blizzard Road	0.32			\$ 200,000			
4868	Replace with Culvert	Chittering Valley Road	0.07						
5063	Substructure repairs	Valley View Drive	0.06				\$ 150,000		
5064	Substructure repairs	Valley View Drive	0.28				\$ 150,000		
			Totals	\$ -	\$ -	\$ 200,000	\$ 300,000	\$ 150,000	\$ 550,000
4852	substructure works	Keating Road							
5374	replace with culvert	Flat Rocks Road						\$ 280,000	

Bridge N°	Scope of works	Road Name	Sik	2019/20	2020/21	2021/22	2022/23	2023/24
4025	Substructure repairs	Chittering Road	9.25	\$ 150,000				
4026	Substructure repairs	Chittering Road	11.2					
4027	Replace with culvert	Chittering Road	11.34					
4030	Substructure repairs	Chittering Valley Road	0.32					
4031	Substructure repairs	Chittering Valley Road	1.05					
4701	Replace with Culvert	Blizzard Road	0.32					
4868	Replace with Culvert	Chittering Valley Road	0.07					
5063	Substructure repairs	Valley View Drive	0.06		\$ 250,000			
5064	Substructure repairs	Valley View Drive	0.28					
			Totals	\$ 150,000	\$ 250,000	\$ -	\$ -	
4852	substructure works	Keating Road						
5374	replace with culvert	Flat Rocks Road						

carryover to 17/18



## TEN YEAR BUILDING PROGRAM

Property Description	2013-2014			2014-2015			2015-2016		
	Operating Expenditure	Asset Preservation	Capital Expenditure	Operating Expenditure	Asset Preservation	Capital Expenditure	Operating Expenditure	Asset Preservation	Capital Expenditure
Bindoon Cemetery Toilet	1,750	0	0	1,740	0	0	2,033	0	0
Bindoon Hall	37,577	0	700,000	28,239	0	0	19,567	0	0
Bindoon Medical Centre	9,210	0	15,000	10,664	0	0	12,699	0	0
Bindoon Toilet	40,100	0	0	27,699	0	0	32,013	0	0
Blackboy Ridge Toilet	7,304	0	0	7,081	2,500	0	3,834	0	0
Brookman Centre Precinct	30,760	2,000	0	23,732	0	0	27,481	0	0
Chinkabee Complex	28,500	0	0	14,143	0	0	16,686	0	0
Chiltering Health Centre									
Chiltering Hall	25,640	9,000	0	25,798	0	0	29,133	0	0
Chiltering Hall Outside Toilet	0	0	0	0	0	0	1,200	0	0
Clune Park Rotunda	3,316	0	10,000	1,470	2,500	0	1,544	0	0
Clune Park Toilets	22,455	0	0	18,819	0	0	18,709	0	0
Community Housing Common	24,790	0	0	7,395	0	0	8,274	0	0
Comm Housing Unit 1/8	4,030	5,000	0	4,881	2,000	0	11,296	0	0
Comm Housing Unit 2/8	4,030	0	0	5,590	3,500	0	6,222	0	0
Comm Housing Unit 3/8	5,630	0	0	4,725	0	0	5,816	0	0
Comm Housing Unit 4/8	4,530	10,000	0	8,324	0	0	9,661	0	0
Comm Housing Unit 5/8	5,630	0	0	4,685	0	0	4,916	0	0
Comm Housing Unit 6/8	4,030	4,000	0	4,296	0	0	5,240	0	0
6169 Great Northern Highway	14,385	0	0	10,191	0	0	12,036	0	0
Council Chambers	11,285	8,000	0	22,765	7,000	0	10,144	0	0
Ferguson House	11,405	0	0	5,867	0	0	8,022	0	0
Fire Station - Bindoon	5,000	0	0	7,577	0	0	8,690	0	0
Fire Station - Lower Chiltering	5,000	0	0	7,679	0	0	12,907	0	0
Fire Station - Muchea	5,000	0	0	7,577	0	0	8,690	0	0
Fire Station - Upper Chiltering	5,000	0	0	7,577	0	0	12,690	0	0
Fire Station - Wannamal	5,000	0	0	7,577	0	0	7,190	0	0
John Glenn Park Toilet	20,590	0	0	13,500	0	0	15,060	0	0
Library	14,020	0	0	5,180	0	0	7,926	6,000	0
Muchea Hall	37,730	7,000	0	29,603	0	0	37,247	0	0
Muchea Oval Storage Shed	3,500	0	0	0	0	0	0	0	0
Sandown Park	1,840	0	0	1,932	0	0	2,029	0	0
Seniors Housing Common	24,320	0	0	12,394	0	0	9,488	0	0
Sen Housing Unit 1/11	3,960	5,000	0	7,231	0	0	5,911	0	0
Sen Housing Unit 2/11	3,750	0	0	7,081	0	0	5,753	7,700	0
Sen Housing Unit 3/11	3,750	5,000	0	7,081	0	0	3,500	3,500	0
Sen Housing Unit 4/11	3,890	0	0	7,193	0	0	5,871	0	0
Sen Housing Unit 5/11	3,795	0	0	7,126	0	0	5,800	0	0
Sen Housing Unit 6/11	3,800	0	0	7,126	0	0	5,800	0	0
Sen Housing Unit 7/11	3,850	6,000	0	7,126	0	0	6,249	0	0
Sen Housing Unit 8/11	4,800	0	0	5,126	0	0	5,800	0	0
Shire Admin Office	54,320	4,500	0	52,045	0	31,780	52,615	0	10,000
Shire Depot	34,680	0	0	24,048	0	0	25,280	0	0
Staff Housing Common	23,823	0	0	11,018	0	0	4,215	0	0
Staff Housing Unit 1/6154	5,175	5,000	0	5,777	0	0	8,132	0	0
Staff Housing Unit 2/6154	4,720	0	0	5,207	7,000	0	5,881	0	0
Staff Housing Unit 3/6154	18,000	18,000	0	4,999	0	0	5,246	0	0
Staff Housing Unit 4/6154	4,720	5,000	0	4,999	7,200	0	5,881	0	0
Sustex Bend Toilet Block									
Tech Services Building	27,970	13,000	3,000	22,219	4,500	0	24,524	0	0
Tourist Bureau	15,050	0	0	13,154	0	0	15,378	0	0
Wannamal Hall	30,092	0	0	17,518	0	0	17,888	9,000	0
Wannamal Rest Area & Toilets	9,120	0	0	15,970	0	0	16,769	0	0
TOTAL:	669,342	106,500	728,000	570,736	36,600	31,780	597,187	29,700	10,000

Property Description	2016-2017			2017-2018			2018-2019		
	Operating Expenditure	Asset Preservation	Capital Expenditure	Operating Expenditure	Asset Preservation	Capital Expenditure	Operating Expenditure	Asset Preservation	Capital Expenditure
Bindoon Cemetery Toilet	1,740	1,400	0	3,342	0	0	1,808	500	0
Bindoon Hall	12,716	0	0	9,665	0	0	10,148	0	0
Bindoon Medical Centre	6,165	0	0	6,473	6,000	0	6,797	11,500	0
Bindoon Toilet	33,629	350	0	34,869	0	0	36,612	0	0
Blackboy Ridge Toilet	5,450	0	0	4,159	0	0	3,975	0	0
Brookman Centre Precinct	28,947	0	0	25,952	0	0	29,050	25,000	0
Chinkabee Complex	14,340	5,000	0	14,235	0	0	14,580	0	0
Chittering Health Centre	8,176	0	0	24,808	0	0	20,693	0	25,000
Chittering Hall	19,729	0	0	0	0	0	0	0	0
Chittering Hall Outside Toilet	0	0	0	0	0	0	0	0	0
Clune Park Rotunda	1,621	0	0	1,702	3,000	0	1,787	0	0
Clune Park Toilets	23,336	1,584	0	25,156	0	0	25,367	5,000	0
Community Housing Common	8,389	0	0	7,274	4,200	0	6,508	0	0
Comm Housing Unit 1/8	5,469	3,500	0	4,939	0	0	9,020	7,400	0
Comm Housing Unit 2/8	7,219	0	0	7,116	0	0	5,172	0	0
Comm Housing Unit 3/8	5,976	0	0	6,044	3,500	0	8,520	0	0
Comm Housing Unit 4/8	4,933	2,800	0	4,896	10,000	0	5,141	0	0
Comm Housing Unit 5/8	4,589	0	0	3,793	0	0	3,520	0	0
Comm Housing Unit 6/8	5,635	0	0	6,878	0	0	13,219	0	0
Comm Housing Unit 6/8	4,012	0	0	3,855	0	0	5,448	0	0
6169 Great Northern Highway	7,948	0	0	7,758	0	0	10,188	0	0
Council Chambers	6,595	2,000	0	6,242	0	0	6,554	0	0
Ferguson House	14,749	0	0	13,927	6,000	0	8,324	8,000	0
Fire Station - Bindoon	9,396	0	0	8,419	0	0	8,978	0	0
Fire Station - Lower Chittering	9,050	0	0	7,927	0	0	8,324	6,000	0
Fire Station - Muchea	9,050	0	0	13,611	0	0	8,324	8,000	0
Fire Station - Upper Chittering	7,550	0	0	7,927	0	0	9,624	0	0
Fire Station - Wannamal	18,811	0	0	20,751	0	0	20,759	1,800	0
John Glenn Park Toilet	10,700	6,000	0	11,172	0	0	11,731	0	0
Library	27,409	24,500	0	28,685	0	0	26,868	10,000	0
Muchea Hall	0	0	0	0	0	0	0	0	0
Muchea Oval Storage Shed	0	0	0	0	0	0	0	0	0
Sandown Park	7,812	400	0	6,232	0	0	6,544	0	0
Seniors Housing Common	5,015	3,000	0	8,104	0	0	4,999	3,500	0
Sen Housing Unit 1/11	5,708	0	0	6,690	3,500	0	5,764	6,000	0
Sen Housing Unit 2/11	5,015	0	0	4,871	0	0	10,147	0	0
Sen Housing Unit 3/11	5,015	3,000	0	5,962	0	0	5,000	6,000	0
Sen Housing Unit 4/11	5,015	0	0	4,762	3,000	0	5,000	6,000	0
Sen Housing Unit 5/11	5,015	0	0	4,762	3,500	0	6,000	6,000	0
Sen Housing Unit 6/11	6,015	0	0	4,762	0	0	8,834	0	0
Sen Housing Unit 7/11	5,015	3,000	0	4,762	0	0	9,834	6,000	0
Sen Housing Unit 8/11	43,039	6,700	0	50,022	15,000	9,000	52,498	0	0
Shire Admin Office	23,093	0	37,000	17,783	0	0	18,750	0	0
Shire Depot	4,412	0	0	4,632	0	0	4,854	0	0
Staff Housing Common	6,568	4,200	0	5,821	4,100	0	9,112	5,800	0
Staff Housing Unit 1/5194	7,230	0	0	4,517	8,200	0	13,212	0	0
Staff Housing Unit 2/5194	4,427	0	0	3,587	600	0	3,766	4,200	0
Staff Housing Unit 3/5194	6,776	0	0	6,018	600	0	5,956	0	0
Staff Housing Unit 4/5194	12,277	0	0	0	0	0	0	0	0
Sussex Bend Toilet Block	21,563	0	0	21,080	3,800	0	24,787	0	0
Tech Services Building	10,472	0	0	8,395	2,000	0	8,814	0	0
Tourist Bureau	12,992	0	0	10,033	5,000	0	13,535	0	0
Wannamal Hall	17,113	0	0	18,051	3,000	0	18,954	0	0
Wannamal Rest Area & Toilets	542,713	67,434	37,000	522,415	85,000	9,000	564,408	127,700	25,000
TOTAL:									

Property Description	2019-2020			2020-2021			2021-2022			2022-2023		
	Operating Expenditure	Asset Preservation	Capital Expenditure	Operating Expenditure	Asset Preservation	Capital Expenditure	Operating Expenditure	Asset Preservation	Capital Expenditure	Operating Expenditure	Asset Preservation	Capital Expenditure
Bindoon Cemetery Toilet	2,138	0	0	3,193	0	0	2,358	0	0	2,197	0	0
Bindoon Hall	10,655	2,800	0	11,187	0	0	13,147	0	0	15,655	0	0
Bindoon Medical Centre	7,137	2,000	0	8,403	0	0	8,233	4,200	0	8,645	0	0
Bindoon Toilet	38,443	10,000	0	40,661	0	0	44,183	0	0	44,502	0	0
Blackboy Ridge Toilet	4,174	3,000	0	4,383	0	0	4,947	0	0	4,832	0	0
Brockman Centre Precinct	29,663	14,000	0	30,043	0	0	32,809	5,000	25,000	41,122	10,000	0
Chinlakee Complex	17,079	0	0	19,074	20,000	0	17,967	0	0	17,633	6,000	0
Chittering Health Centre												
Chittering Hall	21,728	0	0	24,401	0	0	23,955	16,000	0	33,152	0	0
Chittering Hall Outside Toilet	0	0	0	1,400	7,000	0	0	0	0	0	0	0
Clune Park Rounda	1,876	0	0	1,970	0	0	2,068	0	0	2,172	0	0
Clune Park Toilets	26,635	0	0	28,964	0	0	29,368	0	0	30,838	0	0
Community Housing Common	7,959	0	0	7,327	0	0	8,712	0	0	8,118	0	0
Comm Housing Unit 1/8	5,444	2,400	0	7,409	0	0	6,367	0	0	7,350	0	0
Comm Housing Unit 2/8	5,431	0	0	6,398	0	0	6,539	0	0	6,244	0	0
Comm Housing Unit 3/8	5,340	7,400	0	5,608	0	0	6,455	0	0	6,755	0	0
Comm Housing Unit 4/8	5,398	2,400	0	5,668	0	0	6,518	0	0	7,049	0	0
Comm Housing Unit 5/8	5,616	0	0	4,322	0	0	5,105	0	0	4,765	0	0
Comm Housing Unit 6/8	13,383	3,800	0	17,382	0	0	23,585	0	0	31,765	0	0
6169 Great Northern Highway	4,250	0	0	4,463	2,500	0	4,844	0	0	4,920	0	0
Council Chambers	8,597	4,500	0	9,027	0	0	9,479	0	0	9,953	0	0
Ferguson House	8,082	0	0	8,626	6,000	0	7,587	0	0	7,967	6,300	0
Fire Station - Bindoon	8,740	0	0	12,077	6,000	0	11,136	0	0	10,117	0	0
Fire Station - Lower Chittering	17,364	0	0	11,717	6,000	0	16,493	8,000	0	19,636	0	0
Fire Station - Muchea	16,592	3,000	0	22,677	0	0	11,136	5,000	0	10,118	0	0
Fire Station - Upper Chittering	10,140	0	0	14,577	6,000	0	11,136	7,000	0	10,118	0	0
Fire Station - Wannamal	10,140	0	0	13,177	0	0	9,636	0	0	16,117	8,000	0
John Glenn Park Toilet	21,776	0	0	24,365	0	0	25,208	3,000	0	25,208	0	0
Library	12,318	0	0	12,934	0	0	13,580	0	0	14,259	6,000	0
Muchea Hall	25,975	0	0	25,671	20,000	0	33,164	0	0	27,804	0	0
Muchea Oval Storage Shed	0	0	0	0	0	0	0	0	0	0	0	0
Sandown Park	0	0	0	0	0	0	0	0	0	0	0	0
Seniors Housing Common	6,871	0	0	7,214	0	0	7,575	0	0	7,554	0	0
Sen Housing Unit 1/11	5,249	0	0	5,512	0	0	6,169	2,400	0	6,076	0	0
Sen Housing Unit 2/11	7,853	0	0	6,355	2,400	0	7,054	0	0	7,006	0	0
Sen Housing Unit 3/11	5,365	2,400	0	5,631	4,000	0	6,290	0	0	6,200	0	0
Sen Housing Unit 4/11	9,076	2,400	0	5,513	3,500	0	6,170	0	0	6,078	0	0
Sen Housing Unit 5/11	10,076	3,500	0	7,113	0	0	6,170	2,400	0	6,078	0	0
Sen Housing Unit 6/11	9,076	0	0	5,513	3,500	0	6,170	2,400	0	6,078	0	0
Sen Housing Unit 7/11	5,250	9,000	0	5,513	0	0	6,170	2,400	0	6,077	0	0
Sen Housing Unit 8/11	5,250	0	0	5,513	2,400	0	6,170	4,500	0	6,077	0	0
Shire Admin Office	48,910	9,000	0	51,356	0	0	66,550	30,000	0	56,520	0	0
Shire Depot	21,406	0	0	20,586	0	0	21,672	0	0	25,696	0	0
Staff Housing Common	5,107	0	0	5,362	0	0	5,630	0	0	5,912	0	0
Staff Housing Unit 1/6194	7,818	0	0	8,339	4,800	0	7,792	0	0	7,714	0	0
Staff Housing Unit 2/6194	4,981	0	0	5,230	0	0	6,207	0	0	6,050	0	0
Staff Housing Unit 3/6194	5,135	0	0	11,484	0	0	5,678	0	0	6,364	0	0
Staff Housing Unit 4/6194	4,968	2,400	0	5,808	0	0	7,242	0	0	12,610	0	0
Sussex Bend Toilet Block												
Tech Services Building	24,404	0	0	24,347	1,500	0	26,304	0	0	26,807	0	0
Tourist Bureau	9,255	5,000	0	16,353	6,000	0	10,712	6,000	0	10,715	15,000	0
Wannamal Hall	15,061	54,000	0	11,615	0	0	18,353	0	0	12,823	0	0
Wannamal Rest Area & Toilets	21,302	2,000	0	21,547	0	0	21,942	0	0	30,039	0	0
TOTAL:	584,516	145,000	0	623,108	101,600	0	651,665	98,300	25,000	687,887	57,300	0



**Uniqco Operations West**  
**10 Year Replacement Program Report**

**Region**  
**Chittering**

Plant No : Rego : Group : Make	Estimated Costs		Purchase Date	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Budget Replacement Price	Budget Disposal Price											
P0001 0CH : Car 6 Cylinder : Holden			24/11/2015	\$27,727	\$0	\$0	\$0	\$0	\$27,727	\$0	\$0	\$0	\$0
	\$51,818	\$24,091											
P0003 00CH : Car 6 Cylinder : Holden			04/09/2015	\$0	\$26,364	\$0	\$0	\$0	\$26,364	\$0	\$0	\$0	\$26,364
	\$36,364	\$10,000											
P0004 1GME009 : Utility/Chassis Cab 4 : Holden			30/07/2015	\$0	\$0	\$0	\$29,091	\$0	\$0	\$0	\$0	\$29,091	\$0
	\$43,182	\$14,091											
P0005 CH1270 : Car 6 Cylinder : Holden			25/08/2015	\$0	\$0	\$23,182	\$0	\$0	\$0	\$23,182	\$0	\$0	\$0
	\$36,364	\$13,182											
P0035 CH354 : Utility/Chassis Cab 4 : Holden			11/09/2014	\$0	\$31,727	\$0	\$0	\$31,727	\$0	\$0	\$0	\$31,727	\$0
	\$44,455	\$12,727											
P0042 : Arbor Equipment : [Unknown]			01/07/2011	\$0	\$0	\$0	\$40,909	\$0	\$0	\$0	\$0	\$0	\$0
	\$50,000	\$9,091											
P0177 CH5464 : Bus : Toyota			24/05/2006	\$0	\$0	\$98,636	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$113,636	\$15,000											
P0230 CH230 : Utility/Chassis Cab 6 : Holden			24/11/2014	\$0	\$0	\$0	\$0	\$41,364	\$0	\$0	\$0	\$41,364	\$0
	\$42,727	\$1,364											
P0231 CH003 : Utility/Chassis Cab 4 : Holden			16/01/2014	\$0	\$0	\$0	\$32,727	\$0	\$0	\$32,727	\$0	\$0	\$0
	\$42,727	\$10,000											
P10099 CH10099 : Truck Medium (MR) 6 : Isuzu			30/04/2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0
	\$131,818	\$31,818											
P10178 000CH : Car 4 Cylinder : Holden			25/11/2014	\$0	\$62,409	\$0	\$0	\$0	\$62,409	\$0	\$0	\$0	\$0
	\$79,682	\$17,273											

Report Parameters: Financial Year: 2017/2018 Category: [n/a], [Unknown], Light Fleet, Major Plant > \$10K, Minor Plant < \$10K Region: Chittering Current Assets Only

Report run on: 26/04/2018  
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Region  
Chittering

Uniqco Operations West  
10 Year Replacement Program Report

Plant No : Rego : Group : Make	Estimated Costs		Purchase Date	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Budget Replacement Price	Budget Disposal Price											
P10555 CH10555 : Motor Grader : Komatsu			30/06/2014	\$0	\$0	\$0	\$0	\$0	\$0	\$298,182	\$0	\$0	\$0
	\$380,000	\$81,818											
P10886 CH10886 : Mower/Slasher : Toro			11/10/2017	\$0	\$0	\$0	\$0	\$0	\$16,818	\$0	\$0	\$0	\$0
	\$21,364	\$4,545											
P1254 CH1254 : Truck Heavy (HR)(HC) 6 : Fuso			17/06/2015	\$0	\$0	\$0	\$0	\$0	\$138,727	\$0	\$0	\$0	\$0
	\$203,000	\$64,273											
P1255 CH1255 : Truck Heavy (HR)(HC) 6 : Fuso			10/05/2013	\$0	\$0	\$0	\$0	\$0	\$140,455	\$0	\$0	\$0	\$0
	\$210,000	\$69,545											
P1256 CH1256 : Truck Heavy (HR)(HC) 6 : Isuzu			24/05/2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,455	\$0
	\$160,000	\$54,545											
P1257 CH1257 : Truck Medium (MR) 4 : Fuso			17/06/2015	\$0	\$0	\$0	\$0	\$0	\$0	\$57,455	\$0	\$0	\$0
	\$92,000	\$34,545											
P1258 CH1258 : Truck Medium (MR) 4 : Fuso			16/06/2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$113,636	\$28,909											
P1261 CH1261 : Motor Grader : Caterpillar			06/02/2004	\$0	\$301,364	\$0	\$0	\$0	\$0	\$0	\$84,727	\$0	\$0
	\$336,364	\$35,000											
P1262 CH1262 : Car 4 Cylinder : Holden			31/08/2014	\$0	\$0	\$20,909	\$0	\$0	\$0	\$0	\$20,909	\$0	\$0
	\$30,909	\$10,000											
P1263 CH1263 : Roller : Multipac			30/11/2009	\$0	\$0	\$135,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$165,000	\$30,000											
P1266 CH1266 : Loader Backhoe : JCB			27/05/2016	\$0	\$0	\$0	\$0	\$0	\$159,000	\$0	\$0	\$0	\$0
	\$203,000	\$44,000											

Report Parameters: Financial Year: 2017/2018 Category: [n/a], [Unknown], Light Fleet, Major Plant > \$10K, Minor Plant < \$10K Region: Chittering Current Assets Only Report run on: 26/04/2018 Page 2 of 5

Item 9.4.3  
Uniqco Operations West  
10 Year Replacement Program Report

Attachment 1  
Region  
Chittering

Plant No : Rego : Group : Make	Estimated Costs		Purchase Date	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Budget Replacement Price	Budget Disposal Price											
P0001 0CH : Car 6 Cylinder : Holden			24/11/2015										
	\$51,818	\$24,091		\$27,727	\$0	\$0	\$0	\$0	\$27,727	\$0	\$0	\$0	\$0
P0003 00CH : Car 6 Cylinder : Holden			04/09/2015										
	\$36,364	\$10,000		\$0	\$26,364	\$0	\$0	\$0	\$26,364	\$0	\$0	\$0	\$26,364
P0004 1GME009 : Utility Chassis Cab 4 : Holden			30/07/2015										
	\$43,182	\$14,091		\$0	\$0	\$0	\$29,091	\$0	\$0	\$0	\$0	\$29,091	\$0
P0005 CH1270 : Car 6 Cylinder : Holden			25/08/2015										
	\$36,364	\$13,182		\$0	\$0	\$23,182	\$0	\$0	\$0	\$23,182	\$0	\$0	\$0
P0035 CH354 : Utility Chassis Cab 4 : Holden			11/09/2014										
	\$44,455	\$12,727		\$0	\$31,727	\$0	\$0	\$31,727	\$0	\$0	\$0	\$31,727	\$0
P0042 : Arbor Equipment : [Unknown]			01/07/2011										
	\$50,000	\$9,091		\$0	\$0	\$0	\$40,909	\$0	\$0	\$0	\$0	\$0	\$0
P0177 CH5464 : Bus : Toyota			24/05/2006										
	\$113,636	\$15,000		\$0	\$0	\$98,636	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P0230 CH230 : Utility Chassis Cab 6 : Holden			24/11/2014										
	\$42,727	\$1,364		\$0	\$0	\$0	\$0	\$41,364	\$0	\$0	\$0	\$41,364	\$0
P0231 CH003 : Utility Chassis Cab 4 : Holden			16/01/2014										
	\$42,727	\$10,000		\$0	\$0	\$0	\$32,727	\$0	\$0	\$32,727	\$0	\$0	\$0
P10099 CH10099 : Truck Medium (MR) 6 : Isuzu			30/04/2016										
	\$131,818	\$31,818		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0
P10178 000CH : Car 4 Cylinder : Holden			25/11/2014										
	\$79,682	\$17,273		\$0	\$62,409	\$0	\$0	\$0	\$62,409	\$0	\$0	\$0	\$0

Item 9.4.3

Uniqco Operations West

10 Year Replacement Program Report

Plant No : Rego : Group : Make	Estimated Costs		Purchase Date	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Budget Replacement Price	Budget Disposal Price											
P10555 CH10555 : Motor Grader : Komatsu			30/06/2014										
	\$380,000	\$81,818		\$0	\$0	\$0	\$0	\$0	\$0	\$298,182	\$0	\$0	\$0
P10886 CH10886 : Mower\Slasher : Toro			11/10/2017										
	\$21,364	\$4,545		\$0	\$0	\$0	\$0	\$0	\$16,818	\$0	\$0	\$0	\$0
P1254 CH1254 : Truck Heavy (HR HC) 6 : Fuso			17/06/2015										
	\$203,000	\$64,273		\$0	\$0	\$0	\$0	\$0	\$138,727	\$0	\$0	\$0	\$0
P1255 CH1255 : Truck Heavy (HR HC) 6 : Fuso			10/05/2013										
	\$210,000	\$69,545		\$0	\$0	\$0	\$0	\$0	\$140,455	\$0	\$0	\$0	\$0
P1256 CH1256 : Truck Heavy (HR HC) 6 : Isuzu			24/05/2016										
	\$160,000	\$54,545		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,455	\$0
P1257 CH5757 : Truck Medium (MR) 4 : Fuso			17/06/2015										
	\$92,000	\$34,545		\$0	\$0	\$0	\$0	\$0	\$0	\$57,455	\$0	\$0	\$0
P1258 CH1258 : Truck Medium (MR) 4 : Fuso			16/06/2015										
	\$113,636	\$28,909		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$84,727	\$0	\$0
P1261 CH1261 : Motor Grader : Caterpillar			06/02/2004										
	\$336,364	\$35,000		\$0	\$301,364	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P1262 CH1262 : Car 4 Cylinder : Holden			31/08/2014										
	\$30,909	\$10,000		\$0	\$0	\$20,909	\$0	\$0	\$0	\$0	\$20,909	\$0	\$0
P1263 CH1263 : Roller : Multipac			30/11/2009										
	\$165,000	\$30,000		\$0	\$0	\$135,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P1266 CH1266 : Loader Backhoe : JCB			27/05/2016										
	\$203,000	\$44,000		\$0	\$0	\$0	\$0	\$0	\$159,000	\$0	\$0	\$0	\$0



Item 9.4.3  
Uniqco Operations West  
10 Year Replacement Program Report

Attachment 1  
Region  
Chittering

Plant No : Rego : Group : Make	Estimated Costs		Purchase Date	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Budget Replacement Price	Budget Disposal Price											
P1270 CH451 : Car 4 Cylinder : Holden			31/08/2014										
	\$30,000	\$10,000		\$0	\$20,000	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000
P1271 CH1271 : Mower Slasher : Toro			17/01/2017										
	\$36,364	\$4,545		\$0	\$0	\$0	\$31,818	\$0	\$0	\$0	\$31,818	\$0	\$0
P1273 CH1273 : Loader Crawler : Caterpillar			30/11/2012										
	\$450,000	\$50,000		\$0	\$0	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0
P1277 CH6494 : Trailer : [Unknown]			01/07/2011										
	\$5,909	\$909		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0
P1278 CH602 : Car 4 Cylinder : Holden			14/09/2015										
	\$24,545	\$8,636		\$0	\$0	\$0	\$15,909	\$0	\$0	\$0	\$0	\$15,909	\$0
P1279 CH6515 : Trailer : [Unknown]			01/07/2011										
	\$7,727	\$1,091		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,636	\$0
P1280 : Compactor : Bomag			31/12/2011										
	\$16,364	\$1,818		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,545
P1281 CH1260 : Loader Skid Steer : Gehl			11/12/2013										
	\$80,909	\$26,364		\$0	\$0	\$0	\$0	\$54,545	\$0	\$0	\$0	\$0	\$0
P1286 : Generator : Agrison			01/07/2011										
	\$11,364	\$2,273		\$0	\$0	\$0	\$9,091	\$0	\$0	\$0	\$0	\$0	\$0
P1287 1TEL299 : Trailer : Polmac			31/12/2002										
	\$7,727	\$182		\$0	\$0	\$7,545	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P1289 1TQR856 : Trailer : Able			01/07/2011										
	\$7,727	\$1,091		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,636	\$0

Item 9.4.3

Uniqco Operations West

10 Year Replacement Program Report

Attachment 1

Region

Chittering

Plant No : Rego : Group : Make	Estimated Costs		Purchase Date	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Budget Replacement Price	Budget Disposal Price											
P1290 1TQU605 : Trailer : Coastmac			01/07/2011										
	\$7,727	\$1,091		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,636	\$0
P1306 CH0 : Utility Chassis Cab 6 : Ford			06/04/2018										
	\$45,455	\$7,273		\$0	\$0	\$0	\$0	\$0	\$38,182	\$0	\$0	\$0	\$0
P1891 CH1891 : Utility Chassis Cab 4 : Holden			31/12/2014										
	\$42,727	\$12,727		\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0
P1892 CH10648 : Utility Chassis Cab 4 : Holden			01/07/2013										
	\$42,727	\$10,909		\$0	\$31,818	\$0	\$0	\$0	\$0	\$31,818	\$0	\$0	\$0
P305 : Misc Attachment : Miltec			31/12/2009										
	\$31,818	\$4,545		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,273	\$0	\$0
P306 : Generator : Mosa			31/12/2009										
	\$8,818	\$1,818		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000	\$0	\$0
P310 CH319 : Utility Chassis Cab 4 : Holden			11/09/2014										
	\$42,727	\$12,727		\$0	\$0	\$0	\$30,000	\$0	\$0	\$30,000	\$0	\$0	\$30,000
P3752 CH3752 : Arbor Equipment : Bandit			22/08/2014										
	\$80,000	\$24,000		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,000	\$0	\$0
P3955 CH3955 : Trailer : Custom Made			31/12/2009										
	\$10,000	\$909		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,091	\$0	\$0
P5007 CH5007 : Utility Chassis Cab 4 : Holden			31/12/2014										
	\$42,727	\$12,727		\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0
P5026 CH5026 : Utility Chassis Cab 4 : Ford			10/11/2009										
	\$40,909	\$455		\$0	\$40,455	\$0	\$0	\$0	\$0	\$40,455	\$0	\$0	\$0

Item 9.4.3  
Uniqco Operations West  
10 Year Replacement Program Report

Plant No : Rego : Group : Make	Estimated Costs		Purchase Date	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Budget Replacement Price	Budget Disposal Price											
P5987 CH5987 : Tractor : Case			27/02/2014										
	\$52,545	\$23,091		\$0	\$0	\$0	\$0	\$0	\$0	\$29,455	\$0	\$0	\$0
P6084 CH6084 : Trailer : [Unknown]			01/07/2011										
	\$7,727	\$1,364		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,364	\$0
P6085 CH6085 : Broom : Pacific			20/06/2005										
	\$36,182	\$1,364		\$0	\$34,818	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P6333 CH6333 : Trailer : Polmac			31/12/2008										
	\$9,091	\$1,818		\$0	\$0	\$0	\$0	\$0	\$0	\$7,273	\$0	\$0	\$0
P6434 CH6434 : Trailer : Polmac			31/12/2009										
	\$20,909	\$1,636		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,273	\$0	\$0
P6535 CH6535 : Trailer : John Papas			31/12/2010										
	\$3,636	\$91		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,545	\$0
P784 CH784 : Utility Chassis Cab 4 : Holden			23/04/2014										
	\$42,727	\$10,909		\$0	\$0	\$0	\$31,818	\$0	\$0	\$31,818	\$0	\$0	\$31,818
Grand Total:	\$3,835,136	\$852,182		\$27,727	\$548,955	\$345,273	\$621,364	\$127,636	\$629,682	\$582,364	\$316,091	\$358,364	\$122,727
10 Yr Average:	\$368,018												

## Item 9.4.3

### Our Community

An inclusive, active, safe and healthy community

## Attachment 1

### ATTACHMENT 8

Outcome	Strategies	Key Priorities	Supporting Plans	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
<b>An Active and supported community</b> <i>Communities will have services and facilities within their local community hubs</i>	S1.1.1 Strengthen aged, youth and children service access	Partner with aged care providers and with youth services	Youth Svcs & Aged Care Plans	Ongoing (dedicated staff – CCDO)					
		Implement ongoing improvements to existing recreation and sporting facilities for local communities	Sport and Rec Plan / Age Friendly Community Plan	Refer S3.1					
	S1.1.2 Develop and enhance existing recreation and social facilities	Acquire land for the expansion of existing sporting and recreational facilities in Bindoon		Acquisition of Land – Lot 215 GNH	\$62,500	\$68,125	\$66,250	\$64,375	
		Develop new recreational and sporting facilities to service the growing population in Lower Chittering	Regional Sports & Community Centre Feasibility Study	Feasibility Study Complete Refer Strategy S3.1.4					
		Biennial review of, and linkages with: o Youth Plan o Aged Care Plan o Sport and Rec Plan		Ongoing activity – propose to consolidate and reduce the number of individual plans					
		Promote a better understanding within the community of the role of Council and communicate service levels	Communications Plan	Review/update of website (refer S5.1.1) More relevant information in Northern Valleys News					
<b>Strong sense of community</b> <i>Our communities will be cohesive and connected through engagement, interaction and participation</i>	S1.2.1 Actively support community, volunteer groups and networks	Provide support for community and volunteer groups		Ongoing (dedicated staff - CCDO)					
		Focus on growing and strengthening existing social events and festivals before embarking on new initiatives	Community Devp Plan	Focus on key events: Wear Ya Wellies, Taste and Show Support for others: Mango Festival, Wildflower Festival, Swag Fest Find a new home for Taste of Chittering	\$52,500	\$52,500	\$52,500	\$52,500	\$52,500
	S1.2.2 Strengthen and grow social events and festivals	Encourage and grow markets with local produce	Community Devp Plan	New Initiative – promotion and marketing					
		Foster links with local communities through established networks, working groups and tourism /business groupings		Strengthen and grow the relationship with Chamber and Tourist Association					

Outcome	Strategies	Key Priorities	Supporting Plans	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
	S1.2.3 Activate our local centres and towns	Develop and formalise an MOU between Council and the Chittering Tourist Association		New initiative – underway (in-house)					
<b>Safe and healthy community</b> <i>Our future generations will be healthy and feel safe in their local community</i>	S1.3.1 Improve the safety of our community	Support and advocate for improved access to education services		NGA Regional initiative					
		Work with existing education providers in the interest of both the provider and the broader community		Support for development of IHC Progress land swap and the development of joint use facilities with IHC	\$20,000				
	S1.3.2 Advocate for improved education and health services	Advocate for the provision of coordinated health services which are adequately communicated to residents	Age Friendly Community Plan	New initiative - Health Services Advisory Group (in-house)					
		Develop a Health Services Plan as required by the new Public Health Legislation		New initiative					
		Extend the CCTV network to provide a deterrent and assist with enforcement	Community Safety & Crime Prevention Plan	CCTV – Binda Place CCTV – Muchea Hall & Park CCTV – Lower Chittering Hall	\$44,128 \$6,950 \$7,582				
		Emergency Services: ○ Bushfire Education and Preparedness ○ Support/assist with the development of a new Ambulance Station	Bushfire Risk Management Plan / CESM Business Plan	AWARE Videos Ongoing activity – continuation of inform and assist approach as opposed to enforcement	\$22,000				
		Biennial review of, and linkages with: ○ Safety and Crime Prevention Plan	Safety & Crime Prevention Plan	Ongoing activity					

## Item 9.4.3

### Our Natural Environment

A protected and bio-diverse environment which community and visitors enjoy

## Attachment 1

Outcome	Strategies	Key Priorities	Supporting Plans	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
<b>Protective environment</b> <i>Local Biodiversity is valued, promoted and protected</i>	S2.1.1 Ensure the protection of our local biodiversity	Provide ongoing support and assistance to Chittering Landcare	Local Biodiversity Strategy	Ongoing activity	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
		Finalise the local planning strategy		Draft LPS to be finalized and advertised for comment in mid-2018 (entirely dependent on WAPC)					
	S2.1.2 Develop an integrated network of walking and cycling trails	Ongoing development / upgrade of the Black Boy Ridge Trail and associated facilities	Trails Network Masterplan	Black Boy Ridge Trail Upgrade	\$20,000	\$30,000			
		Design and develop the Carty Reserve to Bindoon Trail	Trails Network Masterplan	Planning study Implementation of Stage 1 – Bindoon to Brockman	\$10,000		\$50,000	\$50,000	\$50,000
	S2.1.3 Explore opportunities for other eco based opportunities	Explore options for development of a regionally significant cycling trail	Trails Network Masterplan	Revise Mountain Bike Trail Plan Infrastructure Investment		\$15,000	\$100,000	\$100,000	\$100,000
		Explore options for responsible access to environmentally sensitive areas	Trails Network Masterplan	Identify options for a Lakeview Park Infrastructure Investment Wannamal Trail Enhancement	\$20,940			\$20,000	\$150,000
		Develop a ten year trails network program	Trails Network Masterplan	New initiative					
	S2.1.4 Support eco-tourism	Review the Local Biodiversity Strategy	Local Biodiversity Strategy	New initiative					
<b>Sustainable resources</b> <i>Focus on improved water and energy use and recycling</i>	S2.2.1 Education and partnerships	Community education – partner with Landcare and other providers	Local Biodiversity Strategy	Ongoing activity (refer S2.1.1 above)					
		Consider incentives for the installation of solar on leased community facilities		New initiative					
	S2.2.2 Encourage sustainable design	Support for community groups wishing to pursue green energy initiatives		New initiative					
		Improved bulk rubbish disposal	Waste Management Plan	New initiative					
	S2.2.3 Improved waste management outcomes	Better regional waste planning	Waste Management Plan	NGA Regional initiative					

### Item 9.4.3

### Attachment 1

Outcome	Strategies	Key Priorities	Supporting Plans	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
	S2.2.4 Improve the sustainability of Council buildings								
<b>Protection of Life and Property</b>	S2.3.1 Improve bushfire preparedness and recovery	Hazard risk mapping and planning	Bushfire Risk Management Plan	Hazard Risk Mapping Complete – moving into the implementation phase					
		Emphasis on community education before compliance		Ongoing activity					



**Our Built Environment**

Well-planned built landscapes that are progressive, vibrant, diverse and reflect the Shire's unique country lifestyle

Outcome	Strategies	Key Priorities	Supporting Plans	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
<b>Develop Local Hubs</b> <i>Development of Town Centres with improved access to housing and to services and facilities</i>	S3.1.1 Plan for new and enhanced community facilities	Ongoing improvements to recreation and social infrastructure across the region	Sport and Rec Plan	<b>Bindoon</b> Clune Park Upgrade		\$18,000			
				Trail upgrade at rear of shops		\$35,000			
				Pop-up park – Binda Place		\$18,000			
				<b>Chinkabee</b> Resurface Outdoor Courts	\$40,000				
	S3.1.2 Activate local town centres to ensure a good mix of residential, commercial and social infrastructure			Community Gym			\$10,000	\$150,000	
				Ongoing Minor Works			\$10,000	\$10,000	\$10,000
				Cricket Pitch Resurface		\$12,000			
				<b>Muchea</b> Rec Facility – Pavillion Structure	\$78,000	\$9,000			
				Resurface Netball Courts	\$30,000				
				BMX / Skate Park (John Glenn Park)		\$15,000	\$80,000		
				Cricket Practice Nets		\$67,000			
				Changeroom Extension / Renovation		\$10,000	\$90,000		
				Equipment upgrades		\$10,000			
	S3.1.3 Plan for and facilitate housing choice			Community Gym				\$10,000	\$150,000
				<b>Sandown Park</b> Ablution Block / new sewerage	\$240,000	\$9,000			
				Reticulation / lighting for fields				\$50,000	\$100,000
				<b>Lower Chittering</b> CCTV for Hall	\$6,950				
				Equipment upgrades		\$10,000			
				<b>Wannamal</b> Lock-up shed for rest area		\$5,000			
	S3.1.4 Balance urban development with a focus on natural environment protection and open spaces			Resurface Tennis Courts					\$180,000
				Equipment upgrades		\$10,000			
				Trail Enhancement		\$20,940			
				<b>Brockman Centre</b> Access ramps and parks		\$36,000			
				Replace Arts Building				\$20,000	\$300,000
				Minor New Works			\$10,000	\$10,000	\$10,000

### Item 9.4.3

### Attachment 1

Outcome	Strategies	Key Priorities	Supporting Plans	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
		Provide for housing diversity, amenity and growth opportunities (incl infrastructure) in Bindoon	Age Friendly Community Plan / Lot 62 Devp Plan	<b>Lifestyle Village Development</b> Feasibility / Business Case Re-purchase land (offset by sales) Expression of Interest / Lease	\$10,000	\$250,000 \$20,000	\$250,000		
		Investigate options for growing and diversifying the Muchea townsite	Economic Devp Strategy	New Initiative – dependent on infrastructure (refer below)					
		Investigate the need / options for in-fill infrastructure in Muchea		Muchea Groundwater & Soil Assessment Report Options Assessment for Bindoon Sewerage (may also be an option for Muchea)	\$10,000				
		Identify and dispose of surplus land assets		Part Lot 168 Binda Place 6169 Great Northern Highway Lot 14 Well Glover Rd Part Lot 104 Gray Rd 131 Muchea East Rd		(\$310,000) (\$300,000) (\$120,000) (\$200,000) (\$260,000)			
		Identify and purchase strategic land in key locations		Purchase of Lot 168 Binda Place Refer also Strategy S1.1.1 above	\$665,000				
		Advocate and plan for expanded local high school services		NGA Regional initiative					
		New recreation facilities to support the growing population in the south of the Shire	Regional Sports & Community Centre Feasibility Study	Concept Design, Cost Benefit & Funding Application for Stage 1 Stage 1 Facility (indoor facility / rectangular field) Stage 2 Design (AFL field & outdoor facilities)	\$100,000	\$300,000	\$9,300,000		\$100,000
		Investigate opportunities for an urban scale residential development with shops and services in the south	Local Planning Strategy	Limited potential at this stage due to constraints and lack of infrastructure					
<b>Safe access</b>	S3.2.1 Advocate for improved public transport	Support for community transport options	Age Friendly Community Plan	Community Bus Service					
		Advocate for a review of school bus zones which provide for better access to school bus services		New initiative					
		Advocate for improved public transport		New initiative					
		New entrance / gateway statements	Economic Devp	Ongoing project		\$20,000			
	S3.2.2	Improve the safety of local roads	Asset Mngt Plans	Included in Roads Program					

Outcome	Strategies	Key Priorities	Supporting Plans	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
	Improved pedestrian & cycle access	Improved streetscapes, lighting and road verges	Crime prevention Plan	Ongoing					
	S3.2.3 Improve road safety	Implement placemaking strategies for key centres		Prepare a Place Making Strategy for Bindoon which identifies future public infrastructure plan for the town	\$28,000				
		Leverage positive outcomes from the new highways (Northlink / GNH Bypass)	Economic Devp Plan	Implement appropriate actions from the "Bindoon Deviation for Heavy Vehicles Strategy" Advocate for a grade separated interchange at the Southern End of the bypass					
<b>Improved infrastructure and amenities</b> <i>Focus on improved asset management</i>	S3.3.1 Continual improvement of asset management across all asset classes	Document and publish service standards	Community Engagement Plan	New initiative					
		Develop Memorial (native / low maintenance) gardens at the Bindoon cemetery		Memorial Gardens Project	\$5,000	\$25,000			
		Develop standard lease agreements with community groups		Community Facilities Management Review	\$11,000				
		Annual review / update of: o Road Construction & Maint Program o Plant & Equipment Replacement Program o Sport & Rec Plan o Trail Network Plan o Long Term Financial Plan	Long Term Financial Plan	Annual LTFP review / update	\$13,000	\$10,000	\$10,000	\$10,000	\$10,000
		Biennial review of Asset Management Plans: o Roads o Buildings o Parks, Ovals & Reserves	Long Term Financial Plan	Plans updated in 2017/18 Assess Long Term Cost of potential asset transfers associated with the Bindoon Bypass		\$12,000		\$12,000	

## Item 9.4.3

### Our Economy

Thriving, sustainable and diverse economic investment and local employment opportunities from cottage to large scale industry

## Attachment 1

Outcome	Strategies	Key Priorities	Supporting Plans	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
<b>Economic Growth</b>	S4.1.1 Support private investment which stimulates significant and sustainable jobs growth	Support for private investment which stimulates jobs growth		Ongoing activity					
		Develop a strategy / direction for the MEN as a key driver for economic growth and jobs for WA's Northern Growth Corridor	Economic Devp Strategy	MEN Implementation Project Project developed - Federal Govt Funding Support provided under the under the BBRF					
		Engage a Project Officer to progress the Implementation of the MEN Structure Plan	Economic Devp Strategy	Project Officer to commence on 13 March (50% Grant Funded)	\$120,000	\$120,000			
	S4.1.2 Actively pursue development of the Muchea Employment Node (MEN)	Advocate for infrastructure and funding which supports development of the MEN	Economic Devp Strategy	New initiative					
		Annual update / review of the Economic Development Strategy		Update Economic Development Strategy (in-house)					
		Support for development of the development of the NGA (Northern Growth Alliance) 50 year plan		NGA Growth Plan (under development)					
<b>Local Business Growth</b>	S4.1.3 Support agricultural growth with a focus on local produce and agribusiness								
<b>Local Business Growth</b>	S4.2.1 Encourage and support local businesses and new investments for the future	Support an active and engaged Chamber of Commerce	Economic Devp Strategy	Ongoing activity					
		Support for local retail and local cottage industry in partnership with the Chamber of Commerce	Economic Devp Strategy	Ongoing activity					
		Business mentoring incentives in partnership with the Chamber	Economic Devp Strategy	Ongoing activity					
		Facilitate improved access to the NBN and better mobile coverage	Economic Devp Strategy	Ongoing activity					
<b>Increased</b>	S4.3.1	Supported and promoted		Include appropriate provisions in LPS					

### Item 9.4.3

### Attachment 1

Outcome	Strategies	Key Priorities	Supporting Plans	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
<b>visitors</b> <i>Visitors are welcome to stay /improved access &amp; places to visit</i>	Support and promote accommodation options	accommodation options: resort style facilities, overnight stops, B&B's and farmstays		Supportive Development Assessment Process					
	S4.3.2 Support and grow events to attract visitation	Develop planning controls which support diverse options for short stay accommodation	Local Planning Scheme	As above					
		Explore the feasibility of developing a low cost caravan park in Bindoon		Caravan Park Feasibility Study Planning, design and costing Project Delivery		\$10,000			
	S4.3.3 Facilitate, promote and support ecotourism	Foster and grow existing events: Ag Show, Wear Ya Wellies, Taste of Chittering, Wildflower Festival	Economic Devp Strategy	Ongoing activity					
		Continued commitment to staff and resources in support of economic development							
		Promotion & development of the Chittering trails network	Trails Network Masterplan	Carty Reserve – Bindoon Trail Stage 1 Review of Trails Network Masterplan	\$10,000		\$50,000	\$50,000	\$50,000
		Support for eco-tourism		New initiative Supportive planning environment					
		Subject to resources, explore opportunities for new events	Economic Devp Strategy	New initiative					
		Ongoing investment in tourism infrastructure	Economic Devp Strategy	Mountain Bike Park Improvements to Local Amenity Development of Trails and Parks Development of Cycle Trail/s		\$15,000	\$100,000	\$100,000	\$100,000

## Item 9.4.3

### Strong Leadership

*A responsive and empowering Council which values consultation, accountability and consistency*

## Attachment 1

Outcome	Strategies	Key Priorities	Supporting Plan	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
<b>An engaged community</b>	S5.1.1 An engaged community	Encourage and promote community engagement	Communication Plan / Community Engagement Plan	Public Information through Chatter Other ongoing engagement activities	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
		Active communication through mail, email, website, social media and print media	Communication Plan / Community Engagement Plan	Review / update of website					
		Strong advocate for community priorities		Ongoing					
<b>Strong partnerships and relationships</b>	S5.2.1 Build effective partnerships with stakeholders	Continue to strengthen and build relationships with surrounding local governments		Ongoing membership and engagement with NGA Councils (Gingin & Dandaragan)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
		Build effective partnerships with stakeholders: NGA, State Govt Depts, WALGA, WAPC, WDC, RDA		Ongoing (in-house activity)					
	S5.2.2 Actively seek Grant Funding to support identified projects	Continue to build relationships with the Chamber of Commerce and Tourist Association	Communication Plan / Community Engagement Plan	Ongoing (in-house activity)					
		Actively seek grant funding opportunities		Ongoing in-house activity for smaller grants Prepare concept plans, funding grant application and cost benefit analysis for Lower Chittering Sports Facility	\$100,000				
<b>Accountable Governance</b>	S5.3.1 Good governance which supports efficient and effective service delivery	Continued focus on efficient and cost effective provision of services		New Customer Service Area New Records Storage Facility Fleet Management / efficiency & safety improvements Continued monitoring of staff costs / efficiencies	\$48,000 \$20,000 \$30,000	\$30,000	\$30,000		
		Upgrade IT systems to ensure sustainability, deliver efficiencies and minimize risk		IT Server and Firewall Upgrade / Phone System Upgrade	\$100,000	\$25,500			
		Better use of IT systems to improve reporting and accountability		In-house project involving IT software upgrades and new internal processes (not yet costed)					



### Item 9.4.3

### Attachment 1

Outcome	Strategies	Key Priorities	Supporting Plan	Project Activity / Update	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
		Continuous improvements to financial systems, processes and controls		External Audits Implement New Chart of Accounts Corporate Business & Long Term Financial Plans	\$41,400 \$11,000 \$13,000	\$41,400	\$41,400 \$13,000	\$41,400	\$41,400 \$13,000
		Broaden the role and scope of the Audit Committee to include risk management		New initiative (in-house activity)					
		On a biennial basis: ○ Bi-annual update of Community Engagement Plan an Communications Plan ○ Community perception survey		Plan updates in-house Community perception survey with the assistance of external consultants		\$10,000		\$10,000	

### 3.18 Use of Council Vehicles

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<b>Policy Owner:</b>	Governance
<b>Person Responsible:</b>	All Executive Managers
<b>Date of Approval:</b>	27 June 2012
<b>Amended:</b>	18 October 2017 <small>Resolution 111017</small> , 17 October 2018 <small>Resolution</small>

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<b>Objective</b>	<p>To provide:</p> <ul style="list-style-type: none"> <li>• Details of the terms and conditions for each category of vehicle use.</li> <li>• Guidelines on the range of vehicles which Council will procure and offer to staff for commuting or private use.</li> <li>• A way to maximise vehicle availability for business use.</li> <li>• A way to minimise Fringe Benefit Tax (FBT) liabilities.</li> <li>• A staff attraction and retention benefit for staff.</li> </ul>
<b>Policy</b>	<p>The Council is charged with responsibility for providing a range of services to meet the needs and wants of the local community. To enable effective delivery of services and management of resources the Council provides a range of vehicles, plant and equipment.</p>
<b>Intended Outcomes</b>	<p>The intent of the policy is to demonstrate that Council has and will continue implement a number of initiatives which will make the light vehicle fleet more effective and which will save money. Specifically:</p> <ul style="list-style-type: none"> <li>• All council vehicles will be 4 cylinder vehicles that suit the business use needs of the Council – delivering a more efficient vehicle fleet with reduced vehicle operating costs and reduced carbon footprint.</li> <li>• Only the CEO and Executive Managers (4 staff in total) will be offered private use vehicles.</li> <li>• The purchase price of the CEO's the vehicle will be capped at \$40,000.</li> <li>• The purchase price of Executive Managers vehicles will be capped at \$30,000.</li> <li>• Restricting private use to 35,000km (including commuting) per annum, with a 25c per kilometre charge for any additional private use.</li> <li>• Restricting commuting use to 25,000km per annum, with a 25c per kilometre charge for any additional commuter use.</li> <li>• Council will provide an optional increase in the base salary for Executive Staff as an incentive for staff to provide their own vehicle for all business and private use. This arrangement will be identified in the employment contract as a "car allowance".</li> </ul>

- Executive Managers with private use arrangements will be required to make a fortnightly after tax contribution towards the cost of a Council supplied vehicle. This arrangement will be identified in the employment contract as a “vehicle subsidy”.
- Where utilities are provided for operational / business use, the ATO guidelines regarding use of the vehicle will apply.
- Only utility type vehicles will be provided for commuter use purposes.
- All staff driving a council vehicle to and from their place of residence will be required to complete a log book declaring the private use mileage of the council vehicle.

#### **Responsibility**

Executive Managers shall be responsible to ensure this Policy is complied with. The Human Resources Officer will be responsible for coordinating the implementation of the Policy in collaboration with the Chief Executive Officer (CEO).

#### **General**

- Council owned vehicles remain the property of the Council at all times.
- Council owned vehicles shall be included in a car pool for use during business hours.
- All council owned vehicles shall carry a log book which must be completed for a minimum of three (3) months per annum by all drivers of the vehicle.
- Council owned vehicles are generally linked to a specified position, not the person holding the position.
- The nature and type of vehicle to be allocated to the position shall be based on business requirements unless approved by the Chief Executive Officer.
- As positions become vacant, a review will be carried out by the relevant Executive Manager to determine the need for a vehicle allocation.
- Vehicles will not be the subject of negotiations for the inclusion in Certified Agreements, State Workplace Agreements or Australian Workplace Agreements.
- The right to participate in the Vehicle Scheme may be suspended at any time at the discretion of the CEO, if the officer or nominee:
  - Is convicted of a serious driving offence.
  - Judged to have incurred excessive insurance claims.
  - Has not maintained the vehicle in a suitable manner.
  - Has breached any of the agreed vehicle policy conditions.
  - Fails to provide accurate FBT information as requested.
  - Uses the vehicle to derive income from outside business unless authorised by the CEO.
  - Has acted in a manner deemed inappropriate by the CEO.

**Council's Responsibility** In respect of Council owned vehicles:

- Annual Registration, Insurance and FBT payments will be met by the Council.
- Vehicles will be replaced at intervals according to Council's Vehicle Replacement Policy.
- The Council may undertake an independent random audit or inspection of vehicles to ensure that the conditions of this policy are being met.
- Vehicles will be fully serviced and maintained by the Council.
- Vehicles will be provided with a fuel card which is to be used when purchasing fuel and oil only.
- The Council may charge a fee for private use of a council owned vehicle, which may be reviewed from time to time by the CEO.

**Executive Managers' Responsibilities**

Executive Managers shall be responsible for monitoring car-pooling and utilisation of vehicles. Swapping of vehicles will be initiated if the target annual utilisation cannot be achieved.

**Employee Responsibilities**

All persons driving a Council owned vehicle shall hold a current Western Australian Driver's Licence.

A Shire Officer assigned a Council owned vehicle shall:

- Enter into an agreement to confirm the type of vehicle, type of use and contribution rate, if applicable, to the use of a Council vehicle by an officer.
- Sign their acceptance to Council's conditions of use of a Council vehicle, which governs use, care and maintenance as detailed in this policy document.

**Accident or Damage**

In the event of an **accident or damage** to a vehicle it is the responsibility of the employee to:

- (i) Report as soon as practicable to the Human Resources Officer / Fleet Coordinator, any involvement in a motor vehicle accident or upon sustaining general damage to the vehicle.
- (ii) Report any accident in a motor vehicle to the Police where required by law.
- (iii) Not accept or acknowledge any liability on behalf of the Council arising from an accident.
- (iv) Complete as soon as practical after the accident, the appropriate claim form and in consultation with the employee's supervisor, the incident report form (copy attached), and return them to the Human Resources Officer.

Employees or their nominated person found to be driving a Council owned vehicle under the influence of drugs or alcohol will be held personally responsible for any repairs or legal action resulting from any accident in which they are involved. Similar conditions shall apply to damage

occurring as a result of inappropriate behaviour. Full costs relating to damage will be recovered from the employee. The employee would not normally be liable for any insurance excess costs involved if damage to the vehicle occurs in circumstances defined within authorised use.

#### Maintenance and Cleaning

General **maintenance** of the vehicle is the responsibility of the employee to whom the vehicle is assigned. This will include:

- (i) Weekly check of oil, water and tyres.
- (ii) The vehicle is to be maintained in a clean and tidy condition at all times. Cleaning (internal and external) will be undertaken during the employee's own time.
- (iii) Additional features including advertising material, shall not be added to the vehicle unless it can be determined that these are required to undertake the functions of the person using the vehicle.
- (iv) The vehicle is to be made available for service maintenance and repairs as required. Mechanical defects are to be reported to the Fleet Coordinator as soon as practicable.
- (v) All vehicles are designated as work places and shall be used in accordance with the Council's Occupational Safety and Health policies including the maintenance of a smoke free environment.

#### Appropriate Use

Vehicles shall be used in a manner that is consistent with the nature of work requirements. Employees shall be responsible for ensuring an allocated vehicle is used appropriately at all times. Vehicles other than 4 wheel drives should not be taken off-road. Employees shall be responsible for paying for any damage that occurs when a vehicle has been deemed to have been used inappropriately.

Reconditioning costs at change over may be recovered from staff if the vehicle is excessively damaged through negligence.

The Fleet Coordinator shall report excessive reconditioning costs to the relevant Executive Manager. The Chief Executive Officer shall decide if excessive costs are required to be paid by the officer.

An employee whose licence has been suspended shall immediately advise their supervisor and arrange for the vehicle to be returned to the Council Depot. The employee will notify the Human Resources / Payroll Officer of the situation and arrange to have any deduction of payments (if being made) discontinued until the suspension expires and / or private use rights are resumed.

Excessive speeding or alcohol and drug offences while driving may result in Council withdrawing the use of a vehicle. Disciplinary processes are in accordance with *Council Policy 1.14 Smoking Other Drugs and Alcohol*.

#### Fringe Benefit Tax Reporting

All Fringe Benefits Tax (FBT) reporting requirements are to be completed and submitted to the Payroll / Insurance officer by the due date. These include:

- (i) Log books of vehicle use are to be completed when requested.



- (ii) Annual returns giving details of:
- any employee using the vehicle,
  - the start and finish dates/times of each period of use, and
  - details of the vehicle use when allocated to another person.

Employees allocated vehicles for commuting or private use are required to notify the Human Resources/Payroll Officer of any changes to the allocation of the vehicle (e.g. during leave or staff rotation etc.). Failure to do so will result in the Council assuming the vehicle is still under the employees control and associated fringe benefits will be attributed to the employee.

#### Vehicle Utilisation

Council owned vehicles are to be rotated to maximise utilisation. Employees must accept that they may be allocated a different vehicle from time to time in order to increase that vehicles utilisation.

Employees superannuation surcharge and government benefits may be affected by their reportable FBT and employees allocated a vehicle are expected to actively take part in reducing the Council's FBT liabilities.

Employees are required to submit a log book of their business and non-business related travel for a period of 90 days during any FBT year (1st April - 31st March).

#### Other Responsibilities

It shall be the **responsibility** of the person to whom the vehicle has been allocated to ensure that:

- All drivers shall reveal any previous driving offences (not speeding or parking) up to 5 years previously, which may affect insurance cover.
- The person is familiar with the conditions of this policy and that all forms relating to the allocation of the vehicle (including nominee's information) are provided to the Council.
- To ensure that parking fines and traffic infringements are paid by the offending driver.
- The vehicle is housed in a secure and preferably off street location, and kept locked at all times when not in use.
- The vehicle will be available for Council business on a daily basis (excluding approved periods of leave). This will take precedence over private use.
- When the vehicle is not required during annual leave it is to be garaged at the Council Depot unless approved by the CEO.
- Only authorised persons (employee or nominee) may drive a Council vehicle. In an emergency any person holding a WA Drivers Licence may drive the vehicle provided the employee is a passenger in the vehicle at the time the vehicle is being driven.
- Employees are to ensure that passengers and load limits are not exceeded at any time. Off road use is not permitted except where the vehicle is designed for such use.
- **No PETS** shall be allowed in council vehicles other than those used for the transport of animals.
- **No SMOKING** is permitted in council vehicles at any time.

**Special Conditions**

In addition to the general employee responsibilities as outlined, special conditions will apply to each category of use.

Private Use

- The CEO and Executive Managers are limited to a maximum mileage of 35,000km annually (including commuter use).
- Where the CEO and Executive Managers exceed 35,000km annually they will be required to make an additional contribution of \$0.25 per km plus the cost of additional fuel.
- The CEO and Executive Managers may authorise their spouse / partner or another person as a user of the vehicle. The nomination form will be completed by the employee and submitted to the Human Resources Coordinator who will maintain a central register.
- Executive Managers will be required to make a fortnightly contribution towards the cost of the Council supplied vehicle (to be separately identified in employment contract).
- The CEO and Executive Managers have full access to their allocated vehicle during all periods of leave.

Commuting Use

- The vehicle is available for commuting use to and from the employee's place of work in recognition of work requirements.
- Employees will not use Council vehicles for private use such as taking family to and from work / school etc., and shall not include any substantial deviation or substantial interruption of the journey without the expressed approval of the CEO.
- Employees are limited to a maximum of 25,000km annually.
- Where the employee exceeds 25,000km annually they will be required to make an additional contribution of \$0.25 per km plus the cost of additional fuel.
- Diversion to attend a course of study or professional development outside normal business hours is to be authorised by the Executive Manager and taken as part of the journey to or from work.
- In the event of a change of duties or change to the nature of work for which the employee is employed, the Council reserves the right to withdraw the provision of a vehicle.
- The vehicle will be available during office hours as a pool vehicle and will be returned to the pool during periods of long service leave, annual leave and periods of extended sick leave.

**Vehicle Types**

The Council's fleet mix consists of a variety of makes and models of vehicles. Unless otherwise determined by the CEO the vehicle types as listed in the Table at Attachment 1 will apply to the identified positions.

The total value of the vehicle entitlement (as detailed in the Table on the last page of this Policy) will be included in the employee's total remuneration package. Only Executive Managers and the CEO have a choice of using the vehicle provided by Council or converting their vehicle entitlement to cash and providing their own vehicle for both business and private use.

Where the employee elects to provide their own vehicle:

- It must comply with the minimum vehicle standards as set out in “*Minimum Vehicle Standards*” below.
- It will be used by the employee for all business purposes.
- They will not have access to Council provided pool vehicles.

*Employers Responsibility*

- Ensure employees understand their responsibilities to ensure vehicles are legal, safe and well-maintained.
- Check vehicle documents in advance of first use of vehicle for business purposes and at least annually thereafter.
- Carry out periodic visual inspections of employees’ own vehicles used for work, follow monitoring, authorisation and reporting procedures to help manage transport usage.

*Employees Responsibility - using their own vehicles for business to:*

- Present the vehicle’s insurance policy (with the employer noted on the policy and policy for business use of the car) and service / maintenance schedule for inspection in advance of first driving for work and thereafter on request by the employer.
- Present their driving licence for inspection in advance of first driving for work and thereafter on request by the employer.
- Notify employer of any sanctions imposed on their licence, restrictions on ability to drive, material changes to insurance provision and vehicle defects.
- Co-operate with monitoring, authorisation and reporting procedures.

*Minimum Vehicle Standards*

As a minimum, any employee-owned vehicle used for business purposes should meet the following standards:

- Vehicle to be of a standard normally used in local government business, i.e. no exotic vehicles, sports cars, custom cars.
- ANCAP rating no lower than 4 stars.
- Age of car no older than 5 years.
- Vehicle covered for Roadside Assistance.
- Vehicle fitted with a stability control system, such as ABS and ESP.

*Insurance of Private Vehicle*

The vehicle entitlement will only be paid where the employee holds an insurance policy that covers bodily injury to or death of third parties, bodily injury to or death of any passenger; and damage to the property of third parties, and permits the use of the car either in connection with the business, or the business of the employing department or agency. The employers name must be noted on the insurance policy as an interested party. When first using their car on official business, employees must declare in writing that they know and understand the ownership and insurance requirements.

It is the responsibility of the employer to verify the insurance status of their employees, via either the original insurance document or a cover note. Any material changes to the employee's insurance provision shall be notified to the employer.

The employee is to provide a declaration accepting that they are paid a vehicle allowance for providing their own vehicle for business purpose. In doing so they accept that all costs relating to the vehicle including but not limited to, fuel, maintenance, tyres, insurance, accidents, insurance excess etc are for their own account. The employee must also accept as a policy that they will not have use of a Council vehicle during work hours unless in exceptional circumstances and authorised by the CEO.

**Car Pooling Priorities** All allocated vehicles shall be available for other staff to use. Priority for allocation within the pool shall be:

- Pool Vehicle/s.
- Other Staff Vehicles.
- Executive Managers' Vehicles.
- CEO's Vehicle.

**Refuelling of vehicles** Unless there are extenuating circumstances the vehicle is to refuelled as follows:

- (1) Diesel vehicle – to be refuelled at the Council Depot; and
- (2) Petrol vehicle – the Council supplied fuel card is to be used for all purchases.

**Review Period** This policy will be subject to annual review.

Table 1: Vehicle Types

Position	Use	Type of Vehicle#	Vehicle Value (cap) EX GST	Value in Employment Package ##	Fortnightly contribution post tax
CEO	Private Use	4 Cylinder Automatic Sedan or 4WD: <ul style="list-style-type: none"> <li>• Holden Calais Tourer</li> <li>• Ford Everest</li> <li>• Mitsubishi Pajero</li> <li>• Mazda CX 8</li> <li>• Nissan Pathfinder Hybrid</li> <li>• Mazda 6</li> </ul> or equivalent	\$40,000	\$24,000	NIL
Executive Managers	Private Use	4 Cylinder Automatic Sedan or SUV: <ul style="list-style-type: none"> <li>• Nissan Qashqai</li> <li>• Toyota Camry Atara Hybrid</li> <li>• Toyota Rav 4 GX or GXL</li> <li>• Mazda CX5</li> </ul> or equivalent	\$30,000	\$18,000	\$140
Senior Staff	Commuter Use	4 Cylinder Automatic Diesel/Petrol Crew Cab Utility 4x2 or Van - bull bar, cruise control or other specified vehicle as required by the position: <ul style="list-style-type: none"> <li>• Toyota Hi-Lux</li> <li>• Renault Kangoo</li> <li>• Citroen Berlingo</li> <li>• Nissan Navara</li> </ul> or equivalent	\$25,000	N/A	NIL
Operational	Commuter Use	4 Cylinder Automatic Diesel Crew Cab Utility 4x4 - bull bar, tow bar, cruise control or other specified vehicle as required by the position: <ul style="list-style-type: none"> <li>• Ford Ranger</li> <li>• Toyota Hi-Lux</li> <li>• Isuzu D-Max</li> </ul> or equivalent	N/A	NIL	NIL

# Vehicle type will vary from year to year based on a best value, whole of life cost analysis.

## The values attributed to vehicles in the employment package are consistent with the values as published in the Western Australian Local Government Association Vehicle Values Table for 2017 with the addition of FBT.





# Shire of Chittering

## Bindoon Lifestyle Village Feasibility Study

Prepared by Breakaway Tourism Pty Ltd – June 2018



**Breakaway Tourism Pty Ltd Disclaimer**

Recommendations identified in this document are to be used as a guide only and it is the sole responsibility of the client (Shire of Chittering) to undertake detailed due diligence prior to carrying out any actions, forward business planning or major developments based on the contents of this report.

DRAFT



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## 1.0 EXECUTIVE SUMMARY

The Shire of Chittering have commissioned a feasibility study into the need, demand and viability of establishing a lifestyle village development within the Bindoon town centre.

The Shire has identified a site which has a range of beneficial attributes aligned with an efficient and marketable lifestyle village development. The site has been previously identified for a proposed “retirement village” development, to be constructed and funded by a private development company. After undertaking a lengthy process of design and relative price pointing and demand analysis, the company has opted to not continue with the development. With the land parcel now available to the Shire for a development consideration, this study will identify a range of issues, objectives and key metrics required to assess the benefit of establishing a lifestyle village product.

There is a natural association made between “lifestyle villages” and retirement villages”, given both are aimed at housing for retirees and seniors. In this case it is vitally important to understand the key differences with these two models, particularly given the recent decision by the WA Retirees company to opt out of continuing with their “retirement village” development proposal.

In short a retirement village is developed under the Retirement Villages Act 1992 which being a very prescriptive regulatory instrument results in:

- Caveat requirements relevant to the Act are unattractive to land owners and financial institutions (for funding considerations)

- Largely, homes are built form (eg brick) in situ construction, which can result in escalated costs and extends the construction phase of the project
- Operating models are very onerous and recent publicity regarding issues such as deferred management fees, has had a significant negative impact on the marketability of these types of developments
- Operating costs are increased due to the requirements placed upon the operator via the Act
- Development costs are greater than a lifestyle village development, based on the alignment to the Residential Codes which a retirement village must adhere to

A “lifestyle village” (also referred to as a manufactured home estate or MHE) is essentially an affordable housing development targeted at active retirees or the over 50’s cohort looking to move towards retirement. The key differences compared to a retirement village development are:

- Lifestyle Villages are defined as “park home parks” in a planning context. This means they are development under the Caravan and Camping Grounds Regulations 1997 which overrides the Residential Codes requirements, resulting in more effective and cheaper development costs
- Residents own their home and rent the site
- Homes are built modular which results in quicker construction periods ie as the on site works are taking place, at the same time the home can also be built (offsite) and transported on once the site works are complete. This saves around 10-12 weeks
- The decrease in development costs means more affordable homes for the market

- The operating model is less onerous and there are minimal fees associated with resident re-sales
- The operating compliance (Residential Parks – Long Stay Tenants Act 2005) results in cheaper weekly costs for residents

Lifestyle Villages are a popular choice of living for many retirees, owing largely to the less complicated operating model and generally more affordable home choices. The main target market for modern lifestyle villages are younger retirees and baby boomers. The average entry age for over-50s lifestyle villages is over-50 to 60 years compared to the average entry age of over-70 years in traditional retirement village.<sup>1</sup>

The provision of affordable housing for seniors is a common objective for most locations in Western Australia and nationally. There are an estimated 2,500 MHE's spread across Australia. One way developers and government agencies are looking to solve the issue of affordable housing for seniors is via this contemporary form of medium density housing development comprising land leased communities in which the residents own or rent manufactured homes on dwelling sites leased from the estate.<sup>2</sup>

A key driver for the Shire of Chittering to consider revisiting the proposed site for a lifestyle village development as opposed to a standard retirement village development is the capital light development cycle based around a number of unique revenue, growth and cash flow characteristics that make them an attractive low-risk, capital light development returns with CPI indexed cash rents.

Assessing demand for a lifestyle village in the Shire of Chittering is not isolated to local population and demographic data. A well designed and

price pointed development can create a migration towards towns such as Bindoon (which also has the location benefit of being on the metropolitan perimeter), because of the large market segment and the number of the market segment looking for more affordable housing options outside of metropolitan regions.

There are a number of factors which offer genuine benefits to the proposed development such as:

- Good site location proximal to relevant services
- Ability to expand if demand dictates
- Access to provision of utilities such as power, water, sewer
- Quite location off main road
- Opportunity to collocate some infrastructure and pare back development costs
- Previous market analysis detailed strong support for a lifestyle village development
- Strong broad market segment demand
- Current market gap

To capitalise on the above listed benefits, there are issues which need to be reviewed, assessed and addressed.

The current status of the local and state real estate market is stagnant. This creates challenges for developers by potentially impacting on the number of home sales able to be transacted because of the common need for most purchasers to sell their existing home in order to access the funds for the lifestyle village home purchase. There are signs that the real estate market

<sup>1</sup> MHE's – An Australian Market Overview Colliers International

<sup>2</sup> MHE's – An Australian Market Overview Colliers International



may be trending towards a more active phase and careful monitoring of this market must be undertaken.

Smart staging of the project to absorb soft rates of sales and reduce the impact of slow capital is one key measure to implement as part of any lifestyle village development. One of the other key ways for developers to reduce some of the real estate market impacts, is to create a price point which allows purchasers to absorb a softening of their existing home value and still realise a beneficial cash residual from the downsizing exercise into a lifestyle village. The main way for this to be achieved is to contain development costs.

One other main issue is the competitive landscape. Until recently, there is a clear market gap in the provision of affordable community style housing developments in the area. Within the past two months, a private developer (H & H Developments) has lodged a development application for a 120 site lifestyle village development in Gingin, some 30km's away from the Bindoon townsite. Given how advanced this development is in the process, it is prudent to undertake a thorough review of:

- the size of that development and how it may impact on market demand
- the offerings of the development (both in terms of infrastructure and provision of services) and what positive market separation can be taken advantage of
- the location of the development and what benefits the Bindoon site can offer to achieve greater market appeal
- the price point of the development and if there is an opportunity to create a price point separation which generates greater market appeal for the proposed Bindoon development
- Assess demand by monitoring marketing activity and enquiry levels

This development submission in Gingin may also create an opportunity for the developers to consider a potential commercial relationship with the Shire of Chittering whereby they could develop both sites and create two varying style of development, provision of services and price point. This option could broaden the market base for the developer and could also provide more efficient cost schedules due to more scalable scope of works between the two sites.

Alternatively, there are other commercial developers who may be willing to partner with the Shire to develop the site by way of either a build/own/operate scenario or via a joint venture scenario.

The original design concept has detailed 73 sites in the same land parcel which WA Retirees undertook their previous design. This is considered a fairly low yield when comparing against the typical operating costs (opex) of a lifestyle village. The financial analysis detailed an opex of 45% of revenue, which is considered at the high end of benchmark levels. The critical thing to factor in is that an increase in site yield would generate a greater revenue stream, however that doesn't necessarily result in the same increase in opex. Depending on the style of development and upkeep/maintenance required plus what level of services are provided to residents, opex can be managed and contained through various levels of yield increase. There are obvious points as site yield grows where opex is impacted. In the case of the proposed Bindoon site development, there would be little impact on opex should there be an growth in site yield up to 95 or 100 sites. At this stage such things as staffing levels, utilities, rates, upkeep, maintenance and infrastructure requirements would likely have a greater impact opex as a percentage of revenue figure.

One of the key site benefits of the proposed Bindoon Lifestyle Village site is the ability to expand from the initial 3.6ha parcel should demand require it and hence, better opex scale can be achieved. Owing to this, there has been

a subsequent design concept produced which achieves a more scalable site yield of 119 sites plus, incorporates a 30 site caravan park concept directly adjacent as a “dual use” model. These models are common, particularly on the East coast of Australia and allow developers to generate better up front cash flow through the development roll out by operating the caravan park and the lifestyle village under a single management system. Development costs can also be reduced by such things as collocating infrastructure and more scalable contractor rates. This concept is possible because as previously explained, both are developed under the Caravan Parks and Camping Grounds Regulations 1997, making designing and obtaining planning consent more streamlined. The two operations would be clearly defined by a separating road reserve with a common administration building in the centre. Under this scenario, the operating synergies and marketing/branding synergies can provide benefit to the lifestyle village sales rates. This concept may also provide stronger appeal to developers looking to enter into a commercial relationship with the Shire of Chittering.

In conclusion, with an accommodating sales environment, a lifestyle village development can realise a tremendous, risk free revenue stream once full site yield has been achieved. Getting to full site yield requires careful planning, design, costing and a well structured marketing strategy. There is a current market gap in the area and there is a known demand for this style of living amongst the age cohort, locally and more broadly around the state, who are looking to retire or who have already retired. By providing an affordable and fit for use living environment for seniors in the location of Bindoon, the development can support the desire to retain residents in the region via an ageing in place ethos and also potentially introduce a migration of new residents to the area.

Previous marketing and data collection by WA Retirees and subsequent monitoring of potential demand by Shire of Chittering officers has indicated

that there is latent demand for this style of affordable housing within the Bindoon townsite footprint.

Notwithstanding the benefits of a population retention, potential migration towards Bindoon and the key driver of considering housing affordability for seniors, flow on community economic benefits must not be underestimated as part of the overall development impact.

## 2.0 INDUSTRY OVERVIEW

Many Shires are aware of need to cater for the ageing of population aspect in terms of future planning for housing requirements. The common situation for much of the ageing population is a one of “asset rich-cash poor”. This can lead to a bottle neck in the property market through a lack of affordable alternatives for people to down scale their lifestyle. Under that scenario, people remain in homes that are too large for their current requirements and difficult to maintain. Families and other people looking to move to Chittering must then compete for the limited housing availability.

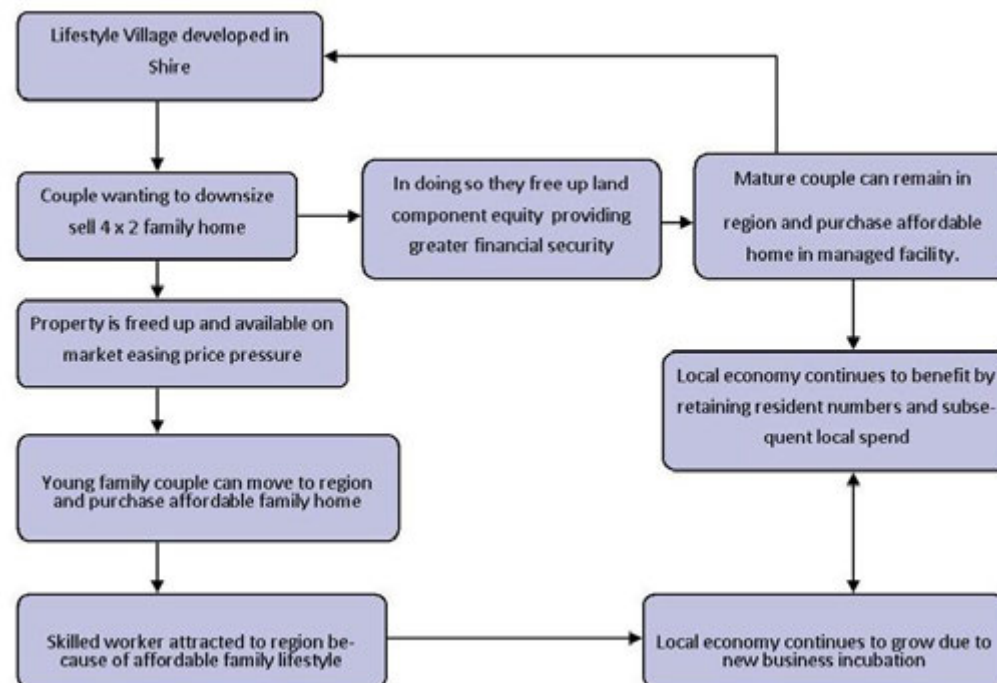
A popular development model to counter this effect is to develop gated housing complexes, which provide quality, affordable housing options. The positive impact of establishing such facilities, in communities is far reaching.

Research of the lifestyle village market has indicated that<sup>3</sup>:

- 66% of all retirees seek housing under \$300,000
- 75% are looking to live independently
- 50% of all people aged 65 and over have less than \$350K in home equity

The industry has evolved significantly in the last 5 years with a shift in market sentiment becoming a lot more positive towards the ground lease condition with which lifestyle village developments are based upon. This has largely been underpinned by developers now offering lengthy lease agreements of up to 60 years to provide residents with great surety of tenure and a subsequent stronger asset value cycle.

The inclusion of an affordable housing facility within the Shire of Chittering may help create a new property lifecycle, ease market pressure and attract a new market of life-stylers to the region. An example of a new property market lifecycle is:



<sup>3</sup> National Overview of the Retirement Sector – Grant Thornton

It is widely documented that population ageing is taking place throughout Australia. Housing affordability has also been on the decline. The markets for affordable lifestyle village homes can be categorised as: *Wealthy Life-styler*; *Aspiring Life-styler*; *Cash Out Life-styler*; and *Welfare Life-styler*.

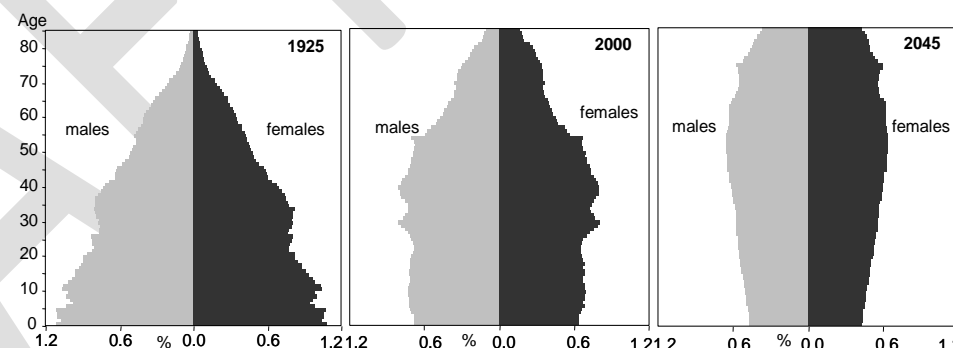
Wealthy Lifestylers	Enlightened Lifestylers	Cash Out Lifestylers	Welfare Lifestylers
<ul style="list-style-type: none"> <li>Fully owned house</li> <li>Fully superannuated</li> <li>Choice (holidays, invest)</li> <li>Disposable Income</li> </ul>	<ul style="list-style-type: none"> <li>Fully owned house</li> <li>Fully superannuated</li> <li>Sell house</li> <li>Buy cheaper house or rent</li> </ul>	<ul style="list-style-type: none"> <li>Fully owned house (cheaper end of market)</li> <li>Not fully superannuated</li> <li>Need to dispose of assets for lifestyle</li> </ul>	<ul style="list-style-type: none"> <li>Rental assistance</li> <li>Public housing</li> <li>Dependant on welfare</li> </ul>

With the difficulties surrounding financing for lifestyle village homes, the typical lifestyle village development does not suit the “Welfare Lifestylers” market segment. Some developments offer a rental model which is a better fit for this segment.

### Changing Demographics

Australia’s population is ageing and the evidence for this demographic change is undeniable. Past falls in fertility, increasing life expectancy and the effect of the ‘baby boomer’ generation moving through older age groups, has contributed to an increase in the number and proportion of people aged over 65 years. This trend will grow over the coming decades, to such an extent, that the<sup>4</sup>:

- Number of people aged over 65 years will increase from the current 2.5 million to around 7.2 million by 2051;
- Proportion of people aged over 65 years will grow from the current 13%, to one quarter of the population by 2051;
- Proportion of people over 85 years will grow from the current 1.4% to approximately 6% by 2051; and
- Proportion of the population aged between 15-64 years (labour force age) will fall from the current 67%, to around 59% by 2051.



<sup>4</sup> Source: ABS Population Projections, Australia, 2002-2101

Population of Older Persons by State and Territory 2002-2051

		2002	2021	2051
<b>Proportion of resident population over 65 years</b>				
New South Wales	%	13.2	19.0	26.9
Victoria	%	13.1	19.1	27.3
Queensland	%	11.8	18.5	26.8
South Australia	%	14.8	22.2	31.1
<b>Western Australia</b>	%	<b>11.2</b>	<b>18.4</b>	<b>26.9</b>
Tasmania	%	14.0	23.4	33.8
Northern Territory	%	3.9	8.1	12.1
Australian Capital Territory	%	8.8	16.4	23.5

## 2.1 The Lifestyle Village Model

A proven concept to deliver the outcomes which many Government agencies are looking to achieve, is to develop affordable housing villages based on the lifestyle village (MHE) concept.

The concept revolves around people purchasing a house but not the land upon which it is located. For some, the sale of residential urban homes enables the owner-occupier to purchase a home in an affordable lifestyle village for far less cost. This is facilitated through the land, upon which the purchasers have their new home placed, being leasehold under a common title, resulting in the purchaser potentially retaining a cash residual (from the sale of their home) by way of not having to outlay funds for the capital

contribution of the land component. To achieve this, the land is zoned as a caravan park or park home park.

The purchasers retain title to the home and pay an annual ground lease fee (average around \$7,000 per year) in weekly, monthly or fortnightly instalments. This fee covers their share of Shire rates, water, security, garden maintenance, grounds maintenance, access to facilities etc, in a similar way to strata fees.

One of the key benefits for residents is that many occupants of lifestyle villages qualify for government rental assistance towards their ground lease fee, because it is deemed that they are renting the site on which their home is located. Each resident is required to apply for the CRA (Commonwealth Rent Assistance) themselves. The refund then returned to them via their pension. This process eliminates any additional administrative processes for the operator.

## 2.2 Industry Issues

There are some key barriers to entry for those looking to reside in a lifestyle village:

- Homes cannot be financed. According to financial institutions, the purchase of a modular home does not meet their LVR ratios due to the absence of land title. Since the inception of the lifestyle village product, financial institutions have yet to waive this condition and it is unlikely there will be any change to this in the future.
- Because of the above issue, most purchasers are needing to sell their existing home to fund the purchase of the new lifestyle village home. The volatility of real estate markets can impact on ability for purchasers to transact their existing home product for either the desired price they require or in a relevant timeframe they desire.

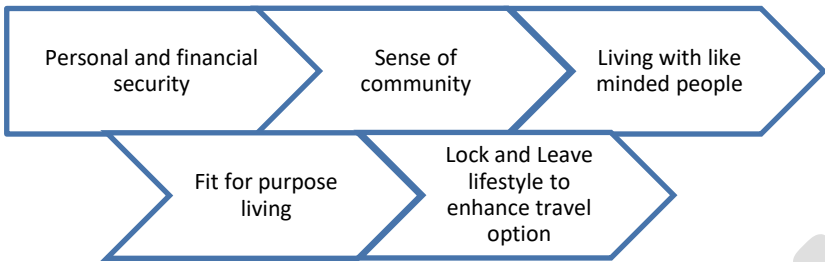
- Again, owing to the above points, time taken to transact the purchasers existing house (to fund the lifestyle village home purchase), can be drawn out. This time lag for seniors can result in the termination of the offer to purchase contract due to issues such as ill health, requirements for care services etc.
- Due to the regulatory instrument which they operate within, lifestyle villages cannot offer any level of health care for residents. This can mean that people living in a lifestyle village who, overtime have increasing health issues which require specialist health care, often have no alternative other than to seek an alternate living environment. *\*\*Compliance around this has softened recently and communities which have access to services such as Silver Chain, can often mitigate the above issue by suggesting residents engage these services so they can remain residing in place.*

DRAFT



3.0 THE MARKET

The lifestyle concept is aimed at providing an affordable lifestyle marketed to a growing demographic of people looking for:



When considering the aspects which drive the market towards a lifestyle village concept, the following are detailed as key demand drivers:

Demographics	Increased market penetration	Borrowing risk
•Impact of an ageing Australian population on housing demand	•More ageing Australians want to live in a community based village	•Most retirees want to avoid exposure to new debt

Available credit	Bigger houses now empty nesters
•Lenders risk profile of older population is high making credit difficult to access	•Traditional family home under utilised for space, onerous upkeep requirements

In determining what triggers are most relevant for people looking to reside in a lifestyle community style of development, the following were most common.

NEGATIVE TRIGGERS	POSITIVE TRIGGERS
Inability to care for home	Attractiveness of new home
Loneliness and isolation	Companionship/Community engagement
Personal security fears	Personal and financial security
Passing away of a partner	Social activities
Financial/Social issues	Location
Divorce	Affordability of homes
Loss of income	Overall reduced cost of living

## 4.0 POLICY & REGULATORY FRAMEWORK

The proposed lifestyle village development and operations are primarily governed by the:

- Caravan Parks and Camping Grounds Act 1995;
- Caravan Parks and Camping Ground Regulations 1997;
- Residential Parks (Long-stay Tenants) Act 2006; and,
- Residential Parks (Long-stay Tenants) Regulations 2007.

### 4.1 Caravan Parks and Camping Grounds Act 1995 (CPCG Act) & Caravan Parks and Camping Grounds Regulations 1997 (CPCG Regs)

The proposed lifestyle village will operate as a managed village in accordance with the Caravan Parks and Camping Grounds Act 1995 augmented by the Residential Parks (Long-stay Tenants) Act 2006.

The CPCG Act states that a caravan park is *“not to be operated without a license”*.

Both the CPCG Act and CPCG Regs seek to safeguard the interest of village residents by establishing minimum standards of safety, infrastructure and amenity.

### 4.2 Residential Parks (Long-stay Tenants) Act 2006 & Residential Parks (Long-stay Tenants) Regulations 2007

Lifestyle Villages are a type of Residential Park and are principally governed by the Residential Parks (Long-stay Tenants) Act 2006 and the Residential Parks (Long-stay Tenants) Regulations 2007.

The ‘Consultation Regulatory Impact Statement - Statutory Review Of The Residential Parks (Long-Stay Tenants) Act 2006’ (released in June 2014) defines a ‘Residential Park’ as “A parcel of land comprising sites that are rented to long-stay tenants. May be a mixed use caravan park, a park home park or a lifestyle village.” The Review defines a ‘Home’ as “A relocatable home that is situated on a site in a residential park. May be a caravan, mobile home, cabin or manufactured home.”

The Review also states that:

- “Residential parks provide sites upon which relocatable homes are placed. Tenants either rent a home and a site, or rent a site only and own the home on the site. The home may be a caravan, cabin, park home or motor home. Regardless of whether the tenant owns the home or not, park living always involves renting the site.

The Residential Parks (Long-stay Tenants) Act 2006 (RPLT Act) regulates the tenancy relationship between tenants and park operators in relation to long-term (non-holiday) tenancies in residential parks.”

- “Park home parks are residential parks with only long-stay accommodation, that is, no holiday rentals. In park home parks,

Tenants have various tenure arrangements, from periodic to fixed-term tenancies of up to 30 years. It is assumed that these parks predominantly comprise park home owners living in manufactured homes rather than caravans and so the dwellings are not easily movable.

Lifestyle villages are also residential parks that provide long-stay accommodation only, however, unlike park home parks, lifestyle villages generally offer tenants very long fixed-terms tenancies, of 30 years or more (sometimes up to 60 years), and access to resort style facilities. Lifestyle villages comprise park home owners living in manufactured homes, and are often marketed to people aged 45 years and over.

The Residential Parks (Long-stay Tenants) Act 2006 regulates the relationship between the operators of residential parks and tenants who live in the parks for extended periods. The Act addresses such matters as the form of agreements, restrictions on charges, disclosure requirements, rent payments, termination requirements, sale of homes and establishment and function of committees.

Together with the Residential Parks (Long-stay Tenants) Regulations 2007, the Act, in recognising the growth in the attraction of lifestyle villages as an alternative and affordable form of housing providing greater lifestyle choice, seeks to ensure adequate protection for purchasers.

### 4.3 Policy Alignment

There have been a number of reports and subsequent policy additions which align with the establishment of a new affordable housing product aimed at seniors. As with many locations around the state, the Shire of Chittering are aiming to offer a specific product to target seniors housing supply and affordability in an attempt to mitigate a migration away from the area because of a lack of living options.

The following reports have detailed key alignments with the proposed Bindoon Lifestyle Village development:

- Age Friendly Community Plan 2016 - 2019
- Corporate Business Plan (2015)
- Disability Access and Inclusion Plan (DAIP) 2012 – 2017
- Community Safety and Crime Prevention Plan 2012 – 2015
- Sport and Recreation Plan 2012 – 2022
- Community Development Plan 2014 – 2024

## 5.0 PESTLE ANALYSIS

### Political

The existing Residential Parks (Long Stay Tenants) Act 2005 is currently under review. Initial feedback has indicated there will not be major changes to the current regulatory instrument, however there is a move towards better streamlining the development process of which is governed by the Caravan Parks and Camping Grounds Regulations 1997 by combining the relevant sections with the Residential Parks (Long Stay Tenants) Regulations 2007.

### Economic

As described in the market segment section, the lifestyle village sector is driven by key triggers which impact the decision to ultimately reside in a lifestyle village community. The entire process is largely underpinned by the ability for the purchaser to sell their existing house and land asset, to down size into a lifestyle village community. Owing to this, fluctuations in the real estate market both up and down have a direct impact on lifestyle villages which are in their infancy stage of requiring a steady fill rate of sales.

To date, there has been no success for any developer to structure a client borrowing arrangement with banks due to the absence of title in the transaction and the negative impact on LVR which that has.

### Social

Ageing in place is a common deliverable for many communities across Australia. Lifestyle villages enhance the ability for individuals and couples to obtain this ageing in place objective via the development principles of:

- Security, both personal and financial

- Community – living with likeminded individuals
- Managed Community – residents go through an approval process to ensure that the village mood and sense of community is retained
- Lock and leave lifestyle
- Reduced upkeep and physical requirements for residents

The other upside for these developments is based around freeing up residential homes (by the owner downsizing into a lifestyle village) which are more suitable for young families. This can result in a decrease in pressure on land availability by using infill residential sites in established suburbs.

### Technological

There are a range of technological advances which are specifically aimed at the retiree market. The main interest in these initiatives is to consider which ones have a real benefit for health, finances and personal security. The key for any new development is to ensure any technological consideration does not have a negative impact on price point but will have a positive impact by decreasing the day to day outgoing costs for residents.

### Legal

As detailed, there are 4 key regulatory instruments for the proposed development :

Residential Parks (Long Stay Tenants) Act 2005

Residential Parks (Long Stay Tenants) Regulations 2007

Caravan and Camping Grounds Act 1995

Caravan and Camping Grounds Regulations 1997

The other key legal consideration is structuring well detailed leases for each incoming resident. It is important that that conditions of the lease agreements remain consistent from resident to resident. If there is a need to alter the content, all residents must sign off prior to implementation as per the requirements described in the Residential Parks (Long Stay Tenants) Act 2005

At a minimum, lease documentation must capture all relevant:

- Length of tenure
- Rent payment amounts
- Rent payment regularity
- Rent payment method ie Direct debit
- Operational issues
- Resale issues
- Conflict resolution issues
- Deceased estates
- Village amenity issues

Each new development must also establish a thorough range of policy and procedure manuals to assist with day to day operations and shore up the relevant insurance policies.

#### Environmental

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Environmental due diligence will need to be undertaken as part of the development planning process. Operational initiatives can also be implemented to reduce the environmental impact and enhance the provision of services to residents.

## 6.0 DEMAND

Trying to project demand for a lifestyle village development is a difficult process. Demographic data needs to be a broad sample because of the nature of where potential purchasers may come from. Typically, there may be some interest locally from in and around Chittering, however because of the relatively low population and demographic numbers in the local area, there will need to be a large percentage of the overall site yield coming from outside the local area. To achieve this, price point will be a critical factor in gaining market traction. The key demographic data detail will focus on:

- State population statistics
- Shire of Swan population statistics
- Shire of Chittering population statistics
- Shire of Gingin population statistics

To assess the size of the demand pool, data collected is generally bracketed to those aged between 50 and 75 years of age. This is because lifestyle villages are not aimed at those younger than 50 years of age, and for those older than 75 years of age, they generally look at alternate living options such as aged care or high level care retirement villages.

Western Australia Demographic Statistics <sup>5</sup>	
Age	Population
50-54 years	162,438
55-59 years	149,899
60-64 years	132,145

<sup>5</sup> 2016 Census – Australia Bureau of Statistics

<sup>6</sup> 2016 Census – Australia Bureau of Statistics

65-69 years	116,755
70-74 years	82,911

A total of 644,418 people fit into this State target market bracket.

City of Swan Demographic Statistics <sup>6</sup>	
Age	Population
50-54 years	8,989
55-59 years	7,735
60-64 years	6,144
65-69 years	5,112
70-74 years	3,478

A total of 31,458 people fit into this City of Swan target market.

Shire of Chittering Demographic Statistics <sup>7</sup>	
Age	Population
50-54 years	241
55-59 years	226
60-64 years	181
65-69 years	160
70-74 years	120

A total of 928 people fit into this Shire of Chittering target market.

<sup>7</sup> 2016 Census – Australia Bureau of Statistics



Shire of Gingin Demographic Statistics <sup>8</sup>	
Age	Population
50-54 years	201
55-59 years	201
60-64 years	263
65-69 years	223
70-74 years	197

A total of 1,085 fit into this Shire of Gingin target market.

A combined total of 33,471 people who are in the core target market reside in the locations of Chittering, Swan and Gingin.

This data is useful to provide a platform for a marketing strategy which will need to focus on the surrounding areas of Bindoon to ensure there is a large enough market pool to achieve the number of sales required for full site occupancy. Even paring back the market pool to include only Chittering and Gingin, 3% of that cohort is required to reach a full site occupancy. This is a simplistic way of considering demand, however it is also a valid way of assessing how many people need to be marketed to in order o attract 73 buyers.

Colliers International recently profiled the lifestyle village development market and came up with the following growth projections for demand based on population projections and existing product supply.<sup>9</sup>



<sup>8</sup> 2016 Census – Australia Bureau of Statistics

<sup>9</sup> Colliers International Australian MHE White Paper

The forecast increased penetration suggests that demand for lifestyle village style of product will remain robust.

To further support the projections of an increase in aged population, the Shire of Chittering report “Aged Friendly Community Plan 2016-2019” detailed that the elderly population in the Shire of Chittering is projected to increase 191.7% or 951 people by 2027.

The WA population is ageing. The ‘Baby Boomer’ generation has reached or is reaching retirement age and, by 2050, the number of Western Australians aged between 65 and 84 is expected to double to one million people, and the number aged over 84 expected to quadruple (Bankwest Curtin Economics Centre 2015).

This means that demand for appropriate housing options in which seniors can age is increasing.<sup>10</sup> This includes seniors from regional areas who are choosing to age in their communities, as well as a growing number of senior ‘sea-changers’ and ‘tree-changers’ who are relocating to country areas post-retirement.

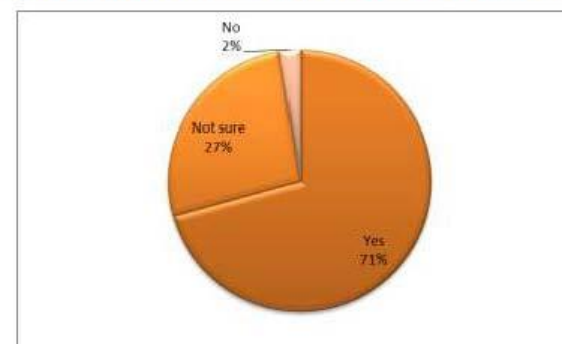
In addition, longer life expectancy, combined with the emerging demographic trends (plus more robust migration trends), means that the proportion of the state’s population over retirement age will continue to increase as the proportion of Western Australians of traditional working age declines (Bankwest Curtin Economics Centre 2015). This presents challenges for the provision of affordable housing for a growing number of seniors on low to moderate incomes.

## 6.1 Shire of Chittering Retiree Housing and Aged Services Survey 2013

In 2013 the Shire sought feedback from the local population as to the future planning for the future accommodation and services needs. Over four years has lapsed since this survey was commissioned, however the market sentiment is still important to consider and relevant given some of the time frames which were detailed.

Although the sample size was relatively small, the responses provide a clear representation of the target market. Out of the 239 returned survey responses, 81% of those were aged over 55. Some key indicators from the survey responses were:

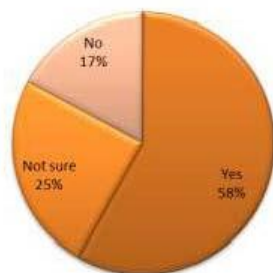
### Would you remain in / relocate to Chittering?



It's pleasing to see that only 2% of respondents felt that they would not remain in / relocate to Chittering when considering their retirement accommodation.

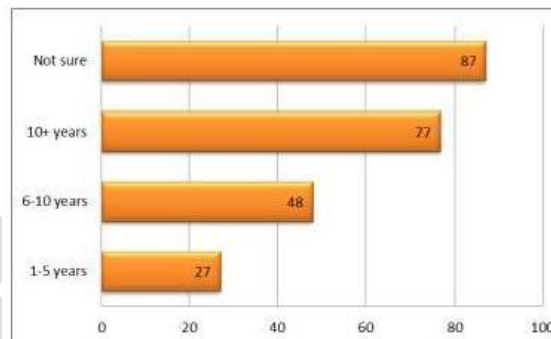
<sup>10</sup> Seniors Housing Discussion Paper – Dept of Housing

### Would you consider downsizing?



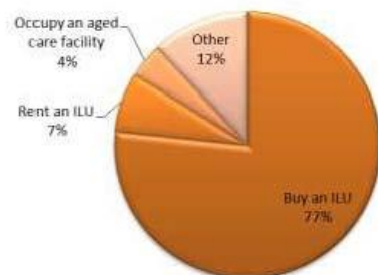
Over half of the respondents would consider downsizing from their current place of residence.

### When are you looking at moving?



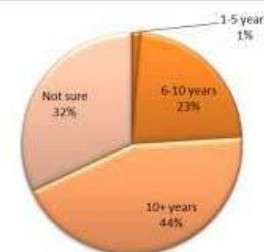
Even though the replies indicate that the majority of respondents aren't looking at moving to retirement housing for at least 6 years it is quite likely that should an attractive option be available this could change.

### What is your 'downsized' preference?

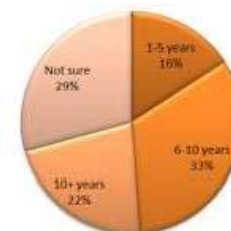


Over three-quarters of the respondents would prefer to purchase an 'Independent Living Unit'.

*Note: it is probable that the majority of respondents are currently ratepayers / landowners.*

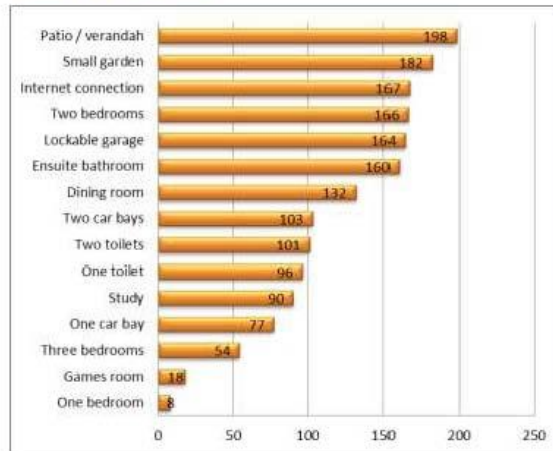


55 to 64 years – these figures show a trend towards the consideration of moving, with a quarter looking at doing so when they are aged 61 to 75.



65 to 69 years – a larger percentage of this age group are considering moving in the next 1 to 5 years.

### What would your minimum requirements for an “Independent Living Unit” be?



It would appear that the ‘ideal’ independent living unit would offer;

- Small garden with patio / verandah
- Internet connection
- Two bedrooms
- Lockable garage / two car bays
- Ensuite bathroom
- Two toilets (or one toilet separate to bathroom)
- Dining room and / or study

## 7.0 HOUSING MARKET

The lifestyle village market is unavoidably linked to the overall residential real estate market. With one of the key triggers to consider moving into a lifestyle village being a downsizing exercise to residual, the sale of the primary home is a key factor achieving the objection to move into a village community.

To achieve this, real estate sales activity needs to be strong with an active market providing the opportunity to transact the existing house sale. It is acknowledged by the industry, that the current real estate market activity is soft, however the demographic drivers for lifestyle village uptake remains positive.

The same methodology used with the population data can be used with the real estate market analysis. Whilst there will be some anticipated up take from within the Chittering Shire, there will also need to be enquiry sought from other locations. The following data assists in determining a market relevant price point.<sup>11</sup>

Anecdotally, there has been a recent shift towards a more buoyant real estate market, which if it continues will provide tremendous upside to the lifestyle village market.

### Median House Value: \$443,027

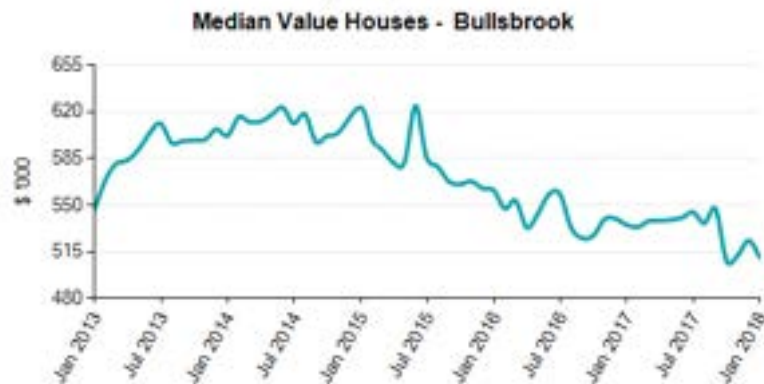


### Median House Value: \$547,946

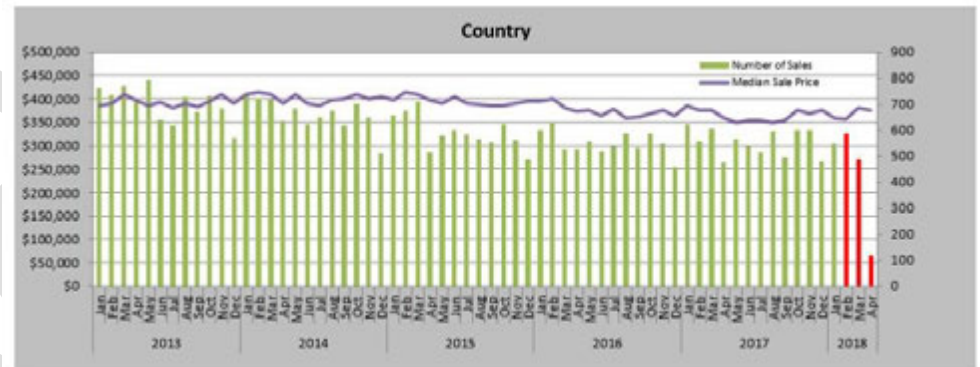
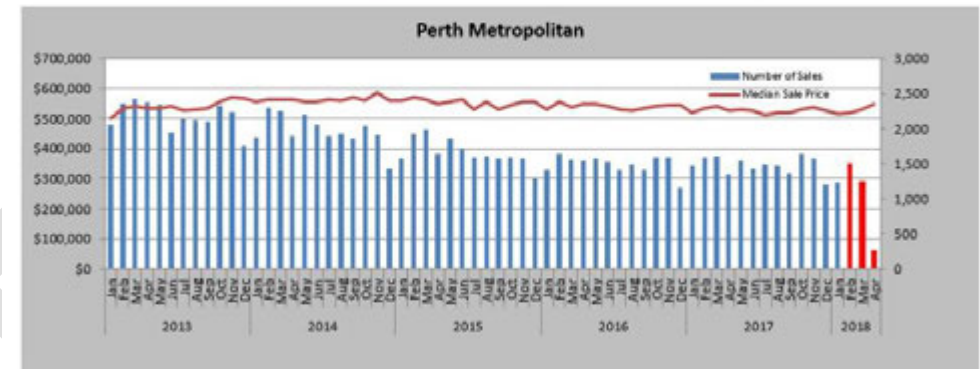


<sup>11</sup> Landgate sales data



**Median House Value: \$484,203****Median House Value: \$510,500**

There is not a lot of variance between each location with Chittering offering a greater median level of homes sales. In discussion with local agents, it is suggested that larger rural property sales will have most likely impacted on the higher Chittering median. \*\*There is no single data for the Swan Shire, so the nearby location of Bullsbrook has been included to offer some perspective.

**Median house price and sales volume ending April 2018**

The above tables show a lower median across the State country areas of \$385,000 and a metropolitan median around \$500,000. Although skewed by the many vagaries of the real estate market, it does assist to value a base price point to try and attract enquiry to the proposed lifestyle village in Bindoon.



## 8.0 COMPETITOR ANALYSIS

The is an acknowledged lack of retirement living options in around and the Shire of Chittering.

Currently in Bindoon, there is a seniors housing precinct comprised of 7 independent living units (ILU's). There are no care services associated with this living model. Other locations nearby which may impact add to the competitive environment for the proposed Bindoon Lifestyle Village are:

- Ridgewood Estate - Ridgewood (Retirement Village), Gingin
- There are a number of retirement style living options in the City of Swan, however none are located north of Ellensbrook which is 55km's away from Bindoon

There has been a development application submitted to the Shire of Gingin for a 120 site lifestyle village located on Old Mooliabeenee Road in Gingin which is some 25km west of the proposed Bindoon site. This does present a real competitive risk based around some market share issues should the development proceed. The DA has been submitted by a well funded private development company who specialise in lifestyle village developments and are currently establishing a portfolio of sites to develop. Although there are some differences in location, access to services etc, the main focus will likely be price point.

A detailed competitive risk assessment of the Mooliabenee Road proposed development will need to be undertaken by the Shire of Chittering. This assessment can reveal:

- Is there enough market demand to absorb 2 new lifestyle village developments comprising a total of around 190 new sites in the area
- Are there any (Bindoon site) market advantages which can be honed in on such as lower price, access to services, lower weekly costs

- Is there potential overlap between the 2 developments that may suit a commercial partnership between the Mooliabeenee Road developers and the Shire of Chittering. Such things as:
- More scalable development costs
- More scalable house manufacturing costs
- Greater marketing exposure to generate enquiry from different market segments
- More efficient operating structures and costs
- Offering different provision of services and price point range

### Gingin Eco Lifestyle Village placement on Subject Land



## 9.0 SITE LOCATION

The location of the site, Chinkabee Road, Bindoon, has great access to all the Bindoon town services such as:

- Health
- Retail
- Community
- Recreation

The site also has good separation from Great Northern with noise attenuation from traffic achieved via the existing buildings which front the highway. Along with that, the site has a great sense of rural feel owing to the large open land parcels adjacent on three sides.

In terms of specifics, the 3.6ha site has east to west contours which creates an opportunity to provide the layout design concept with additional texture by utilising natural forms to fit the layout into these contours. Natural existing tree lines also offer a potential to create a more aesthetically pleasing layout concept.

Importantly, the site also offers benefits to expand should demand over time dictate the need for a greater site yield.



## 10.0 DESIGN CONCEPT

The design concept for the proposed development has been based around ensuring the proposed lifestyle village layout can address the key needs for the market segment of over 50's such as:

- enhancing social opportunities between residents
- offering a reduced commitment to maintaining a large residential lot
- maintaining connection to the town services
- access to internal community facilities
- community permaculture initiatives

The design comprises of 73 serviced home sites which can support a generous footprint for a modular dwelling. In addition to the 73 sites, key infrastructure has been added to offer residents access to a range of activities and to create a culture of civic pride within the village such as:

- a standard clubhouse building comprising a kitchen/tearooms, bar, games area and craft spaces
- secure caravan and/or boat storage area
- community vegetable garden
- visitor parking bays
- BBQ areas
- Public open space green spaces



The full site layout in A3 is available as attachment 1.



\*\*The intention is to provide a balance of internal infrastructure and activity, whilst still promoting existing local services, clubs and community groups. One of the key initiatives could be promoting the local community groups and service and memberships to be used as part of each residential move in package. The fit for purpose design has tapped into infrastructure which is low cost/ low impact but is considered a key element of community living.

Site sizes will range from 200m<sup>2</sup> to 300m<sup>2</sup> with a typical home footprint of around 130m<sup>2</sup>. Each site will have connectivity to a fully constructed road network designed to minimise speed within the village environment. There has been some site yield lost due to the requirement for a “spray buffer” from the adjacent orchard property.

There has been a particular effort to retain a sense of generous site separation but still creating the ideal of a reduced commitment to maintaining that site, for the resident. \*\*The management of the village will include the care and maintenance of each front garden site, with the upkeep of the rear to be undertaken by the resident. This is to ensure that benchmark levels of overall village and streetscape presentation and amenity are achieved at all times by the operators gardening team. As mentioned previously, this creates a positive culture of civic pride and helps protect the integrity of each residents purchase within the village because of the continual high level of presentation.

The layout also allows for significantly more interest in terms of views from homes and along roadways – the views will be dynamic (they will change as you move through the development) and interesting rather than repetitive and predictable. The proposed landscaping can interact more positively with the roads / pedestrian pathways by providing shady places to pause and chat. This is easily provided in the proposed format where there are plenty of corners, nooks and crannies to facilitate the desired concept. Views of a more distant nature will be found randomly scattered between homes and via

natural land contours rather than just along a roadway, further adding interest.

Another benefit of the proposed layout is from the exterior of the development whereby the sites appear to be much more widely spaced so as to reduce the impact on the existing landscape. Planting at the inner and outer edge of the firebreaks will further break down any urban continuity sense of the site. This also acts as a tool to soften boundary fencing which will be implemented to create a real sense of security.

The entry statement can be designed to complement the surrounding landforms and environment to provide a sense of security and community. An entry statement, designed correctly can offer a development a great presence and augment the desire to create a culture of civic pride. Upkeep and presentation of the entry is undertaken as part of the operational management of the village.

There has been a modest sized clubhouse style building included in the design concept, however a colocation style of use could be considered with the nearby sporting club building to reduce the overall development costs (devex).

Considering options such as solar, water/sewer reuse and other energy or cost saving initiatives is rapidly becoming a standard inclusion in most development concepts. The Bindoon site has the topography and location to facilitate a range of this type of inclusion and will be more thoroughly reviewed if required.

## 10.1 Staging

With an overall site yield of 73, there needs to be careful consideration towards staging the development to ensure capital can be recovered via an adequate fill rate of sales. It is generally accepted that anything less than 10 sites per stage, will cause too much escalation in site works when factoring in mobilising and demobilising contractors, achieving scalable costs, inefficient laying of underground services etc.

With this in mind, the design concept staging has been gauged on establishing efficient scale for development costs, reducing the potential for slow capital and creating a reasonable level of peaceful enjoyment for existing residents during construction stages.

One great advantage in the design concept is to utilise the existing Chinkabee Road as part of Stage one. The sites fronting Chinkabee Road, would be accessed from Chinkabee Road, which means that the site would forego the typical fenced/secure style of lifestyle village development. This approach has been suggested because:

- it would reduce the dexev costs for stage 1 significantly
- expedite the stage 1 works program
- the rural location and vast expanses of open land around the site tends to mitigate the security based notion of boundary fencing
- the rural amenity would be somewhat compromised with the typical boundary fencing approach
- the lifestyle village demand in Bindoon is likely to be based on price point of affordable home options rather than security

### DEVELOPMENT STAGES

STAGE 01	10 SITES
STAGE 02	13 SITES
STAGE 03	9 SITES
STAGE 04	14 SITES
STAGE 05	16 SITES
STAGE 06	11 SITES
<b>TOTAL</b>	<b>73 SITES</b>



## 11.0 ALTERNATIVE DUAL USE DESIGN CONCEPT

As detailed previously, a second design concept has been produced on the same site as the existing lifestyle village to demonstrate the benefits of co-locating both a lifestyle village development and a caravan park development on the same site. The two developments would remain separate by a dividing road, however could be operated under the same management. This provides benefits to the operations and development costs by way of:

- more scalable allocation of staff and resources for operations – this particularly improves the upfront opex for the lifestyle village because of the slow cash flow build up
- more scalable contractor rates for development costs
- collating infrastructure such as administration building, camp kitchen, clubhouse
- the larger site footprint allows for more generous home sites and more appealing green spaces to soften the development density
- marketing and branding synergies
- better site utilisation creating potential for both lifestyle village and caravan park to expand should demand dictate
- Both developments fit within the existing contours and features of the site which can reduce development costs
- better alignment of development activity with other potential tourism initiatives

Development costs will need to be re-assessed to apply the scalable methodology of contractor rates and scope of works required. Additionally, a review of zoning and title amalgamations would need to be undertaken. A design concept can be seen adjacent.





## 12.0 MODULAR HOMES

One of the key compliance aspects to developing a lifestyle village under the Caravan and Camping Grounds Regulations 1997, is the onus on modular product. In the case of lifestyle villages, all homes on the site which are regarded as residential dwellings, must be constructed in a modular manner to ensure they are able to be removed should the need ever arise.

*\*\*It is extremely rare that a home sited in a stand alone lifestyle village has ever been removed. Lengthy lease agreements and prohibitive removal costs are two key reasons for the rarity of such an occurrence.*

A typical lifestyle village home is constructed with:

- Pre-stressed concrete base
- Built in 2 modules so the home can be relocated if necessary
- Steel framed construction
- Can have a variety of external claddings
- Meet all energy efficiency requirements
- Steel sheet roofing

Designs can be created to suit the local environment with a modern approach to external treatments and internal fitouts. All standard warranties are included in each purchase to ensure residents have peace of mind. Some typical design concepts can be seen here.



## 12.1 Price Point

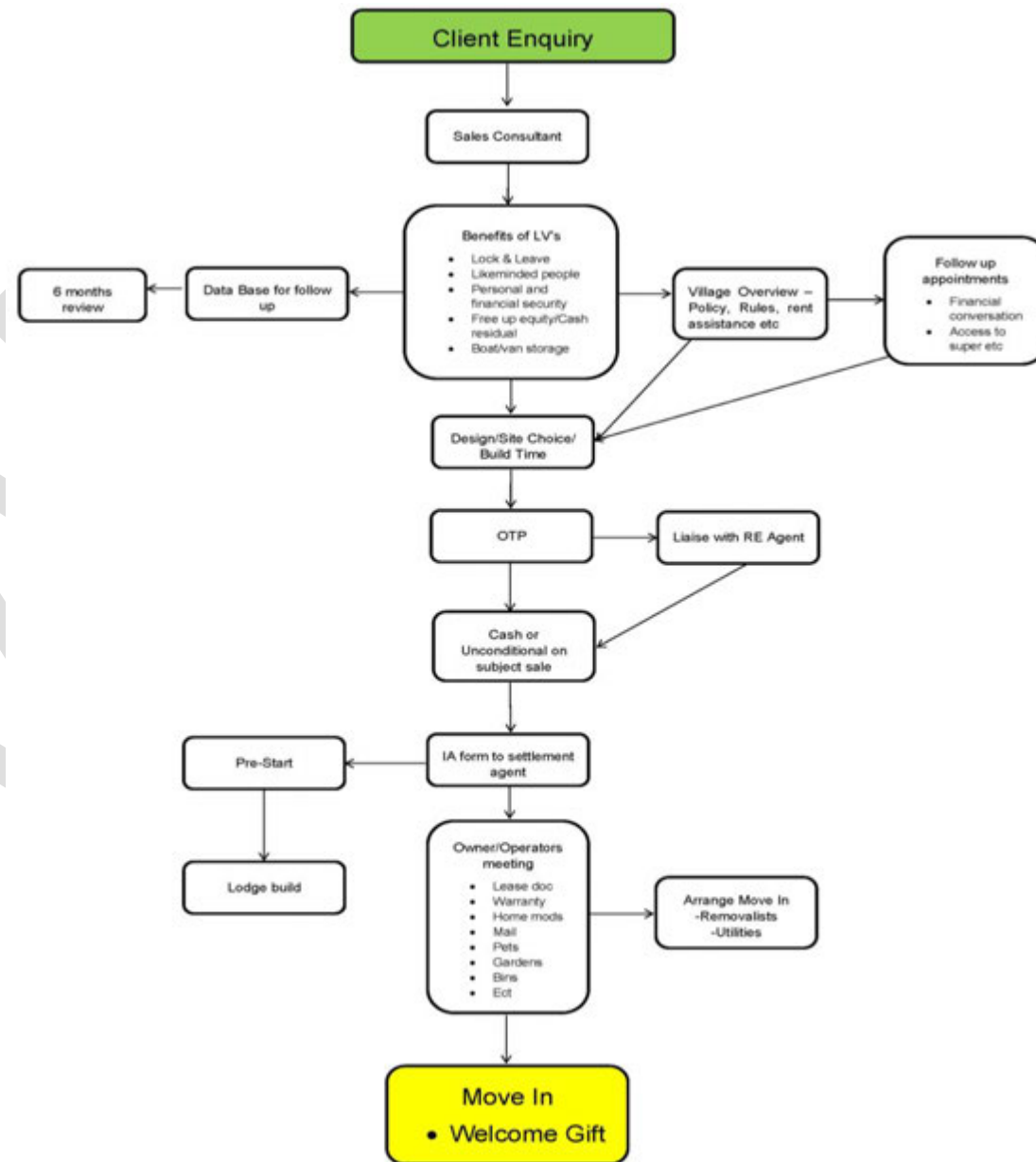
The price point of the homes remains the most pivotal part of a lifestyle village development project. Developers need to have a nimble approach to price pointing and product mix to counter any market down turns or maximise market up turns.

Desired home designs, community facility designs and other infrastructure initiatives must undergo a cost benefit analysis to ensure that any impact on price is achievable and not detrimental the all-consuming fill rate of sales. Price point needs to be under the price of a typical residential home. How much under varies from location to location but generally a minimum of \$80,000 lower will start to attract enquiry.

## 12.2 Sales

Sales is a critical part of the entire process (typical sales process adjacent). Appointing or engaging the right person/people to undertake the sales enquiries process will impact on the overall fill rate and the ongoing mood of the village as the residents' first contact with the village is likely to be via your sales consultant. Good experiences (under promising and over delivering) will be remembered and advertised in the same manner that bad experiences will be. This cannot be understated as it will impact on the continued mood management of the village.

The first dozen clients to sign up and move in are effectively taking a leap of faith, trusting that the information provided by the sales consultant will be delivered. Done well, these first residents become an integral part of the marketing plan and can be used to promote the village and provide a genuine and honest perspective/assessment to new potential purchasers of how good the development is.




The sales team must have an acute understanding of the target market and the product so as they are (without hesitation) able to remove objections during client discussions and turn them in to positives. The sales consultant must also have a genuine belief in the product and a genuine belief that a move into the proposed development will be an undisputable positive outcome for the client, based on unpicking the relevant triggers which have led them to the point of enquiry.

*One key objective for sales is to maintain a consistent sales rate to mitigate a cannibalisation of your own market. This can occur when the operator is attempting to achieve their objective of filling the village. However, if sales rates are too slow, residents who have already purchased and moved in can, for a variety of reasons, need to put their own home on the market, which competes against all the operators' other unsold new homes.*

### 12.3 Development Methodology

When considering developing a lifestyle village there are a number of moving parts which all occur at the same time. One of the under estimated parts of the process is to ensure that the construction phase fits in with the continued roll out of the lifestyle village business operations. The business operations, during development includes the most important part of any lifestyle village development, which is sales and marketing. In short, it is vitally important to maintain a happy and active community who are willing to encourage others to reside there. This relationship can be a developers greatest marketing tool. As an example of the variety of facets involved in a lifestyle village development, the following gantt chart task list, itemises a basic overview of what can be required.

ID		Task Name
1		<b>LIFESTYLE VILLAGE DEVELOPMENT</b>
2		<b>Approvals</b>
3		Engage Geotech for report
4		Seek clearing permit from Shire
5		Engage Civils consultant for detailed drawings
6		Engage Electrical consultant for detailed drawings
7		Engage Hydraulics consultant for detailed drawings
8		Establish water management plan
9		Establish Landscape plan via consultant
10		Produce design for sewer treatment based on above
11		Compile all other supporting documents
12		Lodge relevant docs to Shire for approval
13		Lodge docs for Water Corp approval
14		Lodge docs for Horizon approval
15		Milestone - Shire approval granted
16		Milestone - Water Corp approval granted
17		Milestone - Horizon approval granted
18		<b>Forward works</b>
19		Establish contract with builder
20		Discuss staging requirements (if any)
21		Obtain quotes for civil works
22		Obtain quotes for electrical works
23		Obtain quotes for hydraulics works
24		Obtain quotes for landscape/retic
25		Obtain quotes from surveyor
26		Engage contractors
27		Forward works commence - see builder project schedule
28		<b>Home Designs</b>
29		Establish suite of designs from builder
30		Establish base purchase price from builder
31		Establish communications process between purchase, developer and
32		Establish pre start
33		Establish handover/warranty communications
34		Builder contract finalised
35		<b>Marketing</b>
36		Establish village name
37		Establish brand - logo, colour pallet etc

ID		Task Name
38		Finalise and register BN
39		Establish marketing strategy - print, on line, radio etc
40		Establish price point
41		Establish contact protocols ie. whose phone number
42		Design Website (landing page)
43		Establish social media channels
44		Create brochure for each design
45		Create site layout 3D imagery
46		Create supporting village docs
47		Design folder
48		Design print ads
49		Create data base capture
50		Create development sign for road frontage
51		Obtain permit for sign
52		Discuss home range tag
53		Join relevant local forums ie CCI etc
54		<b>Home Sales</b>
55		Create 3D site layout artwork
56		Arrange displays with builder
57		Create brochure including floor plans
58		Create web site
59		Create compliant purchaser process documentation ie. OTP, deposit
60		Establish site landscape allowance (front only)
61		Organise sales office
62		Conduct community education forum
63		Training for relevant staff on LV model
64		Compile sales kit
65		Establish communications process with client
66		Engage local/metro Real Estate agents
67		<b>Lease documentation</b>
68		Establish lease incursions/exclusions
69		Settle on lease terms
70		Establish annual lease fee amount
71		Establish village rules
72		Establish resale fee parameters



### 13.0 OPERATIONAL MANAGEMENT

The operations of a lifestyle village require a unique set of policies, processes and administrative structures to deliver a professional service driven product to residents.

The key facets of lifestyle village operations are:

- All villages are based on ground lease fee model where the resident owns the home and effectively rents the site – establishing a solid lease agreement is essential to protect the interests of the operator and the resident. A copy of a standard lease agreement can be found at: <https://www.commerce.wa.gov.au/sites/default/files/atoms/files/form2011residentialparksfixedtermsiteonlyagreement.pdf>
- Ground rent are generally paid monthly or fortnightly by direct debit, this de-risks the revenue stream
- Market expectations for lease tenure are a minimum of 20 years. Most operators offer 40 years plus.
- Most residents can qualify for the Commonwealth Rent Assistance (CRA) which reduces overall ground rent outgoings. It is up to the resident to establish this rebate via Centrelink
- There are no entry fees with a lifestyle village
- Upon selling, the lease is transferrable to the incoming resident
- Like all villages, selling fees apply and range around 5-8% of sales price
- The home is considered a willable asset
- Typically, in the case of the above, the village will hold off collecting the monthly site fee until the home is sold and simply deduct the outstanding rent from the sales price
- Like all villages, there are a set of policies and guidelines which apply to village life. This is aimed at protecting the integrity of each residents investment by managing such things as village amenity, asset management (community facilities) etc
- Most villages will establish a range of community services and committees such a community buses, vegetable gardens, caravan/boat storage etc
- Village price points need to be aimed at affordable downsizing options
- In most villages pets are allowed
- Residents pay for their own utilities – power, water gas
- Usually, there are private mail boxes in each village, mail delivered daily
- The operator looks after all community gardens including each residents front garden. Rear site areas are left to the resident to care for. Typically this is left as hardscape
- Operators offer no level of care within the villages due to the regulatory instruments with which we operate under. However, like many villages, access to external services such as Silverchain etc are supported and encouraged (if required) to ensure the ageing in place mantra can be retained
- The village must offer 24 hour access to onsite management

## 14.0 OWNERSHIP/OPERATIONAL STRUCTURE

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With many moving parts such as construction, project management, sales, administration and other on site day to day responsibilities for the village, there are many different skill sets required to roll out a lifestyle village development. Such a convoluted process would need to be well structured to allow the Shire to operate within the constraints of LGA compliance.

Notwithstanding this, there are alternate arrangements based around build/own/operate (BOO), joint ventures, contract management and lease options which can be structured to suit. This would generally involve separate parties committing to the role of developer and operator.

It would be unrealistic to consider the Shire undertaking the entire development given the slow capital and resources required. The Shire can seek a commercial relationship with a reputable developer via BOO contract or joint venture. A joint venture style of commercial relationship would provide the Shire with greater control over the development in terms of amenity, price pointing, staging etc and ensure that any flow on economic benefits to the community can be better realised.



## 15.0 FINANCIAL ANALYSIS

### 15.1 Development Costs

The table below is a projection of commercial development costs based on the site design concept.

Shire of Chittering Proposed Lifestyle Village Development - Cost Projections			
Element			Elemental Cost
Site Preparation			\$231,449
Roads, Footpaths and Paved Areas			\$492,115
Boundary Walls, Fencing and Gates			\$101,294
Outbuildings and Covered Ways			\$425,000
Landscaping and Improvements			\$211,000
Miscellaneous Works			\$0
<b>Site Works Subtotal</b>			<b>\$1,460,858</b>
Substructure			\$48,720
Airconditioning			\$81,520
<b>Building Works Subtotal</b>			<b>\$130,240</b>
Stormwater Drainage			\$10,000
Sewer Drainage			\$529,539
Water Supply			\$181,350
Fire Protection			\$87,227
Electric Light and Power			\$419,837
Communications			\$25,000
<b>External Services Subtotal</b>			<b>\$1,252,953</b>
Proportion of Preliminaries	2%		\$45,234
Professional Fees	3%		\$90,468
Contingency	5.0%		\$150,779
<b>TOTAL COST</b>			<b>\$3,130,532</b>
<b>Cost Per Site</b>			<b>\$42,884.01</b>

\*\*The development cost rates have been accessed from real project cost models and applied to a standardised level of amenity to suit the proposed development.

### 15.2 Financial Summary

The key financial analysis results are largely dictated by the fill rate of sales. The whole aim of the lifestyle business model is to achieve full site occupancy, in this case 73 sites, as quickly as possible. Once this is achieved, the rent roll represents a robust revenue stream which is CPI indexed. Operating costs are usually easy to control as the operating model is not overly complicated.

The key to achieving the desired return on investment results is to:

- contain development costs by using industry experienced professionals to mitigate cost over runs or un-necessary cost inclusions
- seek a value based agreement with a reputable home manufacturer to ensure homes are built to an industry standard quality, for a market relevant cost
- have a fluid approach to price pointing and home sales profit margins to maintain sales rates and revenue stream momentum

Along with obtaining a more palatable rate of return on capital outlay, momentum of sales also creates a better front ended operating profit and loss outcome. It is important to factor in that upon commencement of the project and as residents begin to move in, operating costs also commence. Achieving operating cost scale is again directly linked to the sales rates, because of the front ended costs required to operate the village, which are present, irrespective of whether there are 5 home sites sold or all 73 home sites.

Bindoon Lifestyle Village						
Key Inputs						
		Year 1	Year 2	Year 3	Year 4	Per site Cost
Cost per home (incl T & I)	120,000					
Monthly Site Fee	583					
Home Sale Price	180,000					
Number of sites	73	20	20	20	13	
Devex	3,130,532	1,150,000	747,370	747,370	485,790	42884
CPI & Opex escalation	2.0%					
Interest rate	3.5%					
Operating Expense	242,411					
Opex %	45%					
Marketing (per site)	1,000					
Stage Marketing Lump Sum	20,000					
Sales Comm	3,000					
Land value recovery per site	6,849					

Sale price based on marketability of location, projected competitor separation and real estate factors

Based on a land purchase of \$500,000

The above inputs have been projected on benchmark industry figures and applied to the proposed development concept and location relativity.

The sale profit per home figure below is invested back into per sale revenue rather than held as profit

KEY OUTCOMES							
Sale profit per home		6,267					
Development Phase			Full Occupancy	Year 6	Year 7	Year 8	Year 9
Total Revenue	14,631,128		Total Revenue	510,708	526,029	541,810	558,064
Total Costs	13,926,089		Total Costs	242,411	249,684	257,174	264,889
Gross Profit	705,039		Gross Profit	268,297	276,345	284,636	293,175
GP Margin	5%		GP Margin	53%	53%	53%	53%
IRR	14%						

At full occupancy, the business model becomes de-risked with a robust GP supported by a CPI indexed rent roll

The above results are based on a standard desired fill rate of sales spread across a 4 (sales activity) year period. These outcomes would be subject to change depending on the status of the real estate market which impacts on:

- what price purchasers are able to get for their existing asset
- how quickly they are able to sell their existing asset

The following projections represent the inputs shown above and calculated against an assumed fill rate of sales which ranges from 1 per month to 2 per month. The increase towards 2 sales per month begins at the end of year 2, when it is anticipated that there may be an upturn in the real estate market. There is also a five month lag from commencement to when the first sale is triggered, to allow for the on site development works to be undertaken and completed. The land recovery is an important figure to consider. The original cost of the land is spread across the overall site yield, resulting in a debt free land holding for the business, once full site occupancy is achieved.

### 15.3 Year 1 Projections

	9/06/2019	9/07/2019	8/08/2019	7/09/2019	7/10/2019	6/11/2019	6/12/2019	5/01/2020	4/02/2020	5/03/2020	4/04/2020	4/05/2020
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Month</b>												
Number of Home Sales	0	0	0	0	0	1	1	1	1	1	1	1
Cumulative Sales	0	0	0	0	0	1	2	3	4	5	6	7
Remaining sales	73	73	73	73	73	72	71	70	69	68	67	66
<b>Cash Inflows</b>												
Home Sales	-	-	-	-	-	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Site Fees	-	-	-	-	-	583	1,166	1,749	2,332	2,915	3,498	4,081
Sales profit						6,267	6,267	6,267	6,267	6,267	6,267	6,267
	-	-	-	-	-	186,850	187,433	188,016	188,599	189,182	189,765	190,348
<b>Cash Outflows</b>												
Cost per home	-	-	-	-	-	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Devex	287,500	287,500	287,500	287,500								
Marketing	20,000	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Sales Comm	-	-	-	-	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Development Finance Costs	839	1,677	2,516	3,354	3,354	3,229	3,104	2,979	2,854	2,729	2,604	2,479
Value of land recovery						6,849	6,849	6,849	6,849	6,849	6,849	6,849
Operating Expenses					7,070	14,141	14,141	20,201	20,201	20,201	20,201	20,201
	308,339	289,177	290,016	290,854	10,424	148,219	148,094	154,029	153,904	153,779	153,654	153,529
<b>Net Cash Inflow/(Outflow)</b>	- 308,339	- 289,177	- 290,016	- 290,854	- 10,424	38,631	39,339	33,987	34,695	35,403	36,111	36,819
Cumulative Cashflow	- 308,339	- 597,516	- 887,531	- 1,178,385	- 1,188,810	- 1,150,179	- 1,110,841	- 1,076,854	- 1,042,159	- 1,006,757	- 970,646	- 933,827

## 15.4 Year 2 Projections

	3/06/2020	3/07/2020	2/08/2020	1/09/2020	1/10/2020	31/10/2020	30/11/2020	30/12/2020	29/01/2021	28/02/2021	30/03/2021	29/04/2021
	13	14	15	16	17	18	19	20	21	22	23	24
<b>Month</b>												
Number of Home Sales	1	1	1	1	1	1	1	1	1	2	2	2
Cumulative Sales	8	9	10	11	12	13	14	15	16	18	20	22
Remaining sales	65	64	63	62	61	60	59	58	57	55	53	51
<b>Cash Inflows</b>												
Home Sales	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	360,000	360,000	360,000
Site Fees	4,664	5,247	5,830	6,413	6,996	7,579	8,162	8,745	9,328	10,494	11,660	12,826
Sales profit	6,267	6,267	6,267	6,267	6,267	6,267	6,267	6,267	6,267	12,533	12,533	12,533
	190,931	191,514	192,097	192,680	193,263	193,846	194,429	195,012	195,595	383,027	384,193	385,359
<b>Cash Outflows</b>												
Cost per home	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	240,000	240,000	240,000
Devex	186,843	186,843	186,843	186,843								186,843
Marketing	21,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000
Sales Comm	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	6,000	6,000	6,000
Development Finance Costs	2,898	3,318	3,738	4,158	4,033	3,908	3,783	3,658	3,533	3,283	3,032	3,327
Value of land recovery	6,849	6,849	6,849	6,849	6,849	6,849	6,849	6,849	6,849	13,699	13,699	13,699
Operating Expenses	20,605	20,605	20,605	20,605	20,605	20,605	20,605	20,605	20,605	20,605	20,605	20,605
	361,195	341,615	342,035	342,455	155,487	155,362	155,237	155,112	154,987	285,586	285,336	472,473
<b>Net Cash Inflow/(Outflow)</b>	- 170,265	- 150,101	- 149,938	- 149,775	37,775	38,483	39,192	39,900	40,608	97,441	98,857	- 87,114
Cumulative Cashflow	- 1,104,092	- 1,254,193	- 1,404,132	- 1,553,907	- 1,516,131	- 1,477,648	- 1,438,456	- 1,398,557	- 1,357,949	- 1,260,508	- 1,161,650	- 1,248,764

## 15.5 Year 3 Projections

	29/05/2021	28/06/2021	28/07/2021	27/08/2021	26/09/2021	26/10/2021	25/11/2021	25/12/2021	24/01/2022	23/02/2022	25/03/2022	24/04/2022
	25	26	27	28	29	30	31	32	33	34	35	36
<b>Month</b>												
Number of Home Sales	2	2	2	2	2	2	2	2	2	2	2	2
Cumulative Sales	24	26	28	30	32	34	36	38	40	42	44	46
Remaining sales	49	47	45	43	41	39	37	35	33	31	29	27
<b>Cash Inflows</b>												
Home Sales	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Site Fees	13,992	15,158	16,324	17,490	18,656	19,822	20,988	22,154	23,320	24,486	25,652	26,818
Sales profit	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533
	386,525	387,691	388,857	390,023	391,189	392,355	393,521	394,687	395,853	397,019	398,185	399,351
<b>Cash Outflows</b>												
Cost per home	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Devex	186,843	186,843	186,843									
Marketing	22,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Sales Comm	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Development Finance Costs	3,622	3,917	4,212	3,961	3,711	3,461	3,211	2,961	2,711	2,461	2,210	1,960
Value of land recovery	13,699	13,699	13,699	13,699	13,699	13,699	13,699	13,699	13,699	13,699	13,699	13,699
Operating Expenses	21,017	21,017	21,017	21,017	21,017	21,017	21,017	21,017	21,017	21,017	21,017	21,017
	493,180	473,475	473,770	286,677	286,427	286,177	285,927	285,677	285,426	285,176	284,926	284,676
<b>Net Cash Inflow/(Outflow)</b>	- 106,655	- 85,784	- 84,912	103,346	104,762	106,179	107,595	109,011	110,427	111,843	113,259	114,676
Cumulative Cashflow	- 1,355,419	- 1,441,203	- 1,526,115	- 1,422,769	- 1,318,006	- 1,211,828	- 1,104,233	- 995,222	- 884,795	- 772,952	- 659,693	- 545,017

### 15.6 Year 4 Projections

	24/05/2022	23/06/2022	23/07/2022	22/08/2022	21/09/2022	21/10/2022	20/11/2022	20/12/2022	19/01/2023	18/02/2023	20/03/2023	19/04/2023
	37	38	39	40	41	42	43	44	45	46	47	48
<b>Month</b>												
Number of Home Sales	2	2	2	1	1	1	1	1	2	2	2	2
Cumulative Sales	48	50	52	53	54	55	56	57	59	61	63	65
Remaining sales	25	23	21	20	19	18	17	16	14	12	10	8
<b>Cash Inflows</b>												
Home Sales	360,000	360,000	360,000	180,000	180,000	180,000	180,000	180,000	360,000	360,000	360,000	360,000
Site Fees	27,984	29,150	30,316	30,899	31,482	32,065	32,648	33,231	34,397	35,563	36,729	37,895
Sales profit	12,533	12,533	12,533	6,267	6,267	6,267	6,267	6,267	12,533	12,533	12,533	12,533
	400,517	401,683	402,849	217,166	217,749	218,332	218,915	219,498	406,930	408,096	409,262	410,428
<b>Cash Outflows</b>												
Cost per home	240,000	240,000	240,000	120,000	120,000	120,000	120,000	120,000	240,000	240,000	240,000	240,000
Devex	121,448	121,448	121,448	121,448								
Marketing		2,000	2,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000
Sales Comm	6,000	6,000	6,000	3,000	3,000	3,000	3,000	3,000	6,000	6,000	6,000	6,000
Development Finance Costs	2,064	2,168	2,272	2,502	2,376	2,251	2,126	2,001	1,751	1,501	1,251	1,001
Value of land recovery	13,699	13,699	13,699	6,849	6,849	6,849	6,849	6,849	13,699	13,699	13,699	13,699
Operating Expenses	21,437	21,437	21,437	21,437	21,437	21,437	21,437	21,437	21,437	21,437	21,437	21,437
	404,648	406,752	406,856	276,236	154,663	154,538	154,413	154,288	284,887	284,637	284,387	284,137
<b>Net Cash Inflow/(Outflow)</b>	- 4,130	- 5,068	- 4,007	- 59,070	63,086	63,794	64,502	65,210	122,043	123,459	124,876	126,292
Cumulative Cashflow	- 549,148	- 554,216	- 558,223	- 617,293	- 554,207	- 490,414	- 425,912	- 360,702	- 238,659	- 115,199	9,676	135,968



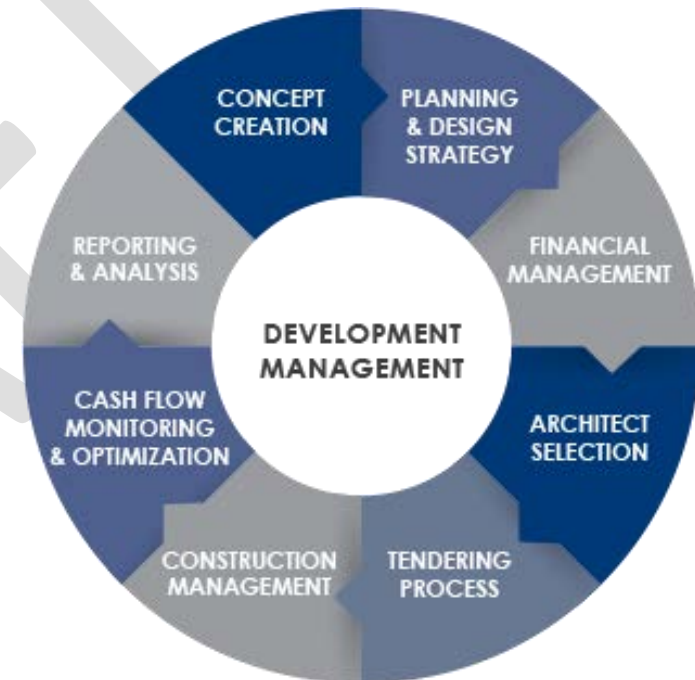
### 15.7 Year 5 Projections

	19/05/2023	18/06/2023	18/07/2023	17/08/2023	16/09/2023	16/10/2023	15/11/2023
	49	50	51	52	53	54	55
<b>Month</b>							
Number of Home Sales	1	1	1	1	1	1	2
Cumulative Sales	66	67	68	69	70	71	73
Remaining sales	7	6	5	4	3	2	-
<b>Cash Inflows</b>							
Home Sales	180,000	180,000	180,000	180,000	180,000	180,000	360,000
Site Fees	38,478	39,061	39,644	40,227	40,810	41,393	42,559
Sales profit	6,267	6,267	6,267	6,267	6,267	6,267	12,533
	224,745	225,328	225,911	226,494	227,077	227,660	415,092
<b>Cash Outflows</b>							
Cost per home	120,000	120,000	120,000	120,000	120,000	120,000	240,000
Devex	-	-	-	-	-	-	-
Marketing	1,000	1,000	1,000	1,000	1,000	1,000	2,000
Sales Comm	3,000	3,000	3,000	3,000	3,000	3,000	6,000
Development Finance Costs	876	750	625	500	375	250	-
Value of land recovery	6,849	6,849	6,849	6,849	6,849	6,849	13,699
Operating Expenses	21,866	21,866	21,866	21,866	21,866	21,866	21,866
	153,591	153,466	153,341	153,216	153,091	152,966	283,565
<b>Net Cash Inflow/(Outflow)</b>	71,154	71,862	72,570	73,278	73,986	74,694	131,528
Cumulative Cashflow	207,122	278,984	351,553	424,831	498,817	573,511	705,039

## 16.0 RISK ANALYSIS

Potential risks and mitigating actions for the proposed lifestyle village development proceeding are detailed in the table below:

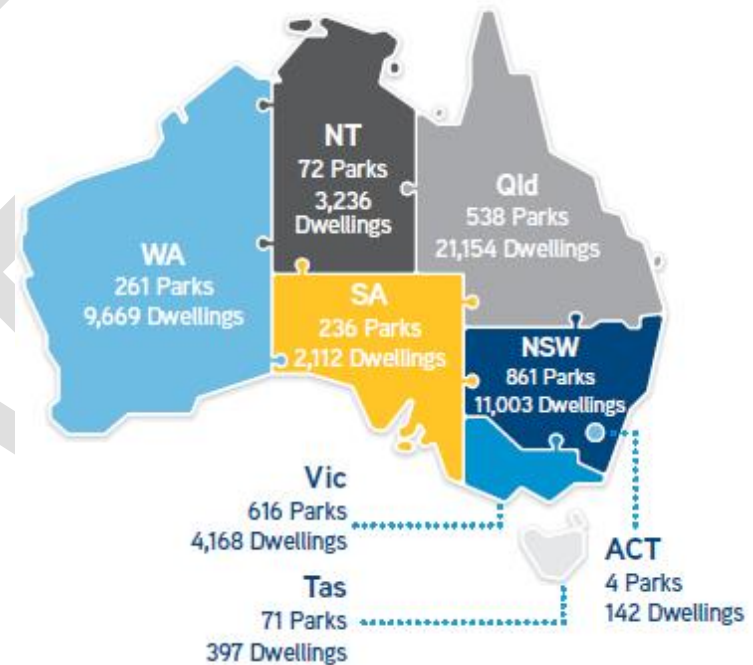
Description	Likelihood	Impact	Mitigating Actions
Costs for development exceed budget	Low	High	Seek professional project management services to deliver on budget outcomes
Site conditions create cost over runs	Low	High	Forward planning to include thorough geotechnical reporting
Sales rates are slow	Medium	High	Ensure price pointing is market and location relative
Price pointing impacts negatively on sales rates	Low	Medium	Ensure price pointing is market and location relative
Operating costs exceed budget	Low	Medium	Seek professional consultancy services to structure business systems that deliver positive budget outcomes
Real Estate market impacts negatively on sales rates	Medium	High	Ensure staging can absorb slow periods of sales rates



## 17.0 SWOT ANALYSIS

Strength	Weakness
<ul style="list-style-type: none"> <li>Close to local medical facilities</li> <li>Easy access to site</li> <li>Rural setting</li> <li>Good separation from highway</li> <li>No significant vegetation</li> <li>Close to town centre</li> </ul>	<ul style="list-style-type: none"> <li>Slow real estate market and sales rates</li> <li>Drainage from site could be difficult</li> <li>Distance to broader range of facilities such as hospitals etc</li> <li>Sourcing developer/operator in slow market</li> <li>Cost of land parcel/compared to relevant yield</li> </ul>
Opportunity	Threat
<ul style="list-style-type: none"> <li>Strong market segment</li> <li>Market gap in the area</li> <li>Create ageing in place culture</li> <li>Local employment opportunities</li> <li>Create migration towards Shire</li> </ul>	<ul style="list-style-type: none"> <li>New competitor enters the market</li> <li>Financial returns do not achieve desired results</li> <li>Stagnant real estate market</li> <li>Inability to source appropriate developer/operator</li> </ul>

DISTRIBUTION OF MHE AND DWELLINGS BY STATE



Source: Colliers International Research and Forecast Report Health Care and Retirement Living

When assessing a lifestyle village SWOT analysis, many sites across Australia encounter similar issues, as demonstrated in the above image, there has been a large number of developments completed. \*\*Includes those caravan parks which also have residential sites as part of their product mix.

## 18.0 ECONOMIC IMPACT ASSESSMENT

### 18.1 Approach

The Economic Impact Assessment (EIA) section provides an understanding of the potential direct and indirect economic contribution associated with the development and operation of a lifestyle village of 73 homes.

In assessing the economic contribution and benefits, a customised Input-Output (IO) model was developed for this project, whereby a range of model drivers were developed to give an indication of the impacts in terms of output, value added activity, employment generated and wages and salaries paid.

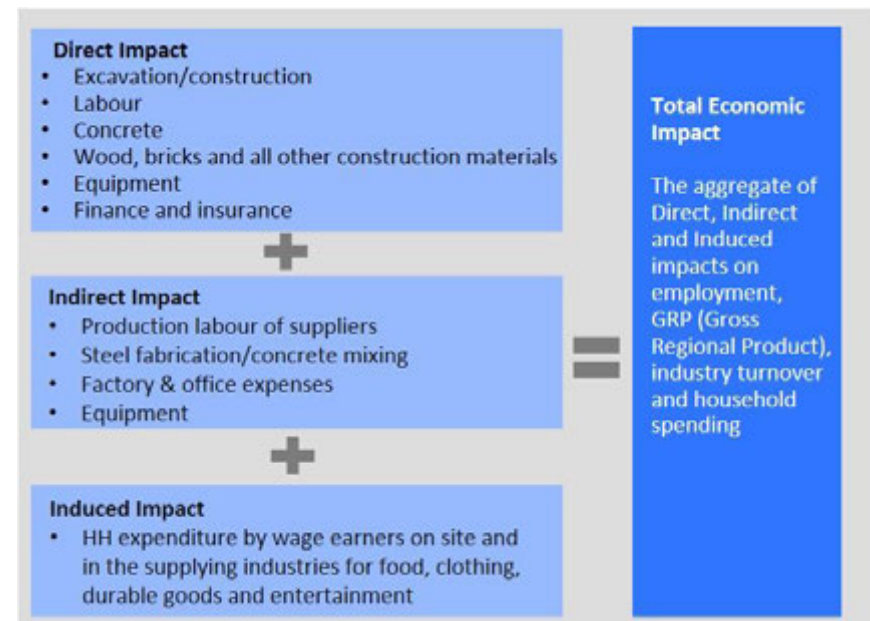
An IO model is a useful tool as a snapshot of the economic flows in the economy. The model can be used to provide estimates of the sensitivity of the size of the local economy and its components (measured by employment and value added) to changes within industries. An example might be a ten per cent increase in demand for full time equivalent (FTE) positions in Shire of Chittering and regional area during the construction phase of the project. This might lead to an increase in upstream activities, for example; local transport and haulage services and local contractors that sell their output to the project proponents. This sort of analysis can be used at the industry-wide level to estimate IO multipliers – that is; the total economy-wide impact on employment or output resulting from a change in one industry, taking into account the change in demand for the outputs of other industries.

### Composition of Economic Impact Assessments

The economic contribution of the project can be traced through the economic system via:

- **Direct impacts**, which are the first round of effects from direct operational expenditure on goods, labour and services directly used by the project; and
- **Indirect or flow-on impacts**, which comprise the second and subsequent round effects of increased purchases by suppliers in response to demand for their goods and services from the project.
- **Induced impact**, focuses on the expenditures made by workers involved in the project (both on-site and in supplying industries) and their families.

The diagram below illustrates this concept.



### Economic Impact Assessments

In assessing the economic contribution, it is necessary to identify and understand the mechanisms through which the development and operation of each of the project components would generate **additional** economic activity within the Shire of Chittering, then the State of WA. The Economic Impact Assessment consists of two distinct assessments;

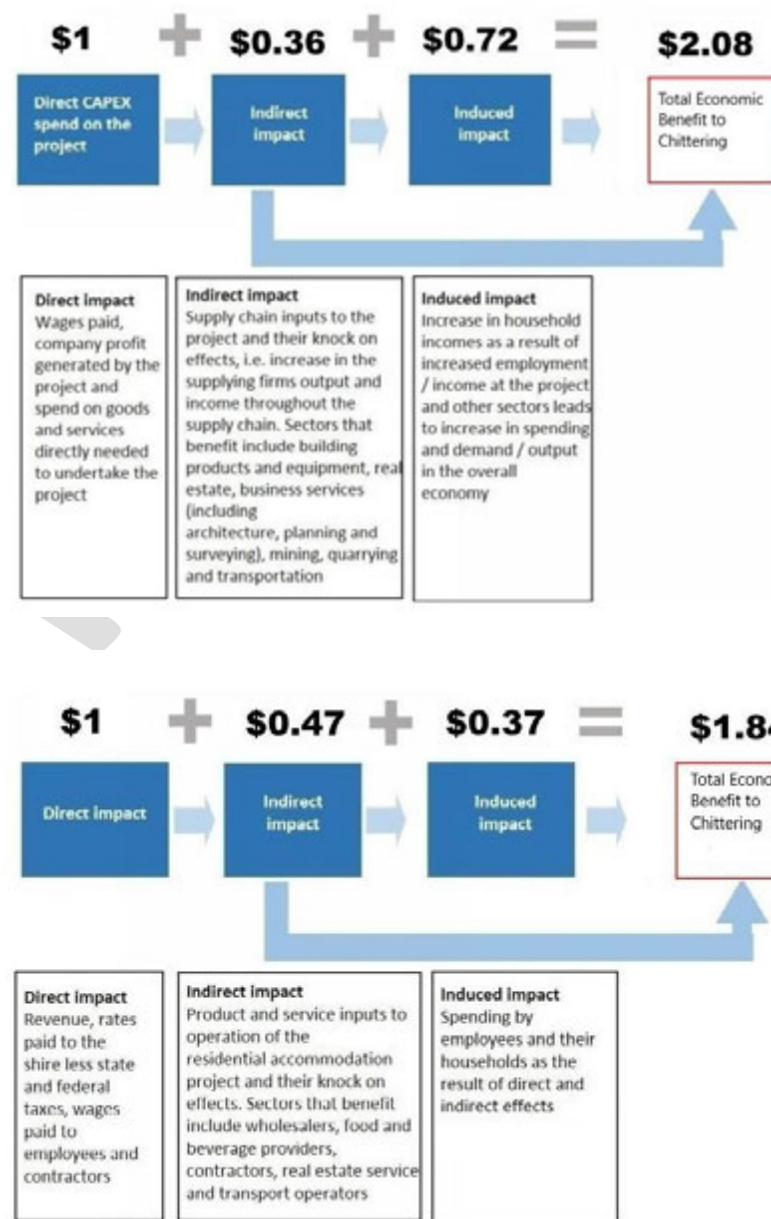
- **Construction Impacts;** The construction expenditure associated with the development locally and state;
- **Operational Impacts;** The employment wages, goods and services associated with the operation of the development locally and state.

The aggregate economic impact assessment of both the construction and operation components of the lifestyle village development, yields significant economic benefits to the Shire of Chittering and region.

Using ABS multipliers and a customised input-output table for the project; the capital expenditure (CAPEX) and operational expenditure (OPEX), on the construction and operation of the development, through the process of ‘flow-on’ spending from this outlay (i.e. indirect and induced impacts), we can estimate the impact of the construction of the project to the Shire of Chittering and State.

As per the tables adjacent:

- \$1 spent on construction output generates a total of \$2.08 in total economic activity (i.e. GRP to the Shire)
- \$1 spent on operations generates a total of \$1.84 in total economic activity (i.e. GRP increase)



## 18.2 State Economic Impact of the Construction Phase

Using the assumptions regarding cost components of construction phase, a capital expenditure of \$12.0 million (includes home costs) is estimated over a four-year period to complete the four project stages.

The economic impacts of the construction stage of the development of the Lifestyle Village project are estimated for both the local region and the Western Australian economy.

Not all the material, labour and services required during the construction phase will be available within the Chittering Shire, and will need to be sourced from elsewhere in WA, primarily Perth and the wider Metropolitan Region.

Given the nature of the development, it is understood that the value of material, labour and services required from interstate will be negligible. Retention of this expenditure in the regional and State economies has been estimated based on average industry import requirements for residential and non-residential construction activities.

The assumed proportions of the construction costs retained within Shire of Chittering region and WA are detailed in the table below:

Percentage of Construction Costs Retained Within the Region and State

Region	Total Construction Costs (\$M)	Percentage of Construction Costs Retained Within Region (%)	Construction Costs Retained Within Region (\$M)
Greater Chittering Region	\$12.0	30%	\$3.6
Western Australia	\$12.0	100%	\$12.0

It is estimated 30% of the total project construction costs will be retained in the Shire of Chittering region. This is because the home product is required to be built outside of the Chittering Shire given there are no modular home manufacturers within the Shire.



### 18.3 Operational Phase Indicators

#### Village Residents

The Association of Superannuation Funds Australia reports the annual costs for singles and couples to either:

- A **modest retirement** – which is better than relying on the Commonwealth governments Age Pension alone, but only allows for fairly basic activities.
- A **comfortable retirement** – which represents a good standard of living with enough to spend on a range of leisure activities and household goods, private health insurance, a reasonable car, good clothes and some travel

As detailed earlier in this report, given inability for purchasers to borrow for the lifestyle village home product, these two status cohorts represent the majority of the lifestyle village market. An estimate of their annual spend is below:

Based on ASFA research<sup>1</sup>, here are the estimated budgets for various households and living standards for people aged around 65.

*ASFA Retirement Standard for people aged between 65 and 84*

Living standard	Single annual cost	Couple annual cost
Modest	\$27,368	\$39,353
Comfortable	\$42,764	\$60,264

On a weekly basis, a single person needs around \$819.20 while a couple needs around \$1,154.49 for a comfortable retirement.

As you get older, the budgets change.

With these figures we can assume that a migration to Bindoon based on the availability of a new residential product for seniors, additional economic activity will be generated.

### Village Employees

Lifestyle village developments assumed to employ staff at a ratio of one employee per twenty-five homes. Applying this staffing ratio translates to a need for approximately 3 FTE to operate the development.

## 18.4 Potential Beneficial Impacts

### Employment

#### Construction Phase

---

From a direct employment perspective, there is additional employment associated with both the construction and post-construction phase of implementing the Project. It is estimated that the construction phase will support an additional 9 FTE jobs over the course of the project. As the worker requirements will ebb and flow over the course of construction, FTE requirements have been calculated by aggregating the anticipated period of employment for each worker. However, it is worth noting a portion of this demand is likely to be satisfied by workers who reside outside of the Chittering Shire.

#### Operational Phase

---

Upon completion of the construction phase, the Project will attract additional residential migration to the region. This new expenditure will also generate additional demand for goods and services locally, generating further employment. Those jobs generated will more likely draw from and be retained within the region's catchment in comparison to those employed during the

construction phase. In total, the implementation of the project across all four stages (construction and post-construction phases) has been estimated to support 8 FTE jobs in the greater Chittering region, through to the end of the projects life.

### Housing

Community wellbeing is enhanced where the housing needs of residents are met from within their financial means. An adequate supply of housing, including appropriate growth in the housing stock over time, helps to avoid short to medium term fluctuations in dwelling prices and rent levels, which has a positive effect on community wellbeing.

#### Construction Phase

---

The construction phase of the project has the potential to support a small number of workers to the local area from the wider regions. This increase in activity in the region has the potential to add to the demand for rented accommodation in the short-term. However, given the relatively small scale of the construction phase it is not expected that the project will significantly impact on inward migration and additional demand for housing in the construction phase.

#### Operational Phase

---

The Project will deliver significant affordable housing, an option not currently available in the area. It will significantly impact on inward migration and additional demand for housing.

### Social Beneficial Impacts

A summary of the impacts according to each factor is presented in the table below. The impacts are segregated into either the construction or operational phase of developing the Project.

#### Social Beneficial Impact Summary

Key Factor	Mechanism / Driver	Impact		Likelihood	Consequence
		Construction Phase	Operational Phase		
Work	Employment of local residents during the <b>construction phase</b>	Demand for construction based employment positions during the construction phase and subsequent improvements in local work travel distances	N/A	Possible	Minor
	Employment of local residents during the <b>operational phase</b>	N/A	Demand for industry related employment positions	Likely	Moderate

Key Factor	Mechanism / Driver	Impact		Likelihood	Consequence
		Construction Phase	Operational Phase		
Economic Resources	Increased incomes with associated flow-on expenditure	Increase in ability of residents to satisfy needs	N/A	Possible	Minor
	Increased incomes with associated flow-on expenditure	N/A	Increase in ability of residents to satisfy needs	Likely	Moderate
Housing	Increase in demand for housing during <b>construction</b>	Demand for short-term accommodation from construction workers	N/A	Possible	Minor
	Provision of affordable housing options	N/A	Acts towards relieving prices	Likely	Major
	Provision of permanent accommodation	N/A	Increase in security of accommodation and choice	Likely	Major

## 19.0 SUMMARY

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The proposed lifestyle village project is a project worthy of further consideration for the Shire of Chittering to determine if there is a willing commercial partner to form a strategic commercial relationship with. Additionally, further assessment of the dual use design concept incorporating the caravan park development on the same amalgamated land parcel, is worthy of consideration.

There are indications of latent demand for an affordable housing development aimed at the seniors cohort within the Shire of Chittering. To validate this demand, thorough assessment of the competitive market is also essential to mitigate market cannibalisation within the broader region.

## 20.0 APPENDICES

---

1. A3 site layout and staging plan – concept 1
2. A3 site layout - dual use concept

DRAFT





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No.	Description	Date

SHIRE OF CHITTERING	
BINDOON LIFESTYLE VILLAGE	
Great Northern Hwy Bindoon WA 6502	
SITE PLAN	
Project number	-
Date	180613
Drawn by	RHA
Checked by	RHA
A002	
Scale @ A2	1 : 1000



DEVELOPMENT STAGES

STAGE 01	10 SITES
STAGE 02	13 SITES
STAGE 03	9 SITES
STAGE 04	14 SITES
STAGE 05	16 SITES
STAGE 06	11 SITES

TOTAL	73 SITES
-------	----------



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Project number	-
Date	180613
Drawn by	RHA
Checked by	RHA
A002	
Scale @ A2	1 : 1000









### **Request for Fee Proposal**

#### **WATERWATER TREATMENT AND DISPOSAL FOR A PROPOSED CARAVAN PARK AND LIFESTYLE VILLAGE AT LOTS 88 AND 89 WOOLAH RISE, BINDOON.**

The Shire of Chittering intends to invite suitably qualified and experienced consultants to submit a fee proposal for the preliminary assessment of wastewater treatment and disposal options associated with the development of a caravan park and lifestyle (park home) village in the Bindoon town site. It is proposed that the caravan park will consist of 30 sites and the lifestyle village will consist of 119 dwellings of either 2 or 3 bedrooms (predominately 2 bedrooms). A schematic of a possible development is attached along with a location map.

The village will be managed as an “over 50’s” facility with residents owning their home (modular dwelling) but with the entire development remaining on a single parcel of land. Under the management arrangements, residents will pay a lease for the land and the maintenance of common facilities. Apart from casual visitation, the average occupancy will be two residents per unit. Families will not be permitted to reside in the development.

The site is approximately 16 hectares and consists of a heavy soil profile with a moderate downslope. It is located close to the Brockman River in a sewage sensitive location determined under the Draft Government Sewerage Policy 2016.

Consultants are requested to provide a quotation for conducting a site and soil evaluation for the site in accordance with the relevant requirements of:

- AS/NZS 1547:2012 On-site domestic wastewater management (refer to appendix D and Table 5.1);
- Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations 1974;
- Draft Government Sewerage Policy 2016;
- Environmental Protection Regulations 1987 (prescribed premise Category 85); and
- Caravan Parks and Camping Grounds Act 1995 and the Caravan Parks and Camping Grounds Regulations 1997.

It is envisaged that the development and all infrastructure including the wastewater treatment and disposal system will be on the one lot after amalgamation and therefore will not require ERA licensing. It is estimated that the daily wastewater loading rate will be approximately 45 KL.

In addition to the soils and site evaluation as noted above, the successful consultants will also be required to:

- demonstrate the capability of onsite effluent disposal, noting the requirement to consider soil absorption and dispersal during the winter months;
- assess permissible residential densities in accordance with relevant statutory provisions, noting that the development is effectively a caravan park / park-home development on a single lot;
- develop high level options/concepts for the disposal of treated wastewater including for example:
  - a decentralised system which treats and disposes of water from small groups of houses (say 5-10);



- a centralised system which treats wastewater from the whole site and a suitable effluent disposal system;
  - options for re-us of treated wastewater, either on the site or on adjacent public land; and
  - options for scalable treatment facilities (noting that the lifestyle village will most likely be developed over a ten year period).
- recommend a preferred wastewater treatment concept for the site (noting that there may be more than one) and suitable effluent disposal system based on an analysis of the most cost effective option considering:
  - up-front capital costs,
  - whole of life cost,
  - ease of maintenance and operation,
  - options for the beneficial re-use of treated effluent.
- if necessary, recommend a revised layout for the development which makes best use of the site soil conditions; and
- produce a summary document of viable options which can be distributed to prospective investors.

It should be noted that:

- a detailed design is not required at this stage, however sufficient information is necessary to enable investors to understand the potential options and to de-risk the issue of effluent disposal; and
- the Shire has available for review, a geotechnical investigation for the site conducted in 2005, which may assist in providing relevant background information regarding existing soil conditions.

Further information can be obtained from:

Glenn Sargeson

Principal Environmental Health Officer

95764614 [eho@chittering.wa.gov.au](mailto:eho@chittering.wa.gov.au)

### SHIRE OF CHITTERING REGIONAL SPORTS & COMMUNITY CENTRE

The need for a Regional Sport and Recreation Facility for the Shire of Chittering has been the subject of numerous reports which commenced in early 2016.

The first stage of the project saw an extensive Feasibility Study undertaken by Jill Powell and Associates, Paterson Group Architects, Porter Engineering and APP.

The initial report Phase One concentrated on five key areas of investigation and included:

- **Review of Previous Reports and existing information**  
The review highlighted the need for additional facilities to cater for the increase in population within the Shire
- **Development of a social profile**
  - ⇒ The demography of the study area (Shire of Chittering) as at the 2011 Census indicates that the population comprises 4,428 people, with a distribution of 50.8% male to 49.2% female.
  - ⇒ A total of 47.2% of the population are under 39 years of age which, when one compares this to the participation trends, would indicate that the study area has a highly active community
  - ⇒ The Shire of Chittering, based on the median band projections is expected to have an increase in population to 7,290 by 2026
- **Assessment of participation trends and statistics**  
The top ten activities by participation rates are:
  - Walking for exercise
  - Fitness/Gym
  - Jogging/Running
  - Swimming/Diving
  - Cycling/BMX
  - Golf
  - Tennis (indoor and outdoor)
  - Soccer (outdoor)
  - Netball (indoor and outdoor)
  - Basketball (indoor and outdoor)

The activities highlighted above cannot be undertaken within the Shire due to a lack of facilities.

These participation rates will be utilised to assist in the development of functional areas to ensure they cater for the participation of the community in relevant activities.

- **Facility inventory condition and use**  
It is clear that in terms of volume of facilities the Shire of Chittering is reasonably serviced, in that most sports wishing to participate have a facility. It should be noted that not all sports are active in the area and, whilst it could be that there is no demand, the lack of facilities could limit people's choices. However the quality and location of some facilities needs some attention.

Gaps in service provision are evident in terms of a senior sized oval as currently no senior cricket or football can be played within the shire, additionally there are no spaces for indoor sport or fitness gym equipment.

- Community Consultation  
An extensive consultation was undertaken to gauge community needs including:
  - Random community survey to 500 households
  - Clubs and organised community groups survey
  - Advertisement in newsletter for public submissions
  - Public workshops
    - 2x Bindoon One day time and one evening
    - 2 x Muchea One day time and one evening
    - 1 x Lower Chittering on a Saturday

Phase two of the project centred on five key areas of enquiry, these being

- Development of site plans and floor plans
- Engineering Service Assessment
- Risk Analysis
- Usage and Management analysis
- Capital costs for the development

Each of these avenues of enquiry addressed the specific requirements of the project brief as well as additional information where it was considered necessary.

Some common elements were highlighted and considered for inclusion in any proposed redevelopment.

These elements include:

- Sporting Ovals (Senior)
- Gymnasium/Fitness Area
- Sportsman's Clubhouse/kitchen/functions
- Children's Activity Centre
- Multi use courts
- Multipurpose centre

Further work was undertaken to look at the potential staging of the development and modification of the initial plans to ensure affordability and viability moving forward.

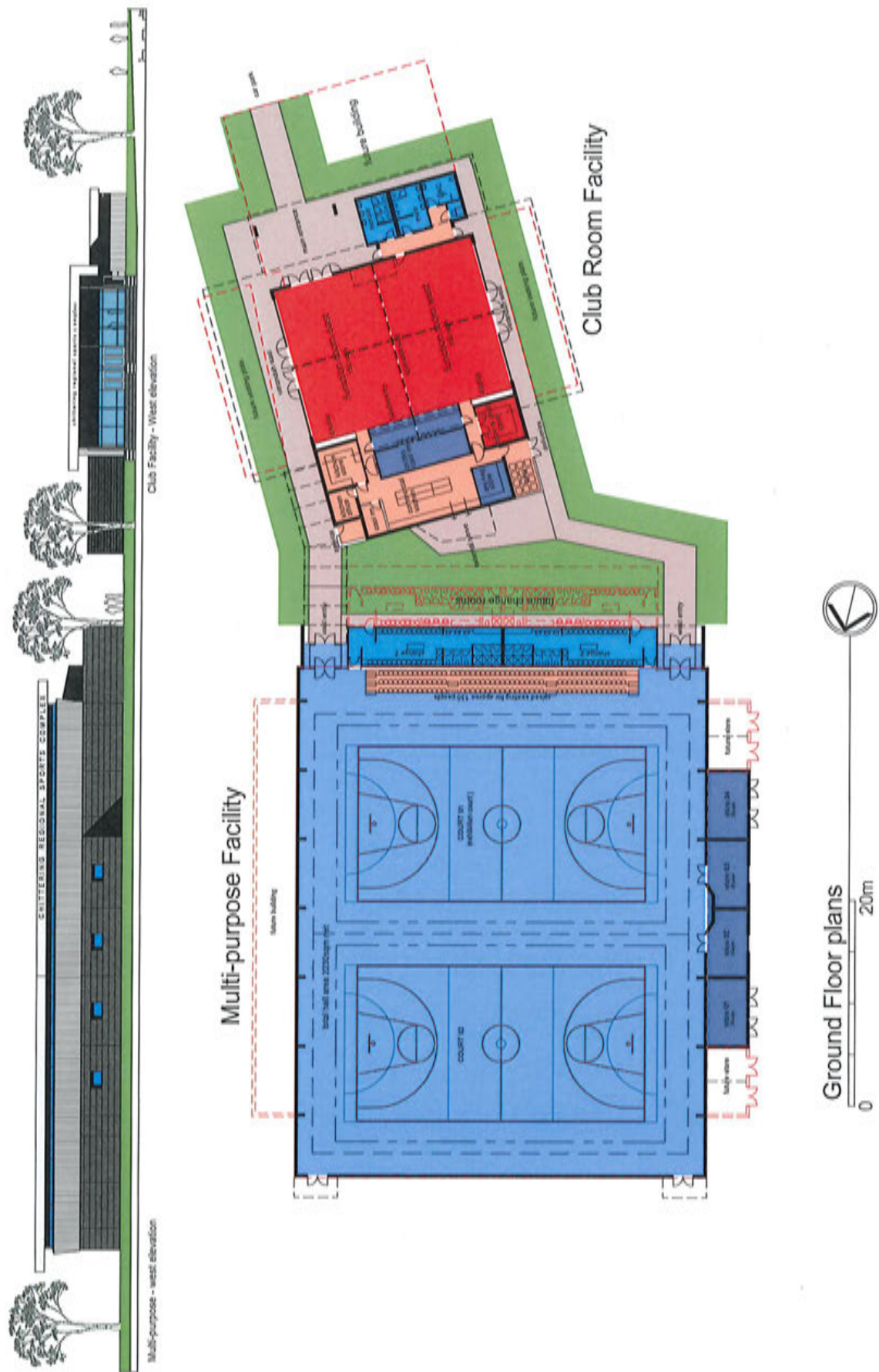
Subsequent to these plans discussions have been entered into with the Immaculate Heart School which has identified the potential for a land swap to allow for an integrated development to service both the school and the community.















## Item 9.4.6

## Cost Plan No.2



**Project:** Chittering Sports Complex  
**Building:** Stage 1

**Details:** Budget

Auto code	Description	Quantity	Unit	Rate	Total
	<b>Stage 1</b>				
1	Clubhouse	568.2	m2	3,400.00	1,931,778
2	Multi-purpose Hall	2,215.9	m2	1,650.00	3,656,219
3	Rugby/Hockey pitch - Stolons, retic, drainage	9,314.4	m2	24.00	223,545
					<b>5,811,541</b>
	<b>External Works</b>				
4	Roads and car parking	4,254.0	m2	110.00	467,940
5	Pedestrian paving	631.3	m2	95.00	59,975
6	Pergola over walkway	50.0	m2	165.00	8,250
7	Wayfinding and signage	1.0	Item	30,000.00	30,000
8	Landscaping provision	3,000.0	m2	17.00	51,000
					<b>617,165</b>
	<b>Siteworks</b>				
9	Top soil strip	8,714.0	m3	5.00	43,570
10	Site filling	10,220.0	m3	30.00	306,600
11	Excavation	2,500.0	m3	35.00	87,500
12	Open drain diversion	430.0	m3	35.00	15,050
13	Sundry site works	1.0	Item	115,000.00	115,000
					<b>567,720</b>
	<b>External Services</b>				
14	Stormwater system	1.0	Item	80,000.00	80,000
15	On-site sewer	1.0	Item	50,000.00	50,000
16	External fire service	1.0	Item	45,000.00	45,000
17	External water service	1.0	Item	25,000.00	25,000
18	Water tanks and pumps	1.0	Item	65,000.00	65,000
19	Fire tanks and pumps	1.0	Item	300,000.00	300,000
20	External communications	1.0	Item	25,000.00	25,000
21	External electrical - MSB, lighting, etc	1.0	Item	40,000.00	40,000
					<b>630,000</b>
	<b>Total Construction Cost</b>				<b>7,626,427</b>
	<b>Budget Items</b>				
22	Design contingency	10.0	%		762,643
23	Construction contingency	5.0	%		381,321
24	Provision for headworks				100,000

## Item 9.4.6

## Cost Plan No.2

**Project:** Chittering Sports Complex**Details:** Budget**Building:** Stage 1

Auto code	Description	Quantity	Unit	Rate	Total
25	Allowance for professional fees	10.0	%		838,907
26	Escalation povision - Excluded	0.0	%		0
27					
	<b>Total Current Cost Budget - Stage 1a</b>				<b>9,709,298</b>
28	GST	10.0	%		970,930
<b>GFA: 0.00 m2</b>					<b>10,680,228</b>





## Lower Chittering Sports Complex Business Case

*Prepared for*

**Shire of Chittering**

**September 2018**



# lucid

/ˈluːsɪd/

*adjective*

**1. expressed clearly; easy to understand**

**2. bright or luminous**



## Document Control

Job Name: CHITTERING – Sports Facility  
 Client: Shire of Chittering  
 Client Contact: Alan Sheridan

### Version Control

Version	Date	Authorisation
Draft v1	10/9/18	MC

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## Executive Summary

---

### Background

Lucid Economics Pty Ltd (Lucid Economics) has been engaged by the Shire of Chittering to develop a business case for the future development of the Lower Chittering Sports Complex.

The Lower Chittering Sports Complex will provide important community infrastructure for the rapidly growing population as well as important sport and recreational infrastructure for the Immaculate Heart College, located directly adjacent to the sports complex. The facility will be jointly run by both the Shire and the College, providing maximum utilisation and minimised costs for the community (the Shire).

The development of the Lower Chittering Sports Complex involves a land transaction that includes a proposal to sell 3 ha of the site (owned by Council), considered as surplus, to the Immaculate Heart College for school expansion with the funds from the sale being used to contribute towards the development costs of the Sports Complex.

### Facility Need

The residents of the Shire of Chittering currently lack a variety of sport and recreation infrastructure, including a seniors oval and rugby field. While over half of the residents are estimated to participate in sports and physical activity, many of the most popular activities are not possible within the Shire, requiring local residents to drive, sometimes up to an hour one way, to access infrastructure.

In 2016, a detailed feasibility study (*Regional Sports & Community Centre Feasibility Study*) was carried out by Jill Powell & Associates for the Shire of Chittering. As part of this study, a detailed assessment of all current recreational facilities was completed and found:

- The Shire of Chittering is reasonably serviced in terms of the volume of facilities, however, the quality and location of some facilities needs some attention.
- There are a number of gaps in terms of facilities, including:
  - Senior sized oval (no cricket nor football can be played in the Shire)
  - Indoor Sports Centre
  - Fitness/gym Centre
- Most existing facilities are operating at capacity, limiting the Shire's ability to service the future expected population.
- Additional facilities will be required within the Muchea/Lower Chittering area with the additional expected population growth in this area.

Detailed community consultation was also carried out as part of the study. 88% of residents feel that additional facilities are required. A senior oval and indoor recreation centre featured as priorities for the community.

### Lower Chittering Sports Complex

The Lower Chittering Sports Complex will be completed across three separate stages. Stage 1 (highlighted below, Figure E.1) will include a Multipurpose Centre, Club Facility and a seniors rugby/hockey field. Stages 2 and 3 will include a seniors oval as well as a number of outdoor courts. The Multipurpose Centre will include two indoor courts and associated seating. The Club Facility will include a variety of function rooms, commercial kitchen and other associated areas (Figure E.2).

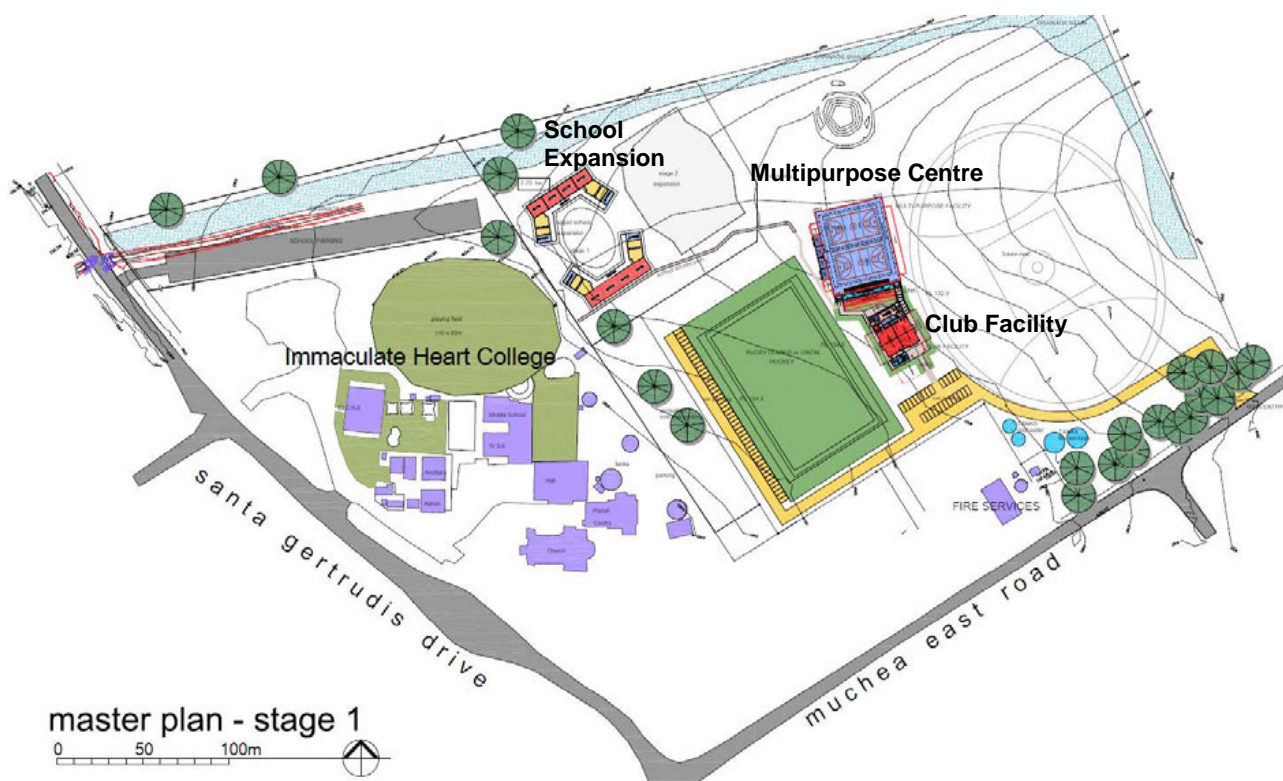
Combined, Stage 1 of the development will include 2,784 sqm of space and cost an estimated \$9.7 million.

As highlighted in the master plan, the Immaculate Heart College will develop its secondary school adjacent to the Lower Chittering Sports Complex and have access to this facility.

The development of the Lower Chittering Sports Complex strongly aligns to a number of policy and strategic documents across various levels of Government, including:

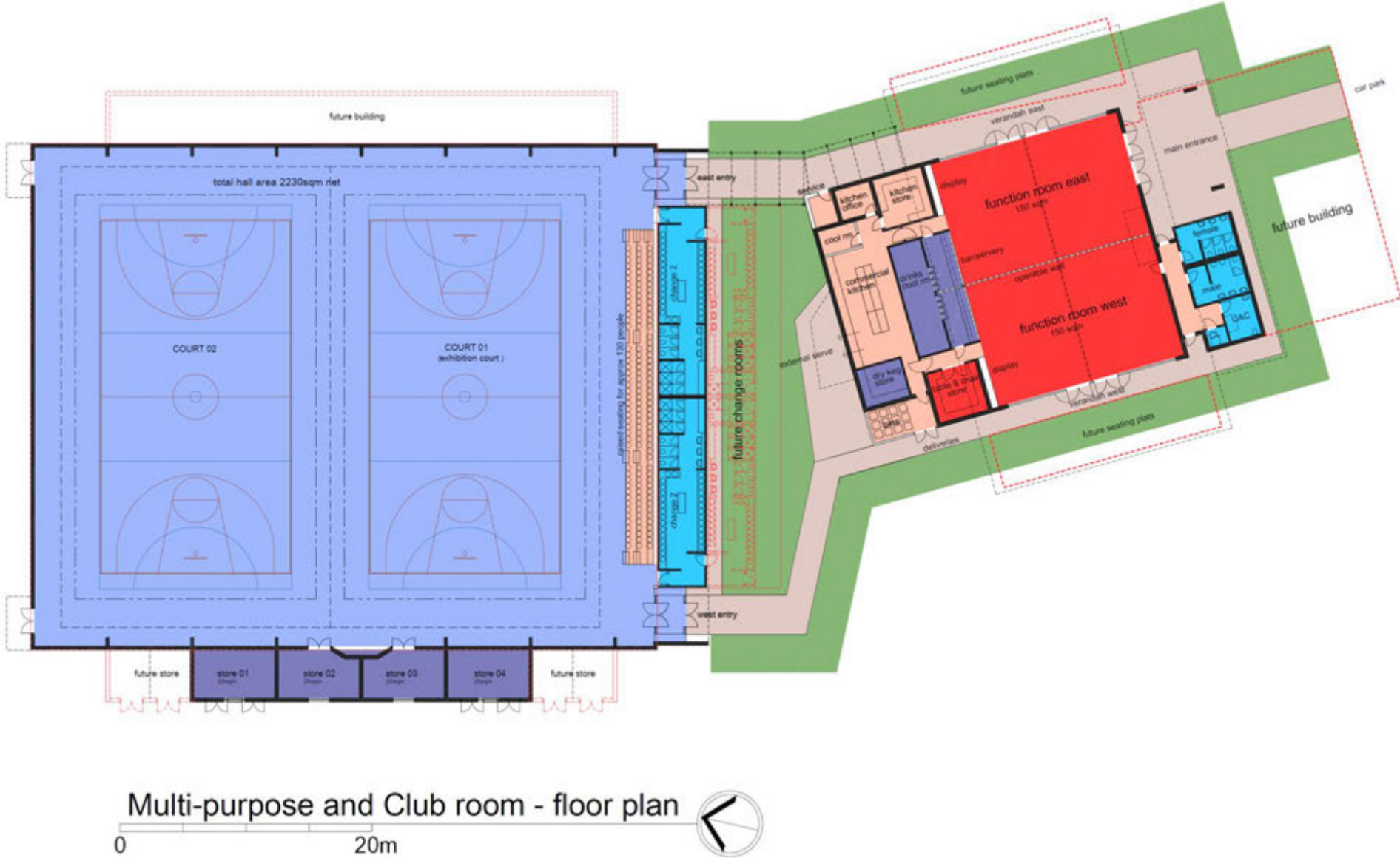
- Shire of Chittering Community Strategic Plan 2017-2027
- Shire of Chittering Community Development Plan (2014-2024)
- Shire of Chittering Sport and Recreation Plan (2012-2022)
- WA Department of Sport and Recreation Strategic Plan (2016-2018)
- WA Strategic Directions for the WA Sport and Recreation Industry (2016-2020)
- WA Department of Sport and Recreation – Sport and Recreation and Public Health (2016)
- Sport 2030 – National Sports Plan

Figure E.1: Master Plan Lower Chittering Sports Complex (Stage 1)



Source: Peter Hunt (2018)

Figure E.2: Multipurpose Centre and Club Facility, Lower Chittering Sports Complex (Stage 1)



Source: Peter Hunt (2018)

## Economic Impact

The construction of the Lower Chittering Sports Complex is expected to create a total of 22 jobs in the Shire and contribute \$4.69 million to Gross Regional Product (GRP). The operation of the project will result in a total (direct and indirect) increase in GRP of \$2.06 million and create a total (direct and indirect) of 20 jobs on an annual basis.

**Table E.1: Economic Impact of the Lower Chittering Sports Complex, Construction Phase (2018\$)**

	Gross State Product (\$m)	Employment (No.)
Direct	\$2.20	8
Indirect	\$2.49	14
<b>Total</b>	<b>\$4.69</b>	<b>22</b>

Notes: Employment expressed as full-time equivalent (FTE) positions.

Source: Lucid Economics

**Table E.2: Economic Impact of the Lower Chittering Sports Complex, Operational Phase (2018\$)**

	Gross Regional Product (\$m)	Employment (No.)
Direct	\$0.76	11
Indirect	\$1.30	9
<b>Total</b>	<b>\$2.06</b>	<b>20</b>

Notes: Employment expressed as full-time equivalent (FTE) positions.

Source: Lucid Economics

Beyond these quantifiable economic benefits, there would be numerous additional benefits, for the Shire of Chittering community, including:

- **Population Attraction:** the new facilities (combined with the expansion of the Immaculate Heart College) will act to attract future residents to the community, helping to grow the area and maintain a vibrant community.
- **Redistribution of Savings:** through joint operation of the Lower Chittering Sports Complex, the Shire of Chittering will save money that would have otherwise have to be spent. These savings can be deployed elsewhere in the community, providing additional benefits.
- **Increased Community Wellbeing:** health, sports and leisure activities is an important facet of community wellbeing, not only through the positive physical health benefits, but also through numerous mental health benefits as well. Community pride and community cohesion would also be enhanced through this project.
- **Increased participation in sport and recreation:** according to the Department of Sport and Recreation Annual Report 2016/17, the provision of facilities leads to an increase in physical activity levels and participation in physical activity. Increased participation in sport and recreation will make individuals, families and the community healthier. Evidence from other communities has shown a dramatic increase in club participation once new facilities are delivered locally. Some club memberships have grown by 200% to 300%.
- **Health benefits:** there are numerous individual and community health benefits that the new facilities would support. Healthier people provide lower cost and lower burden for the public health system.



## Cost-Benefit Assessment

A cost-benefit assessment has demonstrated that the Lower Chittering Sports Complex provides a net community benefit. The provision of health benefits for the local community is a key benefit of the facility.

Table E.3 Present Values of Costs and Benefits, Lower Chittering Sports Complex, 2018/19 – 2058/59 (\$m)

	Discount Rate (4%)	Discount Rate (7%)	Discount Rate (10%)
<b>Benefits</b>			
Operational Revenues	\$12.10	\$8.20	\$6.03
Operational Cost Savings	\$7.04	\$4.77	\$3.51
Health Benefits	\$17.66	\$10.98	\$7.54
Total Benefits	\$36.80	\$23.94	\$17.08
<b>Costs</b>			
Construction Cost	\$9.34	\$9.07	\$8.83
Maintenance	\$2.24	\$1.52	\$1.12
Operational Expenditure	\$11.83	\$8.01	\$5.89
Total Costs	\$23.41	\$18.60	\$15.84
<b>Net Present Value</b>			
NPV	\$13.39	\$5.33	\$1.24
<b>Benefit to Cost Ratio</b>			
BCR	1.6	1.3	1.1

Source: Lucid Economics

**At the selected real discount rate of 7% for this project, the analysis yields a Benefit to Cost Ratio (BCR) of 1.3 meaning that it is economically desirable and provides a net benefit.** Even at the higher discount rate of 10%, the project still yields a positive NPV and BCR.

Under the baseline scenario (without project scenario), none of the identified benefits would be captured nor any of the costs incurred. As such, the scenario with the project provides positive economic and social benefits. Sensitivity analysis has shown that with variations in various project assumptions of +/- 30%, the project maintains a positive NPV and a BCR over one, demonstrating the strength of the project.

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# 1. Introduction

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Lucid Economics Pty Ltd (Lucid Economics) has been engaged by the Shire of Chittering to develop a business case for the future development of the Lower Chittering Sports Complex.

The Shire of Chittering is one of the fastest growing local government areas in Western Australia and is situated approximately one hour from Perth. Over a number of years, there has been anecdotal evidence of local families travelling great distances to access sporting facilities. In 2016, a detailed feasibility study was completed on behalf of the Shire, which included a review of existing facilities and strategies, a demand assessment as well as considerable community consultation. The study clearly showed the requirement for new sporting facilities to support the current and future population of the Shire.

The Shire currently manages Public Open Space Reserve 52220 which is a 10.1 ha site adjacent to the Immaculate Heart College located at the junction of Santa Gertrudis Drive and Muchea East Road in Lower Chittering, which has been identified for future recreational development. As a result of the feasibility study, initial plans were drawn up for the required sporting facilities on this site.

At the same time (and in parallel), the Immaculate Heart College has been in the process of expanding to offer a high school in addition to the existing primary school (full K-12 grades). In order to support its forecasted growth, the Immaculate Heart College purchased two sites (combined 5.1 ha) across Santa Gertrudis Dr. The provision of sporting facilities for the high school is an important facet of attracting students and being able to provide a well-rounded and full curriculum of activities. As such, the Immaculate Heart College had plans to develop various sporting infrastructure on its expansion site to support its high school development.

As a part of the Shire's consultation, closer discussions with the Immaculate Heart College began and from these discussions a more comprehensive, efficient and safer plan was created. The revised plan would see the Shire sell approximately 3 ha (of its 10.1 ha site) to the College for its planned future expansion needs. The resultant proceeds from the sale would be used towards the cost of developing the Lower Chittering Sports Complex. Additionally, instead of two separate sporting facilities being developed across the street from each other, a single sporting complex to suit both the needs of the community (the Shire) and the College has been envisioned.

For the College, having both the high school and the primary school (and supporting facilities) on one site without the need to cross a busy local road provides a much safer and better outcome. For the Shire, the potential to jointly operate the sporting complex provides a more efficient operating model, saving the Shire (and the community) money. As the feasibility study showed, the majority of usage for the community would take place outside of school hours and the majority of the College's usage would take place during the day, so having a common, multiuser facility provides mutual benefits to all stakeholders.

This joint sporting complex is now the accepted vision for both the Shire and the College.

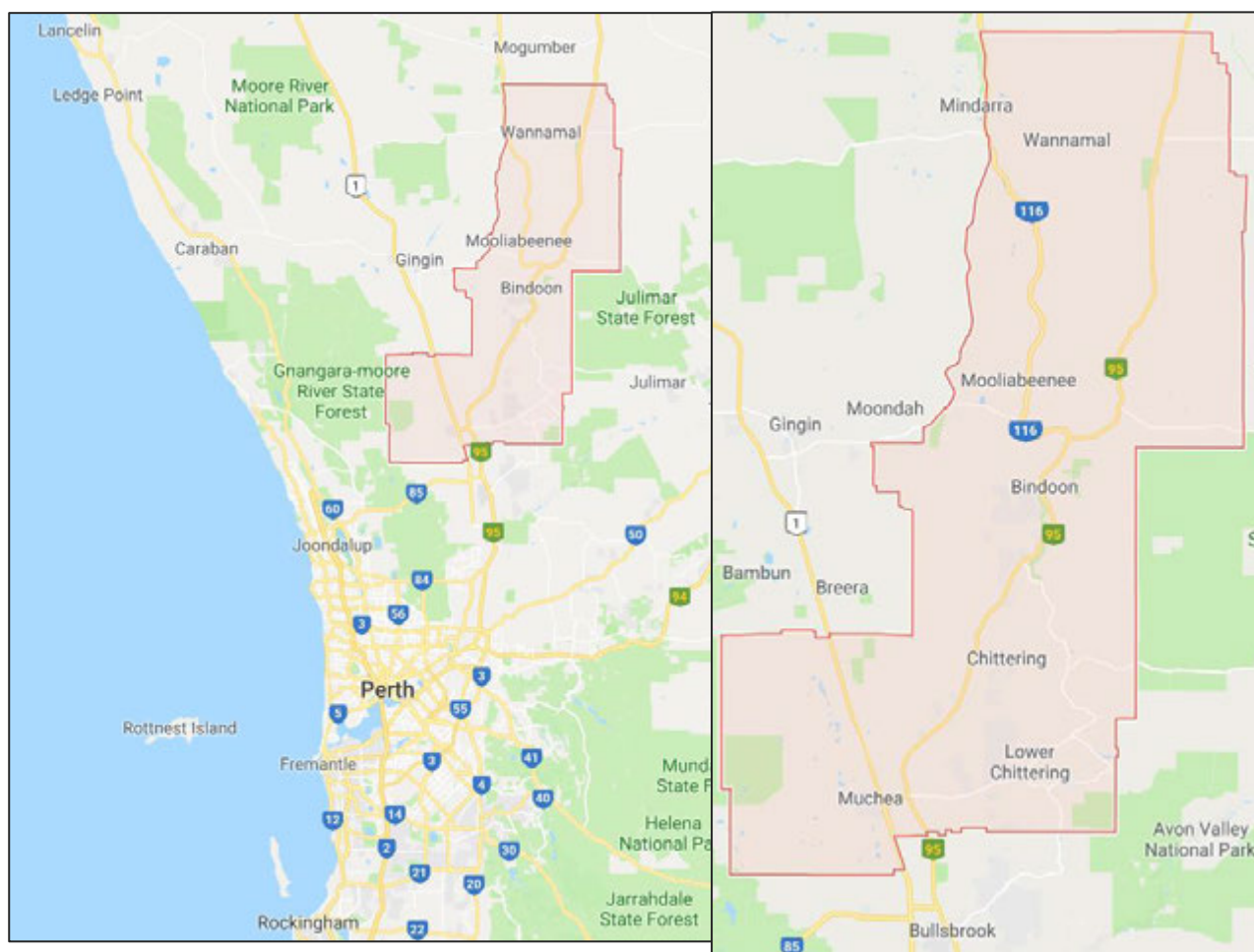
This assessment provides an economic impact assessment and cost-benefit assessment of the project to identify and measure all future costs and benefits of the sporting complex over time. This assessment has been conducted in accordance with relevant guidelines from the State and Federal Government.

## 2. Local Environment

### 2.1 Overview

The Shire of Chittering is located in the southern portion of the Wheatbelt region, adjacent to the Perth and Peel Metropolitan Region. The main towns in the Shire include Bindoon, Chittering, Lower Chittering, Mooliabeenee, Muchea and Wannamal. The southern portion of the Shire (Muchea and Lower Chittering) are approximately 1 hours' drive from Perth and have experienced strong population growth in line with communities in the North-East growth corridor, such as Ellenbrook and Bullsbrook.

Figure 2.1: Shire of Chittering



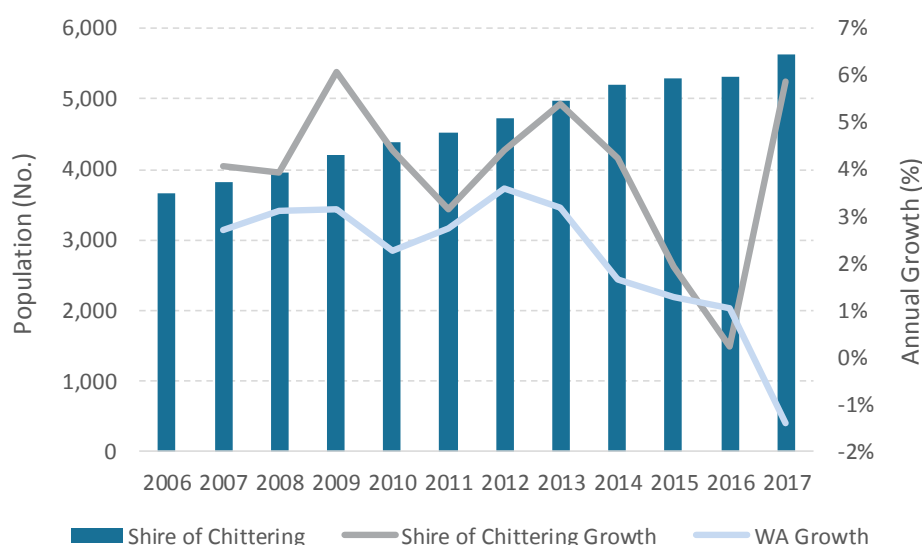
Source: Google Maps

## 2.2 Population and Demographics

The population of the Shire of Chittering was 5,623 in 2017 and since 2006 has grown at an average rate of 4% per year, which has consistently outpaced population growth across the State (Figure 2.2). Based on the latest population forecasts from the WA Planning Commission, the high growth rate of the Shire is expected to continue, with the population estimated to reach 8,500 people by 2031, an increase of over 50% (Figure 2.3). As recent population growth has outpaced forecasted growth from 2015, it is possible that the population could increase beyond these levels.

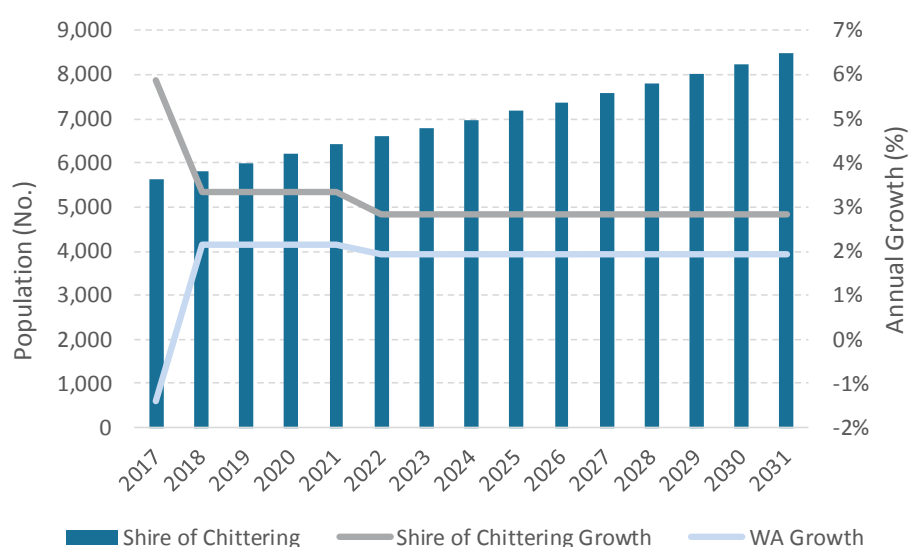
In order to service the current and future population, the Shire of Chittering has to provide suitable recreational opportunities and facilities to cater for its growing population.

Figure 2.2: Historical Population, Shire of Chittering



Source: ABS (2018)

Figure 2.3: Future Estimated Population, Shire of Chittering



Source: ABS (2018); WA Tomorrow (2015); Lucid Economics

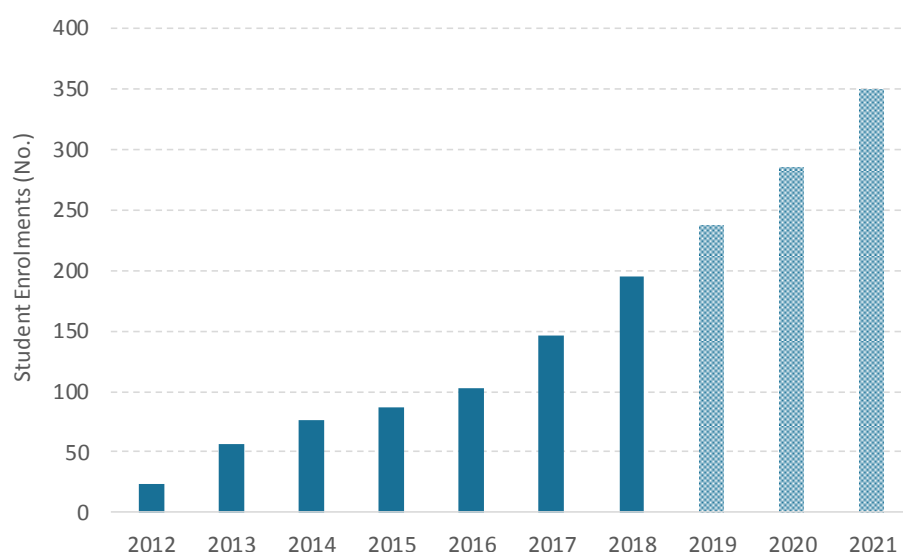


## 2.3 Immaculate Heart College

Immaculate Heart College is an Independent, co-educational, Catholic school that started in 2012. The College is located on Santa Gertrudis Drive off of Muchea East Road in Lower Chittering. The catchment for the College is large and expands well beyond the boundary of the Shire of Chittering servicing families spanning from Gin Gin in the West to West Toodyay in the East and Bullsbrook in the South.

Student numbers have grown rapidly since 2012 and the College is currently in the process of developing a Secondary School. By 2021, the College will operate as a K-12 school and have an estimated enrolment of 350 students (Figure 2.4).

Figure 2.4: Student Enrolments, Immaculate Heart College



Source: Immaculate Heart College (2018)

As part of the shift to the provision of a full K-12 student experience, the College will need to expand its current educational facilities as well as its recreational facilities. The provision of adequate sports and recreational facilities for Secondary School students (i.e. Year 9- Year 12) will be critical in the delivery of a well-rounded and enriching curriculum. Having sporting facilities suitable for this older age group of children will also increase the attractiveness of the College to both parents and students, positively contributing to the College attracting the future projected student enrolments.

In order to meet its projected growth, the Immaculate Heart College will have to expand its sporting and recreational facilities.

## 2.4 Infrastructure Improvements

Northlink WA is an \$1.12 billion investment by the State and Federal Government to establish a significant 50km road transport corridor that will allow for a direct freight connection between Muchea and Kewdale, freeing up congestion along the Great Northern Highway. Additionally, Northlink WA will provide a significant increase in access for identified northern industrial areas including the Muchea Industrial Estate and the North Ellenbrook and South Bullsbrook Industrial Areas. Combined, these areas offer 3,600 ha of future industrial land that is strategically located at the northern intersections of Northlink WA.

This considerable economic capacity combined with the strategic access to Northlink WA will drive future investment and job growth over the coming decades. As businesses establish in these areas, many of the workers will likely seek to live close to where they work, which will translate to a further increase in population for the southern portion of the Shire of Chittering, increasing pressure on existing (and future) community infrastructure, such as sporting and recreational facilities.

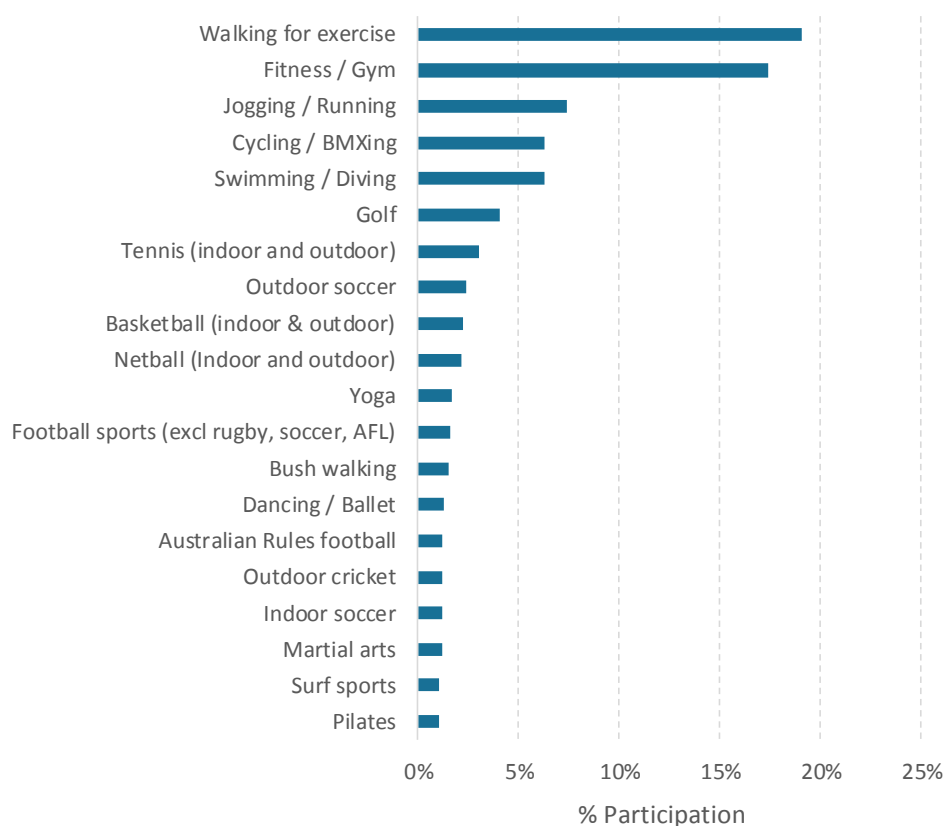
### 3. Community Need

#### 3.1 Demand for Recreation

Based on ABS information, over half of the population in the Shire of Chittering participates in sport and physical recreation. The top twenty activities are highlighted in Figure 3.1 (ABS, 2015a).

As highlighted in Section 2.2, the population of the Shire of Chittering is likely to grow by 50% by 2031, which means that demand for recreational facilities will continue to grow. There is already anecdotal evidence of families travelling up to an hour (one-way) to access sporting facilities in Perth.

Figure 3.1: Top 20 Sport and Recreational Activities



Source: ABS (2015a)

Many of the identified activities above (Figure 3.1) are not currently possible in the Shire of Chittering due to lack of facilities.

### 3.2 Supply of Recreational Facilities

In 2016, a detailed feasibility study (*Regional Sports & Community Centre Feasibility Study*) was carried out by Jill Powell & Associates for the Shire of Chittering. As part of this study, a detailed assessment of all current recreational facilities was completed.

The study found:

- The Shire of Chittering is reasonably serviced in terms of the volume of facilities, however, the quality and location of some facilities needs some attention.
- There are a number of gaps in terms of facilities, including:
  - Senior sized oval (no cricket nor football can be played in the Shire)
  - Indoor Sports Centre
  - Fitness/gym Centre
- Most existing facilities are operating at capacity, limiting the Shire's ability to service the future expected population.
- Additional facilities will be required within the Muchea/Lower Chittering area with the additional expected population growth in this area.

These findings were further acknowledged through a benchmarking assessment with other similar towns. In particular, the lack of a senior oval for cricket and football as well as the lack of an indoor sports centre were highlighted.

### 3.3 Community Consultation

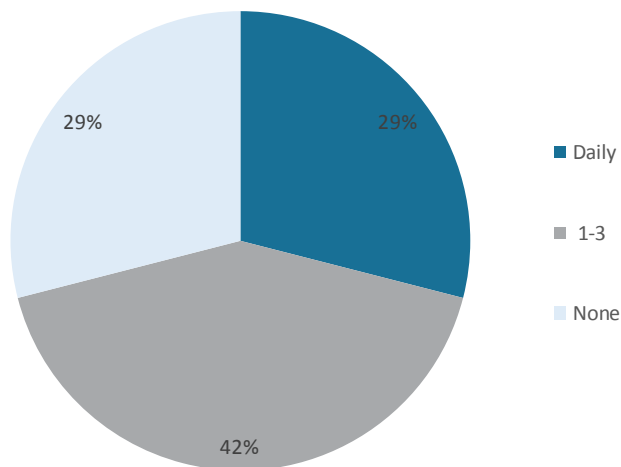
As part of the *Regional Sports & Community Centre Feasibility Study* (July 2016) a community consultation survey was conducted.

As highlighted in Figure 3.2, the survey found that the participation rate in sports and recreation in the Shire of Chittering was 71%, well above the 50% participation from the ABS survey in 2013-14. Additionally, the survey found that there was a high degree of home based activity and informal activities (both indoor and outdoor), which combined represented two-thirds of the activities undertaken by residents. Formal outdoor activities (such as football, cricket, etc.) as well as formal indoor activities represented 11% and 4% of activities of residents (Figure 3.3). These relatively underutilised activities may be associated with the lack of appropriate facilities (i.e. indoor recreational facility and seniors oval).

Overall, the survey found that 88% of residents agreed with the statement 'is there a need for more facilities' (Jill Powell & Associates, 2016). The survey also asked residents to identify the required facilities and overall, an indoor recreational facility was identified by most residents as the top priority. A seniors centre was ranked second and a fitness studio/gym was identified as the third highest priority (Figure 3.4).

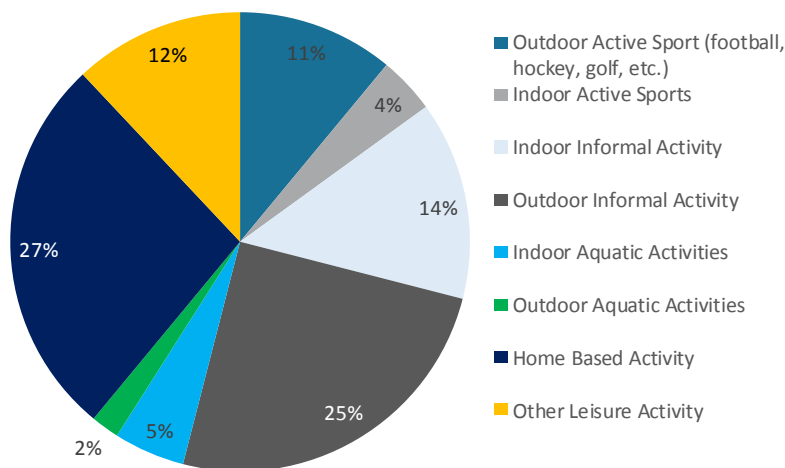
The community consultation provides support for the development of a new indoor recreational facility and a seniors oval. This information supports various anecdotal evidence as well as the demand analysis above (Section 3.1).

Figure 3.2: Participation in Sports and Recreation (2016)



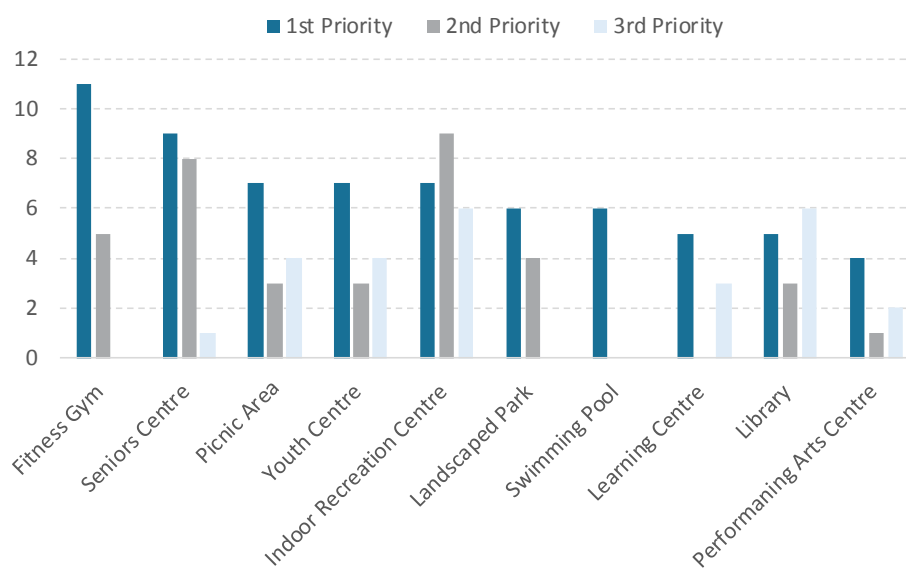
Source: Jill Powell &amp; Associates (2016)

Figure 3.3: Participation in Activities (2016)



Source: Jill Powell &amp; Associates (2016)

Figure 3.4: Priority Rating List



Source: Jill Powell &amp; Associates (2016)

## 4. Lower Chittering Sports Complex

### 4.1 The Site

The identified site for the Lower Chittering Sports Complex is Public Open Space Reserve 52220, which is 10.1 ha in are. Only approximately 7 ha of the site is required to house the Lower Chittering Sports Complex, providing 3 ha of excess, surplus land. Furthermore, given the layout of the site and its irregular shape, it would be difficult to utilise various portions of the site.

Figure 4.1: Proposed Site (Public Open Space Reserve 52220)



Source: Landgate (2018)

### 4.2 Lower Chittering Sports Complex

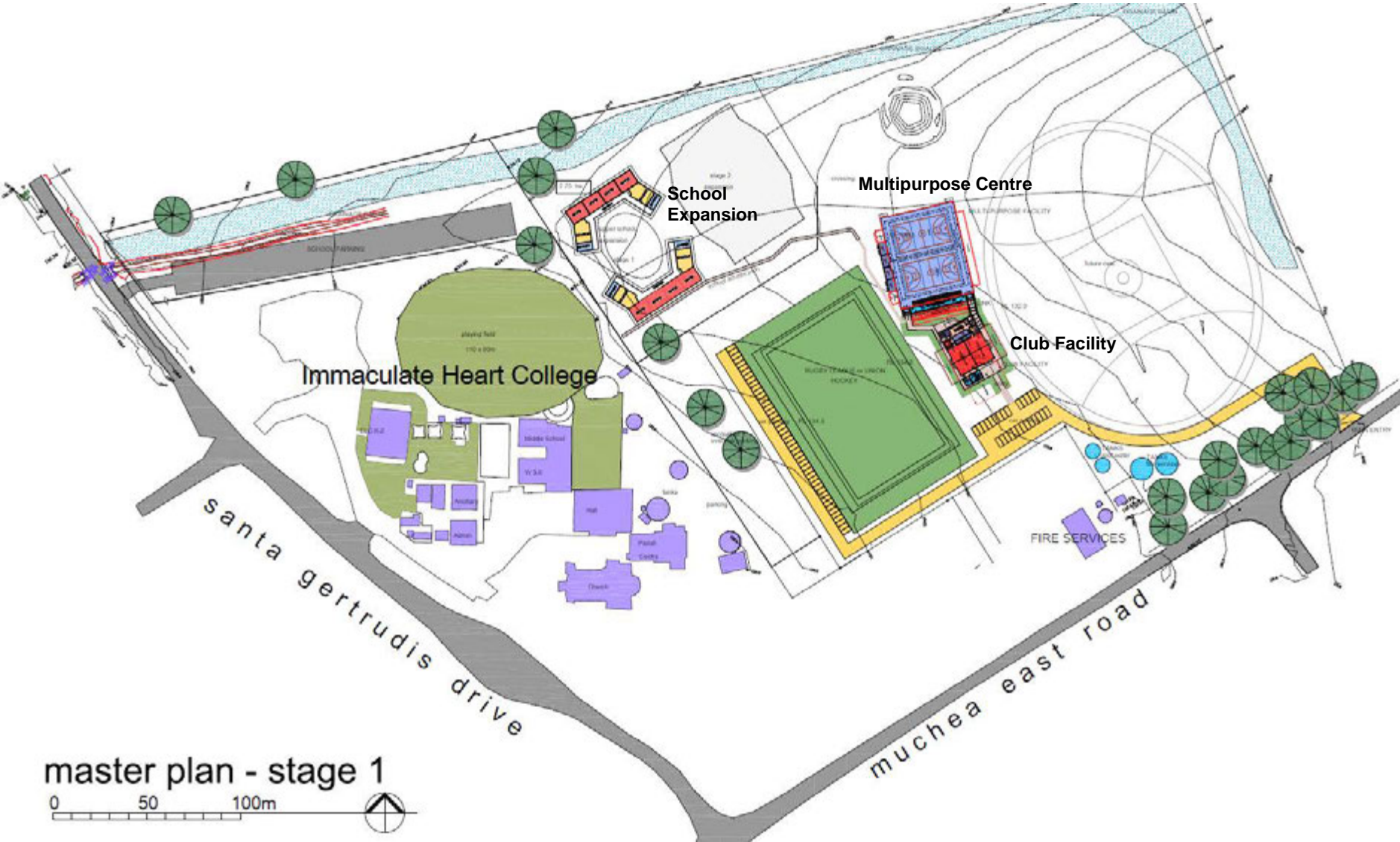
The Lower Chittering Sports Complex will be completed across three separate stages. Stage 1 (highlighted below, Figure 4.2) will include a Multipurpose Centre, Club Facility and a seniors rugby/hockey field. Stages 2 and 3 will include a seniors oval as well as a number of outdoor courts. The Multipurpose Centre will include two indoor courts and associated seating. The Club Facility will include a variety of function rooms, commercial kitchen and other associated areas (Figure 4.3).

Combined, Stage 1 of the development will include 2,784 sqm of space.

As highlighted in the master plan, the Immaculate Heart College will develop its secondary school adjacent to the Lower Chittering Sports Complex and have access to this facility.

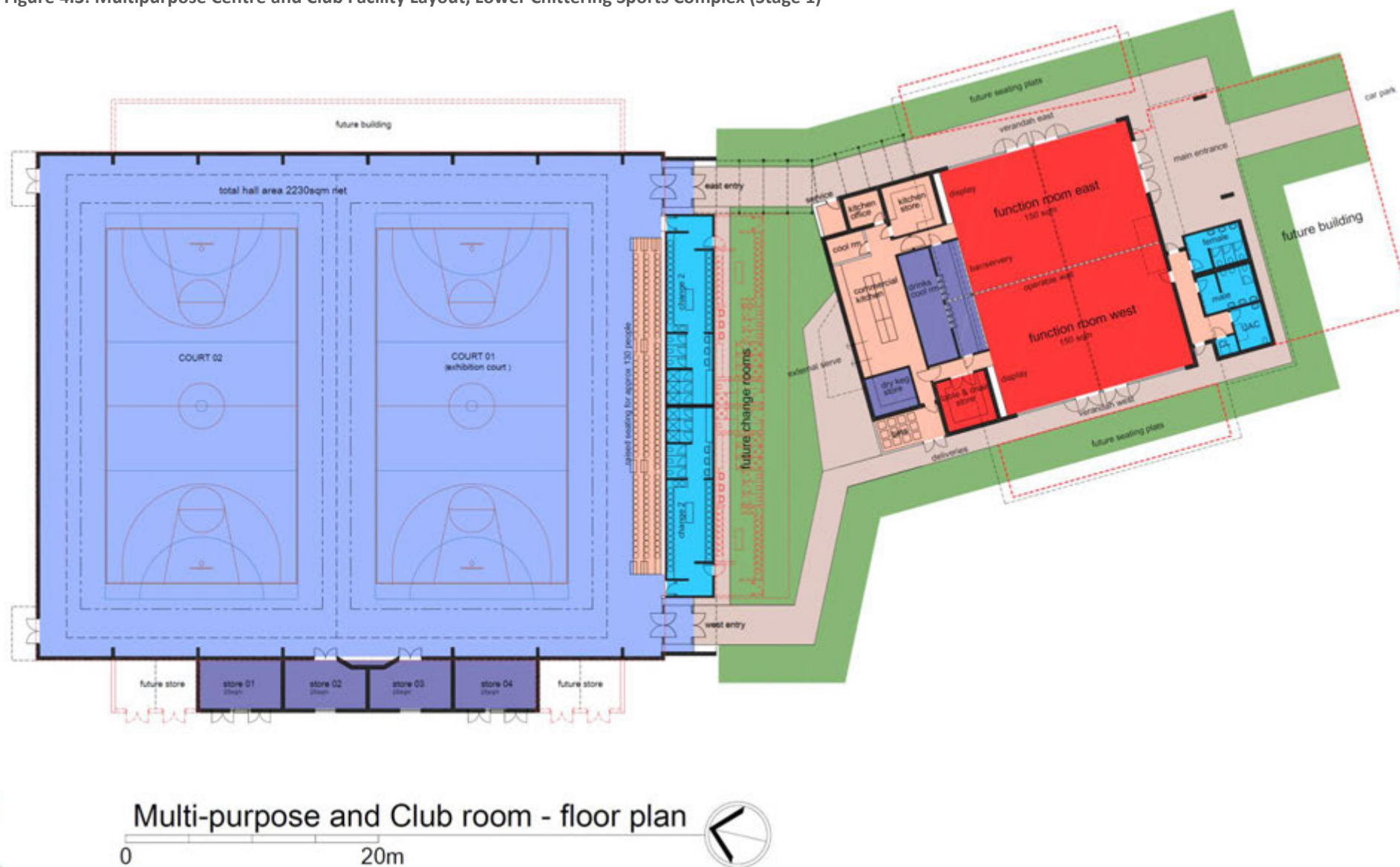


Figure 4.2: Master Plan Lower Chittering Sports Complex (Stage 1)



Source: Peter Hunt (2018)

Figure 4.3: Multipurpose Centre and Club Facility Layout, Lower Chittering Sports Complex (Stage 1)

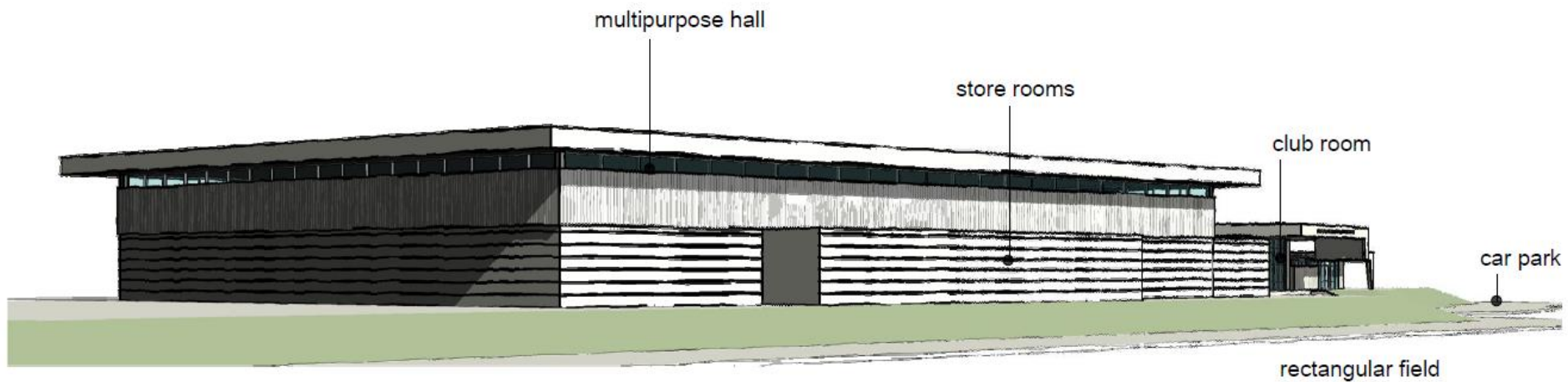


Source: Peter Hunt (2018)

Figure 4.4: Multipurpose Centre and Club Facility Concept Imagery, Lower Chittering Sports Complex (Stage 1)



south east view



north west view

Source: Peter Hunt (2018)



## 5. Strategic and Policy Alignment

The development of the Lower Chittering Sports Complex aligns with various Shire and State Government strategic plans and delivers on various strategic goals, as highlighted in the following table (Table 7.1).

Table 5.1: Strategic and Policy Documents Overview

Strategic Document	Overview	Implication
<b>Shire of Chittering Community Strategic Plan 2017-2027</b>	<p>The Community Strategic Plan is a long term (10 year) plan for the future, which reflects both the Community's and Council's aspirations for the future of the Shire.</p> <p>One of the goals of the plan is 'an inclusive, active, safe and healthy community for all to enjoy'. The plan specifically mentions that the Shire will provide recreational and sporting facilities to service the growing population in Lower Chittering/Muchea area.</p>	<p>The development of the Lower Chittering Sports Complex specifically addresses a key element from the Strategic Plan and will support the achievement of the plan's goal to be 'an inclusive, active, safe and healthy community for all to enjoy'.</p>
<b>Shire of Chittering Community Development Plan (2014-2024)</b>	<p>The Community Development Plan provides a (10) year Strategy to assist for future planning and provide the community with a strategic direction. The Strategy provides for the high-level objectives of the Shire in relation to the wider community development.</p> <p>Specifically, the plan addresses various imperatives for the Shire, including the provision of a high standard of sports and recreation infrastructure. The plan has a specific action to conduct a feasibility study on the development of a new sports and recreation facility for Lower Chittering.</p>	<p>The identified feasibility study on the development of a new sports and recreation facility in Lower Chittering was conducted in 2016. The study identified the demand for the facility.</p> <p>The development of the Lower Chittering Sports Complex is specifically supported by the Community Development Plan and will specifically deliver on an aspiration of the Plan.</p>

Strategic Document	Overview	Implication
<b>Shire of Chittering Sport and Recreation Plan (2012-2022)</b>	The plan provides strategies and actions designed to improve the planning and provision of sport and recreation in the Shire of Chittering over the next ten years. The plan highlights the importance and the value of physical activity in the promotion and achievement of a healthy community. Furthermore, the plan encourages joint use and multi-purpose facilities as an innovation solution to the provision of local facilities.	The Lower Chittering Sports Complex will increase access to sport and recreation infrastructure, thereby increasing participation in sport and recreation, which will contribute to a healthier community. The current plan for the Lower Chittering Sports Complex will also utilise a joint management model, as espoused by the plan.
<b>WA Department of Sport and Recreation Strategic Plan (2016-2018)</b>	The strategic plan provides specific direction regarding the Department's mission, purpose and strategies regarding sport and recreation in WA. It is built around participation, places and spaces, achievement and capacity building.  Specifically, the plan highlights the importance of built spaces in which sport and active recreation can occur and the importance of availability and access to these places can contribute to participation in sport and recreation.	The development of the Lower Chittering Sports Complex aligns strongly to the State's plan, specifically around the provision of spaces for sport and recreation. This increased access will increase participation in sport and recreation locally, which also aligns strongly with the plan.
<b>WA Strategic Directions for the WA Sport and Recreation Industry (2016-2020)</b>	The paper was developed to provide vision and direction for WA's sport and recreation industry, including the findings of in-depth consultation.  It highlights key desired outcomes of increased participation, improved performance, enhanced social capital and enhanced wellbeing.	The Lower Chittering Sports Complex will help to deliver on the identified outcomes from the State's paper, including increased participation in sport and recreation as well as enhanced social capital and community wellbeing.



Strategic Document	Overview	Implication
<b>WA Department of Sport and Recreation – Sport and Recreation and Public Health (2016)</b>	<p>This document highlights the important role that Local Governments play in the provision of sport and recreation facilities.</p> <p>Specifically, it underscores the benefits of participation in physical activity through sport and recreation. It also highlights the benefits of social interaction, connection to community and involved in community events.</p>	<p>The Lower Chittering Sports Complex is an example of how local governments provide sport and recreation infrastructure as well as the important role of local governments in sport and recreation across the State.</p> <p>The Lower Chittering Sports Complex will increase participation and physical activity through the community, positively contributing to social interaction and connection to community, which are highlighted as important outcomes for sport and recreation.</p>
<b>Sport 2030 – National Sports Plan</b>	<p>Sport 2030 sets out the vision of “Australia being the world’s most active, healthy sporting nation”. One of the strategic priorities is ‘building a more active Australia’, in order to reduce inactivity amongst Australians.</p>	<p>The Lower Chittering Sports Complex will increase participation in sport and active recreation, which will help to achieve Sport 2030 goals to reduce inactivity amongst Australians.</p>

Source: Lucid Economics from various strategic documents

## 6. Stakeholder Engagement

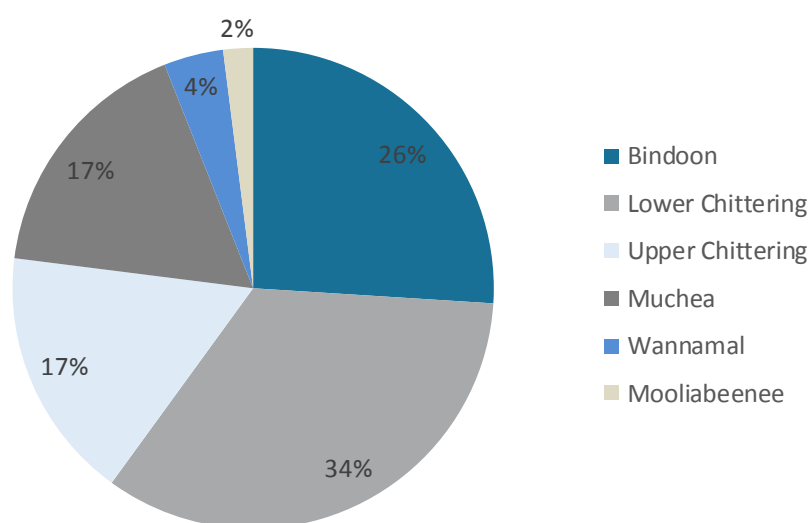
Over the last four years, considerable engagement with the community has been conducted. Extensive community consultation was included as the basis for the *Community Strategic Plan (2017-2027)* and the *Community Development Plan (2014-2024)*. Both of these plans have highlighted the community's desire for a sport and recreation facility in Lower Chittering. This project was highlighted as a specific action and project in both of these strategic documents.

Furthermore, the *Regional Sports & Community Centre Feasibility Study* (July 2016) included an extensive community and stakeholder engagement process, including:

- A survey of residents
- A survey of local clubs
- Five public workshops

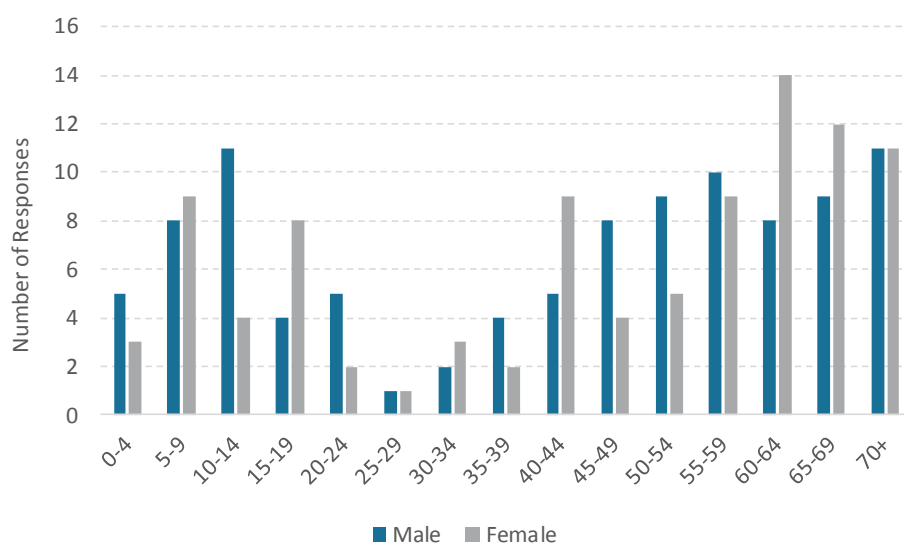
A survey was sent randomly to 500 local residents across the Shire by Australia Post. 76 survey responses were received, representing 196 residents. This level of response provides a confidence interval of +/- 6.8% at a 95% confidence level, meaning the results of the survey are statistically representative of resident sentiment. Responses were received from all of the various towns in the Shire (Figure 6.1) as well as across a diverse range of ages (Figure 6.2).

Figure 6.1: Responses by Suburb



Source: Jill Powell & Associates (2016)

Figure 6.2: Responses by Age Group



Source: Jill Powell & Associates (2016)

As highlighted in Section 3.3, the following facilities received the strongest support from the community survey:

- Indoor Recreation Centre
- Seniors Centre
- Fitness Gym
- Picnic Area
- Youth Centre
- Library

A total of 64 surveys were distributed to all known organisations and clubs in the shire and a total of 18 responses were received. The following clubs provided a response:

- |  |  |
|--|--|
| • Bindoon and Districts Agricultural Society | • Chittering Valley Progress Association |
| • Bindoon and Districts Historical Society   | • IHC Playgroup                          |
| • Bindoon and Districts Little Athletics     | • Lower Chittering Cricket Club          |
| • Bindoon Chittering Retirees                | • Muchea Netball Club                    |
| • Bindoon Netball Association                | • South Midlands Netball Association     |
| • Bindoon Singers                            | • South Midlands Polocrosse Club         |
| • Bindoon Tennis Club                        | • Wannamal Community Centre              |
| • Chittering Art Society                     | • Wannamal Indoor Bowling Club           |
| • Chittering Junior Football Club            | • Wannamal Tennis Club                   |

These clubs represent 799 members. The survey of clubs identified the need for new sporting ovals and new courts (tennis and netball). Specifically, the need for indoor, multi-use courts was highlighted by the netball clubs.

The *Regional Sports & Community Centre Feasibility Study* (July 2016) concluded from the consultation with the community that there is a need for (and broad community support for):

- Sporting ovals (senior)
- Gymnasium/fitness area
- Sportsman's clubhouse/kitchen/functions
- Children's activity centre
- Multi-use courts
- Multipurpose centre

## 7. Economic Impact Assessment

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### 7.1 Modelling Approach

This assessment leverages Input-Output (IO) modelling and considers the net economic benefits created from the construction and operation of the Lower Chittering Sports Complex on the local economy.

The economic impact is based on the latest Input-Output tables provided by the Australian Bureau of Statistics (ABS) (ABS, 2016).

Economic impact analysis identifies a series of economic metrics. For this assessment, the following metrics have been used:

- **Gross Regional Product:** value of the total economic output minus the costs of goods and services used as inputs, plus net taxes. Gross regional product is a preferred measure of the economy as it focuses on the net contribution. Gross regional product is similar to Gross State Product or Gross Domestic Product.
- **Employment:** employment positions generated, expressed on a full-time equivalent (FTE) basis.

These metrics are measured in terms of the direct impact as well as the indirect (flow-on) impact. For this assessment, both Type I and Type II impacts have been considered, which include:

- **Type I:** Production effect or supply chain impacts linked to the direct impact.
- **Type II:** Consumption induced effect, which measures expenditure paid by employees related to the project in the broader economy.

IO modelling has various limitations, as highlighted in **Appendix A**.

### 7.2 Assumptions

#### Construction Phase

For the construction phase, the estimated capital expenditure has been used to identify the economic benefits. As highlighted in the following table (Table 7.1), the project is anticipated to cost \$9.7 million.



Table 7.1: Lower Chittering Sports Complex, Capital Expenditure

Element	Cost- ex GST (\$)
<b>Sporting Infrastructure</b>	
Clubhouse	\$1,931,778
Multipurpose Hall	\$3,656,219
Rugby/Hockey pitch	\$223,545
<b>Subtotal</b>	<b>\$5,811,541</b>
<b>External Works</b>	
Roads and car parking	\$467,940
Pedestrian paving	\$59,975
Pergola over walkway	\$8,250
Wayfinding and signage	\$30,000
Landscaping provision	\$51,000
<b>Subtotal</b>	<b>\$617,165</b>
<b>Siteworks</b>	
Top soil strip	\$43,570
Site filling	\$306,600
Excavation	\$87,500
Open drain diversion	\$15,050
Sundry site works	\$115,000
<b>Subtotal</b>	<b>\$567,720</b>
<b>External Services</b>	
Stormwater system	\$80,000
On-site sewer	\$50,000
External fire service	\$45,000
External water service	\$25,000
Water tanks and pumps	\$65,000
Fire tanks and pumps	\$300,000
External communications	\$25,000
External electrical	\$40,000
<b>Subtotal</b>	<b>\$630,000</b>
<b>Budget Items</b>	
Design contingency	\$762,643
Construction contingency	\$381,321
Provision for headworks	\$100,000
Allowance for professional fees	\$838,907
<b>Subtotal</b>	<b>\$2,082,871</b>
<b>Total</b>	<b>\$9,709,297</b>

Source: Natshell Pty Ltd (2018)

Table 7.2: Construction Impact, Key Assumptions

Industry Sector	% Split	% Local Capture
Non-Residential Building Construction	64%	60%
Heavy and Civil Engineering Construction	13%	60%
Construction Services	6%	80%
Professional, Scientific and Technical Services	17%	30%

Source: Lucid Economics, Natshell Pty Ltd (2018)

**Operational Phase**

Once operational, the Lower Chittering Sports Complex is expected to employ 11 people (on a full-time equivalent basis). In order to identify the operational impact, this level of employment has been used.

**7.3 Results****Construction Phase**

The construction phase is expected to create a total of 22 jobs in the Shire and contribute \$4.69 million to Gross Regional Product (GRP).

**Table 7.3: Economic Impact of the Lower Chittering Sports Complex, Construction Phase (2018\$)**

	<b>Gross State Product (\$m)</b>	<b>Employment (No.)</b>
Direct	\$2.20	8
Indirect	\$2.49	14
<b>Total</b>	<b>\$4.69</b>	<b>22</b>

Notes: Employment expressed as full-time equivalent (FTE) positions.

Source: Lucid Economics

**Operational Phase**

The operational phase of the project will result in a total (direct and indirect) increase in GRP of \$2.06 million and create a total (direct and indirect) of 20 jobs.

**Table 7.4: Economic Impact of the Lower Chittering Sports Complex, Operational Phase (2018\$)**

	<b>Gross Regional Product (\$m)</b>	<b>Employment (No.)</b>
Direct	\$0.76	11
Indirect	\$1.30	9
<b>Total</b>	<b>\$2.06</b>	<b>20</b>

Notes: Employment expressed as full-time equivalent (FTE) positions.

Source: Lucid Economics

## 7.4 Other Benefits

Beyond the quantifiable economic benefits presented above, there would be numerous additional benefits, for the Shire of Chittering community stemming from the Lower Chittering Sports Complex, including:

- **Population Attraction:** the new facilities (combined with the expansion of the Immaculate Heart College) will act to attract future residents to the community, helping to grow the area and maintain a vibrant community.
- **Redistribution of Savings:** through joint operation of the Lower Chittering Sports Complex, the Shire of Chittering will save money that would have otherwise have to be spent. These savings can be deployed elsewhere in the community, providing additional benefits.
- **Increased Community Wellbeing:** health, sports and leisure activities is an important facet of community wellbeing, not only through the positive physical health benefits, but also through numerous mental health benefits as well. Community pride and community cohesion would also be enhanced through this project.
- **Increased participation in sport and recreation:** according to the Department of Sport and Recreation Annual Report 2016/17, the provision of facilities leads to an increase in physical activity levels and participation in physical activity. Increased participation in sport and recreation will make individuals, families and the community healthier. Evidence from other communities has shown a dramatic increase in club participation once new facilities are delivered locally. Some club memberships have grown by 200% to 300%.
- **Health benefits:** there are numerous individual and community health benefits that the new facilities would support. Healthier people provide lower cost and lower burden for the public health system.

## 8. Cost Benefit Assessment

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### 8.1 Modelling Approach

Cost-Benefit Assessment (CBA) is an analytical tool used to inform decisions regarding complex investment projects. A CBA has advantages over other modelling techniques (like an Economic Impact Assessment), in that a CBA seeks to measure not just the net benefits but also the net costs of a project. Equally, through a CBA framework, it is possible to measure multiple costs and benefits derived from a project (as opposed to just the economic components).

This CBA was carried out using a discounted cashflow (DCF) approach to analyse all costs and benefits that would occur if the project were to proceed. In this sense, two scenarios were considered, a baseline ('without the project') scenario and a 'with the project' scenario. The CBA considered the effect of real costs and benefits, which excludes inflation, taxes or subsidies.

The geographic boundary for this assessment is the Shire of Chittering.

In a CBA framework, decisions are made based on two criteria, net present value (NPV) and the benefit cost ratio (BCR). The NPV shows the difference between the present value of all future benefits and all future costs. The BCR is calculated by dividing the present value of future benefits by the present value of the future costs. In such a manner a project is deemed 'desirable' if the NPV is positive and the BCR is above '1'. In general, if the NPV is negative and the BCR is below '1', the project is deemed as undesirable as the future costs will outweigh the benefits.

### 8.2 Definition of Costs and Benefits

The following table (Table 8.1) provides the detailed assumptions for the CBA.

According to the ATO, the new buildings will have a useful life of 40 years, which has been used as the timeframe for the assessment.

Table 8.1: Definition of Costs and Benefits, Proposed Gas Pipeline Project

Impact	Description	Assumption	Source
<b>Costs</b>			
Construction and Development	The costs to design, develop and construct the Lower Chittering Sports Complex.	<ul style="list-style-type: none"> <li>Capital costs of \$9.7 million</li> </ul>	Natshell (2018).
Maintenance	The maintenance of the Lower Chittering Sports Complex, including the multipurpose centre, club facility and new field.	<ul style="list-style-type: none"> <li>Annual costs of \$114,000, which is estimated as 1.5% of capital expenditure on fixed assets</li> </ul>	Industry benchmark
Operating Costs	The costs of operating the Lower Chittering Sports Centre, including labour, utilities marketing, etc.	<ul style="list-style-type: none"> <li>Annual costs of \$604,000 based on industry benchmarks</li> </ul>	CERM (2016)
<b>Benefits</b>			
Operational Revenues	Revenues generated by the centre including rental, food and beverage, etc.	<ul style="list-style-type: none"> <li>Annual revenues of \$618,000 based on industry benchmarks</li> </ul>	CERM (2016)
Reduced Operating Costs	As the facility will be jointly run by the Shire and the Immaculate Heart College, the Shire will only have to fund half of the operating costs, generating a substantial operating cost saving.	<ul style="list-style-type: none"> <li>Annual cost savings of \$358,000, which is half of the annual operating costs</li> </ul>	Shire of Chittering
Health Benefits	The facility will greatly enhance the provision of sport and recreation infrastructure, thereby increasing access to this infrastructure for the residents of the Shire. The increased access will lead to greater levels of local participation in sport and recreation, which will provide health benefits to local residents. Increasing health (decreasing obesity) provides benefits in terms of lower healthcare costs.	<ul style="list-style-type: none"> <li>Prevalence of obesity (27.9% of population)</li> <li>Inflation adjusted cost per person of obesity (\$1,981)</li> <li>20% reduction in obesity achieved through increased access to sport and recreation infrastructure</li> </ul>	ABS (2015b) PWC (2015)

Source: Lucid Economics



## 8.3 Results

The results of the CBA for the Lower Chittering Sports Complex are highlighted in the following table (Table 8.2).

Table 8.2 Present Values of Costs and Benefits, Lower Chittering Sports Complex, 2018/19 – 2058/59 (\$m)

	Discount Rate (4%)	Discount Rate (7%)	Discount Rate (10%)
<b>Benefits</b>			
Operational Revenues	\$12.10	\$8.20	\$6.03
Operational Cost Savings	\$7.04	\$4.77	\$3.51
Health Benefits	\$17.66	\$10.98	\$7.54
Total Benefits	\$36.80	\$23.94	\$17.08
<b>Costs</b>			
Construction Cost	\$9.34	\$9.07	\$8.83
Maintenance	\$2.24	\$1.52	\$1.12
Operational Expenditure	\$11.83	\$8.01	\$5.89
Total Costs	\$23.41	\$18.60	\$15.84
<b>Net Present Value</b>			
NPV	\$13.39	\$5.33	\$1.24
<b>Benefit to Cost Ratio</b>			
BCR	1.6	1.3	1.1

Source: Lucid Economics

**At the selected real discount rate of 7% for this project, the analysis yields a Benefit to Cost Ratio (BCR) of 1.3 meaning that it is economically desirable and provides a net benefit.** Even at the higher discount rate of 10%, the project still yields a positive NPV and BCR.

Under the baseline scenario (without project scenario), none of the identified benefits would be captured nor any of the costs incurred. As such, the scenario with the project provides positive economic and social benefits.

## 8.4 Sensitivity Analysis

Sensitivity analysis was carried out on key project variables to test the results in the case of changes to core assumptions. The following elements were tested with +/-10%, +/-20% and +/-30% change in the following variable:

- Capital cost
- Operating and maintenance cost
- Revenues
- Health benefits

The results are highlighted in the tables below. As highlighted in the tables below, the project maintains a positive NPV and BCR above '1' for all scenarios, demonstrating that across various variations the project continues to provide a net benefit to the community.

Table 8.3 Sensitivity Analysis of Capital Costs

Variation	Present Value Costs	Present Value Benefits	NPV	BCR
30%	\$21.33	\$23.94	\$2.61	1.1
20%	\$20.42	\$23.94	\$3.52	1.2
10%	\$19.51	\$23.94	\$4.43	1.2
<b>0%</b>	<b>\$18.60</b>	<b>\$23.94</b>	<b>\$5.33</b>	<b>1.3</b>
-10%	\$17.70	\$23.94	\$6.24	1.4
-20%	\$16.79	\$23.94	\$7.15	1.4
-30%	\$15.88	\$23.94	\$8.05	1.5

Note: Discount rate 7%.

Source: Lucid Economics

Table 8.4 Sensitivity Analysis of Operating and Maintenance Costs

Variation	Present Value Costs	Present Value Benefits	NPV	BCR
30%	\$21.46	\$25.37	\$3.90	1.2
20%	\$20.51	\$24.89	\$4.38	1.2
10%	\$19.56	\$24.41	\$4.86	1.2
<b>0%</b>	<b>\$18.60</b>	<b>\$23.94</b>	<b>\$5.33</b>	<b>1.3</b>
-10%	\$17.65	\$23.46	\$5.81	1.3
-20%	\$16.70	\$22.98	\$6.29	1.4
-30%	\$15.75	\$22.51	\$6.76	1.4

Note: Discount rate 7%.

Source: Lucid Economics

Table 8.5 Sensitivity Analysis of Revenues

Variation	Present Value Costs	Present Value Benefits	NPV	BCR
30%	\$18.60	\$26.40	\$7.79	1.4
20%	\$18.60	\$25.58	\$6.97	1.4
10%	\$18.60	\$24.76	\$6.15	1.3
<b>0%</b>	<b>\$18.60</b>	<b>\$23.94</b>	<b>\$5.33</b>	<b>1.3</b>
-10%	\$18.60	\$23.12	\$4.51	1.2
-20%	\$18.60	\$22.30	\$3.69	1.2
-30%	\$18.60	\$21.48	\$2.87	1.2

Note: Discount rate 7%.

Source: Lucid Economics

Table 8.6 Sensitivity Analysis of Health Benefits

Variation	Present Value Costs	Present Value Benefits	NPV	BCR
30%	\$18.60	\$27.23	\$8.63	1.5
20%	\$18.60	\$26.13	\$7.53	1.4
10%	\$18.60	\$25.03	\$6.43	1.3
<b>0%</b>	<b>\$18.60</b>	<b>\$23.94</b>	<b>\$5.33</b>	<b>1.3</b>
-10%	\$18.60	\$22.84	\$4.24	1.2
-20%	\$18.60	\$21.74	\$3.14	1.2
-30%	\$18.60	\$20.64	\$2.04	1.1

Note: Discount rate 7%.

Source: Lucid Economics

## 9. Risk Assessment

There are three groups of significant risks:

- Development risk
- Operational risk
- Governance risk

There are multiple aspects to each group of risks and in each, the project has been designed to mitigate these risks.

### 9.1 Risk Methodology

A Likelihoods and Consequences-based matrix approach has been used for assessing the risk profile of the project. This approach considers both:

- The likelihood that a risk will occur
- The subsequent consequences to the project

By doing so, a weighted assessment of project risk is undertaken, allowing for risks to be ranked in terms of their seriousness and management plan initiatives and actions appropriately targeted.

An example of the risk assessment matrix is illustrated below.

Table 9.1: Risk Assessment Matrix (Sample)

		Likelihood				
		1	2	3	4	5
Consequence	1	1	2	3	4	5
	2	2	4	6	8	10
	3	3	6	9	12	15
	4	4	8	12	16	20
	5	5	10	15	20	25

Source: Lucid Economics

There are four different categories of risks:

- **Low Risk (Total Scores 1-4):** risks with a low likelihood and consequence
- **Moderate Risk (Total Scores 5-10):** risks that have a more moderate likelihood/consequence combination (either both having moderate scores or one has a high score and the other a low score)
- **High Risk (Total Score 12-16):** risks where both likelihood and consequences scores are moderate or high
- **Extreme Risk (Total Score 20-25):** risks where both likelihood and consequences scores are very high

The treatment of each of these risks categories varies. While it is generally sufficient to simply note Low Risks, Moderate Risks usually require some form of ongoing monitoring. In contrast, High and Extreme Risks should be the subject of target mitigation actions as part of a Risk Management Plan.

## 9.2 Identified Risks

The following major risks for the project have been identified:

### Development Risk

1. **Capital expenditure costs:** Capital expenditure costs can vary once projects are underway, for a variety of unforeseen reasons. As a significant cost for the project, variations (often increases) can lead to project budgets being exceeded and various financial issues.
2. **Development timing:** A specific development timeframe has been established for this project and if the timeframe is extended due to some sort of complication during the construction period, project revenues and benefits could be delayed.

### Operational Risk

3. **Low demand:** While demand for the facility has been modelled and confirmed through extensive consultation with the community, it is still uncertain whether or not the projected demand will be realised. Once operational demand for the facility (increase or decrease from the projected) could differ from projections, which would impact both costs and benefits identified.
4. **Higher than expected operating and/or maintenance costs:** the successful operation of the facility expects operating costs in line other similar facilities in Australia. If any operational or maintenance cost were to significantly differ from industry benchmarks, it would directly impact the identified costs (and benefits) of the project and have financial consequences for the Shire.
5. **Operational management:** Poor management of these types of facilities can significantly impact revenues and costs of the facility, which would have impacts on project benefits and costs.

### Governance Risk

6. **Governance risk:** Given the multi-purpose nature of the facility and its joint management with the Immaculate Heart College, there will be a range of governance risks to consider in terms of the various legal agreements between the College and the Shire regarding the operation of the facility (and in particular the payment of costs).

These risks have been assessed and mitigation actions suggested in the following pages.

### Risk Assessment

The following table outlines the assessment of major risks to this Project (Table 9.2).

Table 9.2: Risk Assessment

Risk	Likelihood	Consequence	Risk Level	Comments	Mitigation Actions
<b>Capital expenditure costs</b>	3	4	<b>High</b>	Capital costs can vary for construction projects for a wide variety of reasons.	<ul style="list-style-type: none"> <li>A certified Quantity Surveyor (QS) has been used to estimate construction costs based on specific architectural plans for the facility</li> <li>A tender process will identify the most cost effective building company to develop the facility</li> <li>A contract will be put in place with the builder that stipulates the budget allocated and confirms the costs</li> </ul>
<b>Development timing</b>	3	2	<b>Moderate</b>	The project has been identified by the community four years ago. Given the facility is for sport and recreational use, there is no required timeframe for its delivery and the facility is not a critical input into other developments, therefore any delays in construction will not drastically impact the community.	<ul style="list-style-type: none"> <li>A specified construction schedule will be a part of the contract with the builder</li> <li>Development and implementation of a detailed project management plan</li> </ul>



Risk	Likelihood	Consequence	Risk Level	Comments	Mitigation Actions
<b>Low demand</b>	3	3	<b>Moderate</b>	Actual demand for the facility will only be known once it is operational. Demand modelling and consultation with the community has indicated that the facility is currently in demand and will be well utilised.	<ul style="list-style-type: none"> <li>Detailed community consultation regarding their future sport and recreation needs</li> <li>Detailed modelling based on both the increase in student enrolments at Immaculate Heart College as well as future population growth of the Shire</li> <li>A strong communications and marketing effort as part of the project implementation plan</li> </ul>
<b>Higher than expected operating and maintenance costs</b>	3	3	<b>Moderate</b>	Operating and maintenance costs have been based on industry benchmarks for other similar facilities, however, actual costs are unknown until the facility is operational. Under the proposed joint management model, costs will be significantly less than if the Shire operated the facility alone.	<ul style="list-style-type: none"> <li>Utilisation of a joint operating model</li> <li>Implementation of energy efficiency measures</li> <li>Strong capital management for on-going maintenance</li> </ul>
<b>Operational management</b>	2	4	<b>Moderate</b>	Poor management could lead to poor financial performance (well below the identified benchmarks). However, local governments and schools have operated this type of infrastructure for decades, which has created a strong pool of potential facility managers.	<ul style="list-style-type: none"> <li>A competitive process will be undertaken to identify the best candidate to manage the facility</li> <li>A specific set of key performance measures (KPIs) will be established to manage the operations of the facilities and assure it delivers identified benefits</li> </ul>

Risk	Likelihood	Consequence	Risk Level	Comments	Mitigation Actions
<b>Governance</b>	2	4	<b>Moderate</b>	As a jointly operated facility, the Shire will share management of the facility with the College. Conflict or discontent for either partner could put pressure on the relationship, which would negatively impact the management of the facility.	<ul style="list-style-type: none"> <li>• Development and implementation of a detailed project management plan</li> <li>• Development of a contract between the Shire and the College specifying all relevant obligations (including financial) of each party</li> </ul>

Source: Lucid Economics

## 10. Summary

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This analysis has demonstrated that the proposed Lower Chittering Sports Complex provides an economic and social benefit to the local community.

As highlighted in the *Regional Sports & Community Centre Feasibility Study*, the residents of the Shire of Chittering do not currently have sufficient access to sport and recreational infrastructure, particularly a seniors oval and rugby field. A survey of the community found that 88% of residents feel that there is a need for more sports and recreational infrastructure.

The provision of the Lower Chittering Sports Complex not only solves an existing community issue, but it provides important infrastructure to support the expansion of the Immaculate Heart College. Joint operation of the centre will also help to maximise its utilisation as well as minimise costs to the Shire for running the facility.

The Lower Chittering Sports Complex will also provide economic and social benefits during its construction and subsequent operation.

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## Appendix A: Input-Output Modelling Limitations

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Input-output (IO) modelling is a common technique for economic impact assessment and has been used for a range of purposes, including to inform strategic or government policy decision making.

However, IO modelling has certain limitations and weaknesses, including:

- **Lack of supply-side constraints:** IO multipliers assume that extra output can be produced in one area of activity without taking away resources from other activities. Actual impacts would be dependent on the availability of appropriate labour and capital and other productive inputs.
- **Fixed prices:** IO systems assume fixed prices, so that the effects of relative price changes play no role in the allocation of scarce resources between activities. Essentially, prices are fixed and do not change relative to changes in supply and demand. Actual impacts would be affected by relative price changes due to constraints on the availability of labour, capital and other inputs and policy changes as well as changes in demand.
- **Fixed ratios for intermediate inputs to production and outputs from production:** IO modelling uses fixed input structures for each industry so that changes in production technology and the use of inputs in production play no role in impact assessment. Actual impacts could be affected by changes in production technologies including in the use of domestic and imported inputs and the mix of outputs including in the supply of products to household, investment and export demands.
- **No allowance for household purchasers' marginal responses to change:** IO modelling assumes that consumption is fixed to initial budget shares, so that real budget shares remain unchanged with changes in household income and relative prices. In practice, the level and composition of household purchases would be affected by income and relative price changes.
- **Absence of budget constraints:** IO modelling assumes that consumption is unconstrained so that changes in household or government consumption occur without reducing demand elsewhere. In practice, the level of consumption expenditure by households and government would be budget constrained.

Despite its flaws, IO modelling has proven an effective tool in understanding the economic benefits of a specific project, strategy or policy.





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Government of **Western Australia**  
Department of **Local Government and Communities**

# Local Government Operational Guidelines

Number 10 – Revised August 2012

## Appointing a CEO

## 1. Introduction

Selecting and appointing a Chief Executive Officer (CEO) is one of the most important tasks elected members may undertake during their term of office. Choosing the right person is critical to the success of the council and the local government.

It is essential that correct processes are followed so that every opportunity is given to the candidates to put the appropriate information forward so the council can choose the person most suited to the position. It is important that elected members understand that when they appoint a CEO they are entering into a contractual relationship with the CEO. A commitment to trust and good faith by both parties will lead to an effective relationship between the council and the CEO. This guideline has been developed to assist councils to conduct an effective process when selecting their new CEO.

## 2. Legislation

There are three sections of the *Local Government Act 1995* (the Act) that have direct application to the appointment of a CEO. Section 5.36(2)(a) and (b) of the Act provides that a local government is not to employ a person to fill the position of CEO unless council believes that the person is suitably qualified for the position and is satisfied with the provisions of the proposed employment contract. Section 5.39 contains provisions for the contracts of CEOs. Section 5.40 requires that all employees are to be selected in accordance with the principles of merit and equity.

In addition to the above provisions of the Act the *Local Government (Administration) Regulations 1996*, regulations 18A, 18B, 18C, 18E, 18F and 19A also deal with advertising, contracts, and the selection and appointment process.

The principles of merit and equity refer to the process of filling vacancies whereby a thorough assessment is made of the candidates' skills, knowledge and abilities against the work related requirements of the vacancy. The process must be open, competitive and free from bias, unlawful discrimination, nepotism or patronage.

"Suitably qualified" is not defined in the legislation but the intention is not limited to academic qualifications. Through the position description and selection criteria the council needs to ensure that processes are in place to appoint the person that best meets the qualities required in terms of academic qualifications, experience, skills and knowledge.

## 3. Outsourcing the Recruitment Process

Depending on the size of the local government and the availability and skills of staff, outsourcing the recruitment process may be the best option.

Generally recruitment consultants provide a professional service and possess a wide range of knowledge and skills in staff recruitment. It is recommended that rigorous checks be conducted on any recruitment consultants before they are appointed to ensure they have the necessary skills and experience (local government recruitment experience would be beneficial) to effectively assist the council in its selection of a CEO.

An early decision needs to be made by council on whether it will handle the recruitment in-house or appoint a consultant to coordinate the appointment process. If a recruitment consultant is chosen, council should provide the consultant with a copy of these guidelines as part of the appointment process.

A recruitment consultant may be involved in the following aspects of the selection process:

- development or review of the position description;
- development of selection criteria;
- drafting of the advertisement;
- preliminary assessment of the applications;
- final shortlisting;
- drafting of the questions for interview;
- coordinating interviews; and
- finalising the contract.

If a decision is made to outsource the recruitment process it is imperative that the council maintains a high level of involvement in the process and enters into a formal agreement (contract) with the consultant. In order to manage the contract efficiently, and ensure an effective outcome, regular contact with the consultant is required during the recruitment process.

#### 4. Reviewing Necessary Documentation

There are two very important documents that need to be reviewed and approved by council prior to advertising the position. These are the Position Description Form and the Contract of Employment.

Given the importance of the position of CEO, a police clearance should also be sought.

##### Position Description Form

The Position Description Form, particularly the selection criteria and performance criteria (where it is included in the Position Description Form) should be reviewed prior to advertising. The council, a committee of council or the consultant (if one is used) should undertake this task.

Council needs to determine what they want their CEO to do and whether the selection criteria will facilitate the appointment of a person with the appropriate set of skills.

For example, it may be very important that a CEO work with diverse elements of the community such as developers, mine operators, Indigenous communities or other specific interest groups. Therefore, a selection criterion might be "Proven ability to work and negotiate with diverse groups in the community". If such criteria is not included an assessment of the applicants' abilities in this area may be overlooked. This is why councils must ensure when commencing the task of appointing a new CEO that the skills and qualities required are well understood and documented.

Selection criteria are generally classified as 'essential' or 'desirable'. Applicants who are able to satisfy all the essential criteria should be considered for interview.

If an application does not fully address the essential selection criteria the applicant should not be considered for interview.

However, on occasions an application may be received where the applicant has the skills and experience which indicate a capacity to satisfy the essential selection criteria even though it is not clearly elaborated in their address of the selection criteria in their application. In these circumstances the application may warrant further consideration.

Desirable criteria are not an essential requirement of the position. They are normally identified to attract applicants who may have a wider range of skills and experience which an employer would consider desirable.

Council may decide that it would be more appropriate to attract applicants with a wider range of knowledge, experience and management skills than just local government. If this is the case the selection criteria should accommodate this.

### Performance Criteria

Performance criteria are quantitative and/or qualitative measures of performance. There are two broad categories of performance criteria; those that have general application and apply at all times and specific criteria that apply for a limited period of time. An example of the first type would be, "Advice to council is relevant, accurate and timely." An example of the second type of performance criteria would be, "Calling of tenders for the new

recreation centre is undertaken on time and in compliance with the law." It is obvious that the first is always going to be required, whereas the second is specific to the project of the new recreation centre.

Council may set ongoing permanent performance criteria that will be included in the contract. The successful applicant needs to be informed that performance criteria relevant to a specific project/s will also be subject to annual negotiation. These will be assessed at least once during each year.

In setting performance criteria, council will need to determine what it is they want their CEO to do over and above legislative requirements. Councils need to be realistic in terms of their expectations and provide appropriate resources to facilitate achievement of performance criteria.

The performance criteria must be consistent with the position description and the selection criteria.

It is not essential that performance criteria relating to a specific project/s are identified prior to the appointment but, if not, they must be identified very soon after so that the new CEO is aware of what is required of him or her in the coming year or years.

### Contract of Employment

The council should review and amend, where necessary, the existing terms and conditions of the CEO contract before proceeding to advertise the position.

It is also recommended that council obtains advice on the contract where alterations or amendments are proposed and there is any (even slight) doubt as to the meaning of those alterations or amendments.



It should be noted that section 5.39(3) of the Act provides that an employment contract is of no effect unless it contains:

- an expiry date; and
- performance criteria for the purpose of reviewing the person's performance.

Regulation 18B of the *Local Government (Administration) Regulations 1996* also requires that the contract contains a provision that places a limit on the maximum amount of remuneration that can be paid to a person should the contract be terminated prior to its expiry date.

Amendments to Regulation 19A of the *Local Government (Administration) Regulations 1996* now sets that limit to a maximum of one year salary termination payment or the value of the remuneration for the balance of the period of contract that is left to run, whichever is the lessor of the two amounts.

To further assist local governments, model contracts have been developed by both the Western Australian Local Government Association (WALGA) and Local Government Managers Australia WA Division (LGMA).

### CEO Remuneration

Amendments to section 5.39(7) of the Act now provide for a CEO's remuneration to be determined by the Salaries and Allowances Tribunal under the *Salaries and Allowances Act 1975*.

## 5. Advertising the Vacancy

Ideally, the position should be advertised as widely as possible to attract the best possible field of candidates. The minimum requirement for advertising under *Local Government (Administration) Regulation 18A(1)* is for the position to be advertised in a newspaper circulating generally throughout the State.

Regulation 18A(2) prescribes the minimum requirements to be included in an advertisement for the position of CEO. Those requirements are:

- the details of the remuneration and benefits offered;
- details of the place where applications for the position are to be submitted;
- the date and time for the closing of applications for the position;
- the duration of the proposed contract; and
- contact details for a person who can provide further information about the position.

In addition to the above, a local government is to include any other information in the advertisement which it believes is relevant.

The content and context of advertisements should be carefully considered.

An attractive and well-constructed advertisement is more likely to attract the interest of potential candidates.

A comprehensive application kit comprising documentation relevant to the vacant position should be developed and provided to potential applicants on request. Reference to, and instructions on how to access the kit should be included in the advertisement.

Allow sufficient time within the advertisement for potential applicants to prepare and forward applications.

It is recommended that the position be open for a minimum of two weeks with a definite date and time after which applications will not be considered.

## 6. Confidentiality

From the beginning to the conclusion of the process, absolute confidentiality must be maintained by every person involved in the selection process. This cannot be emphasised enough as any information which finds its way into the public domain before a recommendation is made to council may well compromise the selection process.

Council should consider the use of a confidentiality agreement which requires all persons involved in the selection process to agree to appropriate levels of confidentiality.

## 7. Selection and Appointment Process

The selection and appointment process to be applied to a CEO position must be approved by council prior to advertising as prescribed under *Local Government (Administration) Regulation 18C*.

A check list is provided at Attachment 1 in this guideline to assist local governments with following an appropriate sequence in the selection and appointment process.

Extensive consideration should be given to the overall process, especially the shortlisting, as to whether preliminary interviews will be conducted and whether final interviews will be with full council.

Council must be very clear about the methods, techniques and questions used during the selection process.

It is essential that the council manages the process professionally and that members involved in the process have a thorough understanding of their roles and responsibilities.

Council may decide to establish a committee or panel to coordinate the preliminaries of the selection process. This committee or panel should liaise with the employment consultant if one is appointed.

If council establishes a formal committee (in accordance with the Act), then it can delegate its powers and duties to that committee.

It should be noted that, unlike council committees established under the Act, any selection panel that is appointed cannot be delegated any powers or duties by council, nor can the Mayor or President be delegated any power to make decisions on behalf of council, i.e. approve the conditions of the contract.

The respective roles of a consultant, council committee/panel, full council and individual elected members must be clear.

Applicants should be shortlisted according to their capacity to address the relevant selection criteria. Where there is a large pool of applicants, the most competitive should be shortlisted for interview. It is the responsibility of the selection panel/committee to determine how many applicants it will interview. Their assessment must involve detailed consideration of the applications and may involve a preliminary interview. The selection panel/committee should be provided with the full list of applicants,

not just those recommended for short listing and interviews.

Elected members may act as referees for applicants. This most often occurs when a person already employed by the local government applies for the CEO position. When this occurs it is recommended that the member provide a written referee report prior to interview (assuming the applicant is granted an interview).

Elected members should declare any previous association with a potential applicant at the time of shortlisting if they are part of the selection panel/committee established for the purpose. Similarly, if the interviews involve the full council, the elected member should make an appropriate declaration before the interviews commence. If a member's relationship with an applicant is significant and may result in claims of nepotism, patronage or bias the member should exclude themselves from the selection process.

Where rating scales and other scoring tools are used to assess the relative performance of applicants, it is important that all elected members and other members involved in the interview understand how these are applied so they produce meaningful results. The selection panel/committee may also consider using psychological or other testing as part of the selection process.

## 8. Conducting the Interview

The interview process can be challenging for both panel members and applicants.

It is a practice in local government that the full council be involved with the final interview and selection. This is perfectly understandable, as all members of council

have to work closely with this person and trust them.

Often, all elected members feel they need to be involved in the assessment and final selection.

If this does not occur it is desirable that at the very least, all members of council have the opportunity to meet the recommended applicant prior to the appointment being considered by council.

Applicants should be provided with at least five working days notice of the impending interview wherever possible to allow them to adequately prepare. Obviously, if you are a council in regional Western Australia and are expecting an applicant to travel, then sufficient time needs to be allowed. Interviewing over a weekend may be an option.

It is important to provide an environment that puts the interviewee at ease and allows them to perform at the highest possible level. In this regard, consideration should be given to environmental factors such as location and lighting. A well organised process will ensure that everything runs smoothly.

The importance of the chairperson in managing the interview process cannot be overstated. The chairperson is responsible for ensuring that the interview is managed efficiently and effectively.

Ideally, all elected members who are to be in attendance at the final interview should be involved in planning the interview process.

Each applicant must be subject to the same assessment method, i.e. the interview questions or any tests to be undertaken. It is quite acceptable for the panel to ask additional questions to clarify a point or tease out further information during the interview.

It is not necessary for all elected members to have the opportunity to ask a question. Often, it is best to allocate the questions to a small group of elected members (a maximum of 3 is ideal) which ensures consistency of approach.

At the conclusion of the interview it is appropriate to provide the applicant with an opportunity to clarify any issues with the selection panel/committee.

## 9. Making a Decision

The council should not make a decision to appoint an applicant until all available information has been considered. This includes, but is not limited to, assessment of interview performance, quality of application, referee reports, copies of reports written by the applicant and the results of any psychological or other tests (if used).

The council must be satisfied regarding the claims by the applicant about their relative experience and qualifications.

*Local Government (Administration) Regulation 18E* makes it an offence for a person to provide false information relating to their academic qualifications.

A police clearance should be sought and considered, given the importance of the position of CEO.

Referee reports are an important part of the process and should be in writing and address the relevant selection criteria for the position.

The council may source a referee who is not one nominated by an applicant, providing they advise the applicant of their intention to do so.

In the event that a referee who was not nominated by the applicant provides a report that contains negative comments, the applicant should be given the opportunity to respond to any such comments.

## 10. Finalising the Appointment

Eventually, after considering all the information available to it, the selection panel/committee then has to make a decision on which applicant is the most suitable for appointment.

A selection report should be prepared for consideration by council which documents the assessment of each applicant interviewed. The report should identify the most suitable applicant/s and include a recommendation for council to approve an offer of appointment.

Following the decision of council to approve an offer to appoint, with the contract negotiations finalised and the preferred applicant accepting the offer of appointment, council is required to make the formal and final appointment of the CEO.

It is strongly recommended that the successful applicant not commence duties with the local government until the contract is signed.

The unsuccessful applicants (including those not interviewed) should be notified of the decision and offered the opportunity to seek feedback on their application or interview performance if they were granted an interview.

Should an unsuccessful applicant request feedback, it is recommended that the chairperson of the interview panel/

selection committee provide this.  
If a recruitment consultant is used  
they can undertake this task.

*Local Government (Administration)  
Regulation 18F* does not allow a local  
government to increase the value of  
a CEO's remuneration and benefits in  
excess of those advertised when  
finalising the appointment.

For further reading it is suggested  
reference should be made to:

- sections 5.36, 5.39 and 5.40 of  
the *Local Government Act 1995*;
- *Local Government (Administration)  
Regulations 1996* 18A, 18B, 18C, 18E,  
18F and 19A.
- Salaries and Allowances Tribunal website:  
[www.sat.wa.gov.au/LocalGovernmentCEOs](http://www.sat.wa.gov.au/LocalGovernmentCEOs)



## Attachment 1

### CEO Recruitment and Appointment Check List

Council to (preferably in conjunction with a professional HR adviser);

☐ Develop a profile of the preferred applicant (i.e. desired and essential skills, abilities, knowledge and qualifications).

☐ Approve an agreed salary package (set a suitable salary package that complies with the determination under section 7A of the *Salaries and Allowances Act 1975*).

☐ Review necessary documentation (contract of employment and position description).

NB: The key provisions to be included in the contract are: an expiry date, performance criteria and reference to the limit placed on the remuneration to be paid should the contract be terminated prior to the expiry date.

☐ Approve a process to be used for the selection and appointment of the CEO (i.e. stages of the process, who is to be involved and to what extent, whether a consultant is appointed and their role in the process).

NB: It is good practice for council to formally adopt a process to ensure transparency, clarity and a shared understanding. Once adopted, the process should be followed unless found to be flawed, in which case a decision should be made to amend the process as soon as possible.

☐ Advertise the position inviting applications from suitably qualified applicants (advertisement to contain information set out in 18A(2) of the *Local Government (Administration) Regulations 1996*).

☐ Applicants to be short listed (may be undertaken by consultants, selection panel/ committee or council).

NB: It is noted that in most cases this is done by the consultants or the selection panel/committee in conjunction with the consultants.

☐ Conduct interviews of the short listed applicants (may be undertaken by consultants, selection panel/ committee or council).

NB: This may be done prior to the final decision to appoint if availability of preferred applicant is limited due to travel arrangements etc. If not interviewed by the entire council it is recommended that all elected members meet with the preferred applicant prior to final appointment.

- ☐ Select preferred applicant/s (make recommendation for council to offer the position to the 1st preferred applicant subject to contractual negotiations, within the designated salary package, including the preliminary performance criteria to be contained in the contract).

NB: If 1st preferred applicant is not accepted or declines the offer, a decision may be made on any 2nd or 3rd preferred applicant in line until an offer and acceptance is reached or until no preferred applicants are appointed (applicants identity may remain confidential until such time a final appointment is made).

- ☐ Approve the formal and final appointment (must be decision by council that it:
  - (i) believes the person is suitably qualified for the position of CEO; and
  - (ii) is satisfied with the provisions of the proposed CEO employment contract).

NB: Absolute majority decision required for (ii).

NB: All legislative references are from the *Local Government Act 1995* and associated regulations.

These guidelines are also available on the Department's website at [www.dlgc.wa.gov.au](http://www.dlgc.wa.gov.au)



### About the Guideline series

This document and others in the series are intended as a guide to good practice and should not be taken as a compliance requirement. The content is based on Department officer knowledge, understanding, observation of, and appropriate consultation on contemporary good practice in local government. Guidelines may also involve the Department's views on the intent and interpretation of relevant legislation.

All guidelines are subject to review, amendment and re-publishing as required. Therefore, comments on any aspect of the guideline are welcome. Advice of methods of improvement in the area of the guideline topic that can be reported to other local governments will be especially beneficial.

For more information about this and other guidelines, contact the Local Government Regulation and Support Branch at:

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