ceo: The cells and or figures in green should not be altered as they are formula driven or part of an assumption model.

ceo: Assumes that the CSRFF Grant will be a maximum of $1.8m or 33% whichever is the lesser (or per the RDA Grant application)

ceo: Assumes that minimal funds from Federal sources will be forthcoming, bar in scenarios # 17 to 20

ceo: Assumes that these funds will remain unspent and available and that no additional fundraising will be generated of any significance to assist reduce the capital investment

ceo: Assumes that no new discretionary Municipal Funds are able to be identified and allocated for the construction nor operating of the facility

ceo: This Reserve Fund is not identified for use to fund an aquatic centre but could be used for the purpose but with negative cashflow implications, reduced interest earnings and reduced flexibility regarding existing other land & building assets

ceo: Debt is based on 5.0% fixed P&I for a period of 25 Years based on monthly repayments

ceo: Deficit is based on a range of a low of $300k to a high of $600k regardless of size of facility for simplicity of model and excludes depreciation (non cashed)

ceo: Assumes the rates levied in 2012/13 of $4,673,000 and does not take into account the additional increase in rates required to maintain the 'status quo' service delivery and existing asset mtce levels

72 Denmark Aquatic Centre Financing Scenarios (60 fixed and 12 free format)

Capital (One-off - Construction)												Operating Deficit (of income - each year / pa)												
													Assumes $300k deficit Pre-debt, no Depn				Assumes $450k deficit Pre-debt, no Depn				Assumes $600k deficit Pre-debt, no Depn			
Shortfall (Equates to Debt Required)	Row	Comment	Indicative Construction Cost (Capital Commitment)	CSRFF Grant	Federal Grants	Other Grants such as Health, Lottery west	Fundraising from Community / DACCI	Council Municipal Funds available	CLGF (R4R)	Transfer from Aquatic Centre Reserve Funds	Transfer from Land & Bldg Reserve Fund	Borrowing (Debt)	P&I pa (to service Debt)	$300k predicted operating deficit without assumed debt service	Predicted operating deficit with assumed debt service	One-off rate increase required to service the predicted operating deficit with debt service	Scenario	$450k predicted operating deficit without assumed debt service	Predicted operating deficit with assumed debt service	One-off rate increase required to service the predicted operating deficit with debt service	Scenario	$600k predicted operating deficit without assumed debt service	Predicted operating deficit with assumed debt service	One-off rate increase required to service the predicted operating deficit with debt service	Scenario	Assumptions / Comment
$ 0	1	Best Case	$ 5,300,000	$ 1,766,667	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 2,200,000	$ 85,000	$ 648,333	$ 0	$ 0	$ 300,000	$ 300,000	6.42%	1a	$ 450,000	$ 450,000	9.63%	1b	$ 600,000	$ 600,000	12.84%	1c	Capital Cost $5.3m and variations
$ 615,000	2	Middle +	$ 5,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 1,650,000	$ 85,000	$ 550,000	$ 615,000	$ 43,143	$ 300,000	$ 343,143	7.34%	2a	$ 450,000	$ 493,143	10.55%	2b	$ 600,000	$ 643,143	13.76%	2c	Capital Cost $5.3m and variations
$ 1,715,000	3	Middle -	$ 5,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 1,100,000	$ 85,000	$ -	$ 1,715,000	$ 120,309	$ 300,000	$ 420,309	8.99%	3a	$ 450,000	$ 570,309	12.20%	3b	$ 600,000	$ 720,309	15.41%	3c	Capital Cost $5.3m and variations
$ 2,265,000	4	Worse Case	$ 5,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 550,000	$ 85,000	$ -	$ 2,265,000	$ 158,892	$ 300,000	$ 458,892	9.82%	4a	$ 450,000	$ 608,892	13.03%	4b	$ 600,000	$ 758,892	16.24%	4c	Capital Cost $5.3m and variations
$ 515,000	5	Best Case	$ 6,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 2,200,000	$ 85,000	$ 1,100,000	$ 515,000	$ 36,128	$ 300,000	$ 336,128	7.19%	5a	$ 450,000	$ 486,128	10.40%	5b	$ 600,000	$ 636,128	13.61%	5c	Capital Cost $6.3m and variations
$ 1,615,000	6	Middle +	$ 6,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 1,650,000	$ 85,000	$ 550,000	$ 1,615,000	$ 113,294	$ 300,000	$ 413,294	8.84%	6a	$ 450,000	$ 563,294	12.05%	6b	$ 600,000	$ 713,294	15.26%	6c	Capital Cost $6.3m and variations
$ 2,715,000	7	Middle -	$ 6,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 1,100,000	$ 85,000	$ -	$ 2,715,000	$ 190,459	$ 300,000	$ 490,459	10.50%	7a	$ 450,000	$ 640,459	13.71%	7b	$ 600,000	$ 790,459	16.92%	7c	Capital Cost $6.3m and variations
$ 3,265,000	8	Worse Case	$ 6,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 550,000	$ 85,000	$ -	$ 3,265,000	$ 229,042	$ 300,000	$ 529,042	11.32%	8a	$ 450,000	$ 679,042	14.53%	8b	$ 600,000	$ 829,042	17.74%	8c	Capital Cost $6.3m and variations
$ 1,515,000	9	Best Case	$ 7,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 2,200,000	$ 85,000	$ 1,100,000	$ 1,515,000	$ 106,278	$ 300,000	$ 406,278	8.69%	9a	$ 450,000	$ 556,278	11.90%	9b	$ 600,000	$ 706,278	15.11%	9c	Capital Cost $7.3m and variations
$ 2,615,000	10	Middle +	$ 7,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 1,650,000	$ 85,000	$ 550,000	$ 2,615,000	$ 183,444	$ 300,000	$ 483,444	10.35%	10a	$ 450,000	$ 633,444	13.56%	10b	$ 600,000	$ 783,444	16.77%	10c	Capital Cost $7.3m and variations
$ 3,715,000	11	Middle -	$ 7,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 1,100,000	$ 85,000	$ -	$ 3,715,000	$ 260,610	$ 300,000	$ 560,610	12.00%	11a	$ 450,000	$ 710,610	15.21%	11b	$ 600,000	$ 860,610	18.42%	11c	Capital Cost $7.3m and variations
$ 4,265,000	12	Worse Case	$ 7,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 550,000	$ 85,000	$ -	$ 4,265,000	$ 299,193	$ 300,000	$ 599,193	12.82%	12a	$ 450,000	$ 749,193	16.03%	12b	$ 600,000	$ 899,193	19.24%	12c	Capital Cost $7.3m and variations
$ 2,515,000	13	Best Case	$ 8,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 2,200,000	$ 85,000	$ 1,100,000	$ 2,515,000	$ 176,429	$ 300,000	$ 476,429	10.20%	13a	$ 450,000	$ 626,429	13.41%	13b	$ 600,000	$ 776,429	16.62%	13c	Capital Cost $8.3m and variations
$ 3,615,000	14	Middle +	$ 8,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 1,650,000	$ 85,000	$ 550,000	$ 3,615,000	$ 253,595	$ 300,000	$ 553,595	11.85%	14a	$ 450,000	$ 703,595	15.06%	14b	$ 600,000	$ 853,595	18.27%	14c	Capital Cost $8.3m and variations
$ 4,715,000	15	Middle -	$ 8,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 1,100,000	$ 85,000	$ -	$ 4,715,000	$ 330,761	$ 300,000	$ 630,761	13.50%	15a	$ 450,000	$ 780,761	16.71%	15b	$ 600,000	$ 930,761	19.92%	15c	Capital Cost $8.3m and variations
$ 5,265,000	16	Worse Case	$ 8,300,000	$ 1,800,000	$ 100,000	$ 200,000	$ 200,000	$ 100,000	$ 550,000	$ 85,000	$ -	$ 5,265,000	$ 369,344	$ 300,000	$ 669,344	14.32%	16a	$ 450,000	$ 819,344	17.53%	16b	$ 600,000	$ 969,344	20.74%	16c	Capital Cost $8.3m and variations
$ 296,000	17	Best Case	$ 9,338,000	$ 1,788,000	$ 4,669,000	$ -	$ 200,000	$ 100,000	$ 2,200,000	$ 85,000	$ -	$ 296,000	$ 20,765	$ 300,000	$ 320,765	6.86%	17a	$ 450,000	$ 470,765	10.07%	17b	$ 600,000	$ 620,765	13.28%	17c	Capital Cost $9.3m - Highest Capital Cost & RDA Round 4 grant application - assumes fully funded
$ 715,000	18	Middle +	$ 9,338,000	$ 1,788,000	$ 3,500,000	$ 200,000	$ 200,000	$ 100,000	$ 1,650,000	$ 85,000	$ 1,100,000	$ 715,000	$ 50,158	$ 300,000	$ 350,158	7.49%	18a	$ 450,000	$ 500,158	10.70%	18b	$ 600,000	$ 650,158	13.91%	18c	Capital Cost $9.3m - Highest Capital Cost & RDA Round 4 grant application - assumes partially funded
$ 2,815,000	19	Middle -	$ 9,338,000	$ 1,788,000	$ 2,500,000	$ 200,000	$ 200,000	$ 100,000	$ 1,100,000	$ 85,000	$ 550,000	$ 2,815,000	$ 197,475	$ 300,000	$ 497,475	10.65%	19a	$ 450,000	$ 647,475	13.86%	19b	$ 600,000	$ 797,475	17.07%	19c	Capital Cost $9.3m - Highest Capital Cost & RDA Round 4 grant application - assumes partially funded
$ 4,915,000	20	Worse Case	$ 9,338,000	$ 1,788,000	$ 1,500,000	$ 200,000	$ 200,000	$ 100,000	$ 550,000	$ 85,000	$ -	$ 4,915,000	$ 344,791	$ 300,000	$ 644,791	13.80%	20a	$ 450,000	$ 794,791	17.01%	20b	$ 600,000	$ 944,791	20.22%	20c	Capital Cost $9.3m - Highest Capital Cost & RDA Round 4 grant application - assumes partially funded
$ -	21	free format	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	21a	$ -	$ -	0.00%	21b	$ -	$ -	0.00%	21c	Cr input suggested to generate scenarios
$ -	22	free format	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	22a	$ -	$ -	0.00%	22b	$ -	$ -	0.00%	22c	Cr input suggested to generate scenarios
$ -	23	free format	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	23a	$ -	$ -	0.00%	23b	$ -	$ -	0.00%	23c	Cr input suggested to generate scenarios
$ -	24	free format	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	24a	$ -	$ -	0.00%	24b	$ -	$ -	0.00%	24c	Cr input suggested to generate scenarios

ceo: Assumes the rates levied in 2012/13 of $4,673,000 and does not take into account the additional increase in rates required to maintain the 'status quo' service delivery and existing asset mtce levels

ceo: Assumes the rates levied in 2012/13 of $4,673,000 and does not take into account the additional increase in rates required to maintain the 'status quo' service delivery and existing asset mtce levels

Assumptions common to all scenarios in the Model

Minimal likelihood of additional Municipal funds being identified to reduce the capital commitment shortfall (debt) and or reliance on rate increases - without affecting other services or facilities - therefore the assumption has been made that the project needs to be financed from 'new money'
Rates levied in 2012/13 assumed to be fixed at $4,673,000
Likelihood of const construction? The range of $5.3m to $9.3m has been used based on the Coffey Report and DACCI Report and allowing for price movement by 2 years.
The assumptions and scenarios can be varied as required to see the impact on debt and rates - refer scenarios 21a through 24c (12 in total).
All figures utilised are exclusive of GST.

Depn of the construction (buildings and plant & equip.) if funded (cashed) would need to equate to approx. 3.33% of the construction value assuming an average 30 year ave life (eg $276k pa on say $8.3m). Buildings typically are depreciated at 40 years (2.5%) and Plant & Equipment at 20% and the Pool structure at around 3.33%. An average of 3.33% has been assumed.
The likelihood of other significant source funds is low / remote.
Any of the figures in white cells can be altered to see the effect on the rate increase required to operate the facility net of income.
All of the estimates are based on 2012/13 dollars and no allowance has been made for inflation or movement of interest.

ceo: Current Round 4 RDA request with additional 'reduced offer' scenarios.

ceo: Assumes that the current as of right split and agreement with the City of Albany continues and that the same minimum level of funding prevails and that 2 years funding is able to be committed / agreed to. Council receives approx. $550k pa as of right and $550k pa competitive if successful with a maximum of $2.2m if allowed over 2 financial years.

ceo: Self input into the rows not coloured 'green' permissible to generate 'scenarios' 21a to 24c if desired.

ceo: Ranging from a low of $5.3m to a high of $9.3m.

ceo: Assumes only $80k in the Reserve Fund.

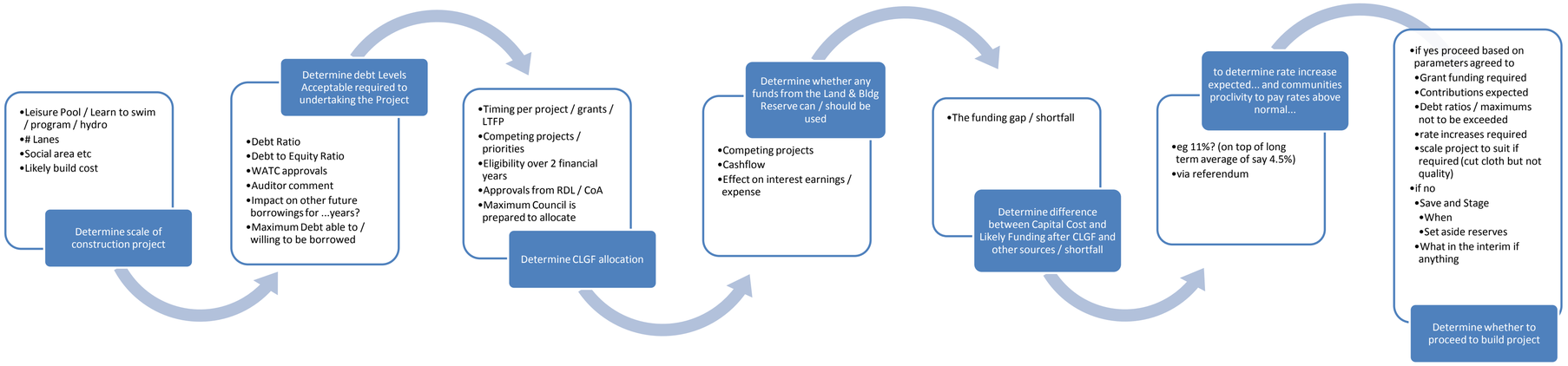
Observations…

It is unlikely that Council will be successful with any significant Federal or other external source funds other than CLGF and CSRFF (noting excepting scenarios that involve the RDA application).
Small capital injections (say $100k to $300k), do not significantly alter the impact on the rate increase required to service the facility / loan.
Council needs to determine how much of the CLGF funds can / should be allocated to the Project - LTFP impacts / priorities.
Council needs to determine whether it is prepared to allow any of the Land & Bldg Reserve Fund to be utilised for the Project - LTFP impacts / priorities (cash flow implications / flexibility / contingency).
Council needs to determine whether it has any discretionary capital or operating funds it wishes to allocate to the Project - initial analysis is that the likelihood of any significant savings is low.
Council needs to determine what contribution it expects of the community (if any) towards the project.
Council needs to determine its proclivity / attitude towards exposure to debt and a maximum it is prepared to accept without compromising financial ratios and future flexibility (such as the LIA, Business Park)

Councils current debt service ratio is 5% on apprx. $2.2m of debt at 30/6/12. Ideally this should not exceed 10%, which would allow a maximum of $2.2m of additional debt for all purposes. A safe maximum debt for the project would therefore be in the order of $1m, allowing flexibility to borrow for other projects in the next 5 years whilst not exceeding the benchmark ratio.
Council needs to determine the communities proclivity to accept a one-off permanent rate increase beyond normal annual rate increases and the maximum it is prepared to accept which may in turn either 'cap' the construction cost, delay the project pending grants or 'saving' for it (transfer to Reserve each year) or alter the scope of the project (size and scale).

In summary the following statements derive the impact of the facility on Rates based on 2012 data

	Example	***New Scenario***	
If the Construction Cost is	$ 7,300,000	$ -	enter construction amount
if the Funds from Grants / fundraising (non Council sources) etc are	$ 2,355,000	$ -	enter grants & other contributions / donations excluding CLGF
If the funds to be allocated from the CLGF are	$ 2,200,000	$ -	enter likely CLGF grant (maximum $2,200,000)
If the Funds from the Council's Aquatic Centre Reserve available are	$ 85,000	$ -	enter amount up to the maximum of the amount in the reserve
If the Funds from the Council's other cash backed Reserves that you wish to use are	$ -	$ -	enter amount up to the total of all anticipated cash in available reserves
If the Funds from Municipal that can be created / found / saved are	$ 100,000	$ -	enter amount of savings from existing or ceased services / facilities
Then the shortfall on construction cost vs. grants, reserves and Municipal funds is	$ 2,560,000	$ -	formula - do not alter
Then the Debt Principal to fund this shortfall needs to be	$ 2,560,000	$ -	formula - do not alter
If the Period of loan is	25.00	25.00	enter the amount of years for the loan (Maximum 25)
if the Interest rate is	5.00%	5.00%	enter the interest rate % for the loan (default 5.0%)
If the no. of repayments are	300	300	enter the # of repayments for the life of the loan eg 25 by 12 = 300
Then the annual Principal & Interest Repayments are	$ 179,586	$ -	formula - do not alter
If the Operating Shortfall pa of the facility (net of Debt) is	$ 450,000	$ -	enter the predicted operating shortfall without debt
Then the annual operating shortfall with Debt is	$ 629,586	$ -	formula - do not alter
Then the one-off permanent rate increase required to service the facility (without Depn) is	13.47%	0.00%	formula - do not alter



Aquatic Centre Decision Tool (based on Save & Stage)

Factors			Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Comments
Assumed Build Cost			$ 9,300,000	$ 8,800,000	$ 8,300,000	$ 7,800,000	$ 7,300,000	The function of the build cost combined with a maximum debt threshold results in construction being delayed by one year for each $500k (approx).
Budgeted Federal Grants			$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	Indicative only
Budgeted State Grants			$ 1,900,000	$ 1,900,000	$ 1,900,000	$ 1,900,000	$ 1,900,000	CSRFF, Lotterywest etc
Budgeted Community Contribution expected			$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	To be determined?
CLGF allocation			$ 2,200,000	$ 2,200,000	$ 2,200,000	$ 2,200,000	$ 2,200,000	Assumes 2 years allocations and approvals from CoA and RDL and no other competing projects
Savings / Identified allocation of discretionary Council contribution to Capital before rates increase			$ 75,000	$ 94,000	$ 115,000	$ 135,000	$ 155,000	This figure is to be determined / found but this variable has been adjusted arbitrarily to produce a constant rates increase to service the operating deficit below.
Transfer from Reserve contribution			$ 85,000	$ 85,000	$ 85,000	$ 85,000	$ 85,000	existing funds with 2012 interest
Transfer from other Reserves contribution			$ -	$ -	$ -	$ -	$ -	not recommended
Resultant shortfall on Construction (Debt Requirement)			$ 4,640,000	$ 4,121,000	$ 3,600,000	$ 3,080,000	$ 2,560,000	The resultant level of debt if it did not exceed that recommended by officers
Maximum Loan (Debt)			$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	Maximum recommended by officers for this projects as a result of LTFP implications
Exceedance above maximum Debt			$ 3,640,000	$ 3,121,000	$ 2,600,000	$ 2,080,000	$ 1,560,000	Determined by the above decision
Additional transfer to Aquatic Centre Reserve required			$ 3,640,000	$ 3,121,000	$ 2,600,000	$ 2,080,000	$ 1,560,000	To be funded by the below rate increases with yearly transfers
One-off Rate increase % to fund shortfall over 1 year (to place into the Reserve Fund (Save & Stage)			77.89%	66.79%	55.64%	44.51%	33.38%	unacceptable increases
Rate increase % to fund capital shortfall over 2 years (to place into the Reserve Fund (Save & Stage)			38.95%	33.39%	27.82%	22.26%	16.69%	unacceptable increases
Rate increase % to fund capital shortfall over 3 years (to place into the Reserve Fund (Save & Stage)			25.96%	22.26%	18.55%	14.84%	**11.13%**	Aquatic Centre is built 3 years from rates increase
Rate increase % to fund capital shortfall over 4 years (to place into the Reserve Fund (Save & Stage)			19.47%	16.70%	13.91%	**11.13%**	8.35%	Aquatic Centre is built 4 years from rates increase
Rate increase % to fund capital shortfall over 5 years(to place into the Reserve Fund (Save & Stage)			15.58%	13.36%	**11.13%**	8.90%	6.68%	Aquatic Centre is built 5 years from rates increase
Rate increase % to fund capital shortfall over 6 years (to place into the Reserve Fund (Save & Stage)			12.98%	**11.13%**	9.27%	7.42%	5.56%	Aquatic Centre is built 6 years from rates increase
Rate increase % to fund capital shortfall over 7 years (to place into the Reserve Fund (Save & Stage)			**11.13%**	9.54%	7.95%	6.36%	4.77%	Aquatic Centre is built 7 years from rates increase
Debt Service Cost pa based on maximum accepted Loan			$ 70,151	$ 70,151	$ 70,151	$ 70,151	$ 70,151	Based on 25 years @ 5%
Depreciation allowance (transfer to Aquatic Centre Reserve for future mtce)			$ 154,845	$ 146,520	$ 138,195	$ 129,870	$ 121,545	Based on average of 3.33% of the construction value above, times by 50% of the deemed depreciation as a concession to acknowledge it is the only asset beyond plant that is attempted to be cash backed.
Predicted Operating Deficit (middle range) - ***net*** of debt and ***exclusive*** of depreciation allowance	Insert Deficit *without* Depn	450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	To be agreed - default assumed to be $450,000 - alter the figure in red if desired
2012 one-off permanent Rates increase based on 2012 Rates to fund Operating Deficit *net* of Debt & *net* of Depn			**9.63%**	**9.63%**	**9.63%**	**9.63%**	**9.63%**	Formula generated based on above assumptions / decisions
2012 one-off permanent Rates increase based on 2012 Rates to fund Operating Deficit *inclusive* of Debt but *net* of Depn			**11.13%**	**11.13%**	**11.13%**	**11.13%**	**11.13%**	Formula generated based on above assumptions / decisions
2012 one-off permanent Rates increase based on 2012 Rates to fund Operating Deficit *inclusive* of Debt and Depn @ 50%			**14.44%**	**14.27%**	**14.09%**	**13.91%**	**13.73%**	Formula generated based on above assumptions / decisions
Aquatic Centre can be built *after* Year....			**Year 7**	**Year 6**	**Year 5**	**Year 4**	**Year 3**	**Aquatic Centre can be built *after* Year....**

ceo:
Cells shaded green cannot be altered (formula driven). Figures in red however can be altered to see what the model generates.

Assumptions

This simplistic model assumes that the Build Cost remains constant, interest rates remain constant and interest earnings are not credited to some extent at least, to offset the nil build cost increase.

Rates levied 2012 $4,673,000

That the CLGF allocation is permitted / accepted by RDL and CoA.

Depn of the construction (buildings and plant & equip.) if funded (cashed) would need to equate to approx. 3.33% of the construction value assuming an average 30 year ave life (eg $276k pa on say $8.3m). Buildings typically are depreciated at 40 years (2.5%) and Plant & Equipment at 20% and the Pool structure at around 3.33%. An average of 3.33% has been assumed.

Observation / findings

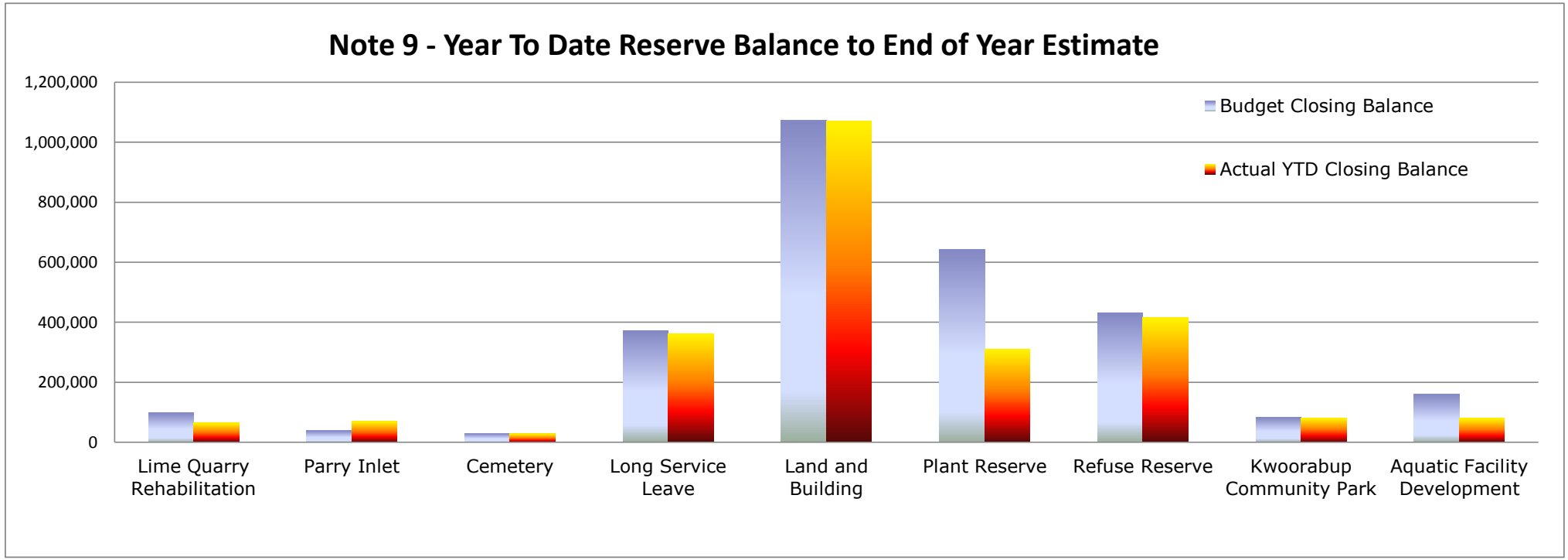
A one-off permanent rates increase of approx. 11.13% (2012 levels) (in addition to the traditional rates increase) can provide the necessary funds with the above assumed factors, after 3 years for a construction cost of $7.3m, with an extra year required for each additional $500k, greater than $7.3m) (without any depreciation being funded).

A one-off permanent rates increase of approx. 14% (2012 levels) (in addition to the traditional rates increase) can provide the necessary funds with the above assumed factors, after 3 years for a construction cost of $7.3m, with an extra year required for each additional $500k, greater than $7.3m) (with 50% of depreciation being funded).

SHIRE OF DENMARK
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 November 2012

Note 9: Cash Backed Reserve

Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Budget Closing Balance	Actual YTD Closing Balance
	$	$	$	$	$	$	$		$	$
Lime Quarry Rehabilitation	63,092	2,839	988	32,000					97,931	64,080
Parry Inlet	68,594	3,086	1,491	2,500		(35,000)			39,180	70,084
Cemetery	28,343	1,275	26						29,618	28,369
Long Service Leave	356,695	16,050	5,585						372,745	362,280
Land and Building	1,134,053	51,032	17,756			(111,250)	(80,000)		1,073,835	1,071,809
Plant Reserve	305,077	13,728	4,777	325,000					643,805	309,854
Refuse Reserve	408,763	18,390	6,400	50,000		(46,000)			431,153	415,163
Kwoorabup Community Park	80,041	3,600	1,253						83,641	81,294
Aquatic Facility Development	0	0	0	160,000	80,000				160,000	80,000
	2,444,658	**110,000**	**38,276**	**569,500**	**80,000**	**(192,250)**	**(80,000)**		**2,931,908**	**2,482,933**



Submissions received in response to July 2012 DACCI Pool Campaign

Given Name	Surname	Phone
Neil	Adam	DENMARK WA 6333
Mark	Adams	DENMARK WA 6333
Gareth	Andersson	DENMARK WA 6333
Chantel	Anstey	DENMARK WA 6333
Christine	Archer	DENMARK WA 6333
Dawn	Bacciei	DENMARK WA 6333
Simon	Baker	DENMARK WA 6333
Joe	Baker	DENMARK WA 6333
Shannon	Barker	DENMARK WA 6333
Mike	Barrett	DENMARK WA 6333
Pam	Bastian	DENMARK WA 6333
David	Bell	DENMARK WA 6333
Vaughan	Bellanger	WALPOLE WA 6398
Betty	Bernard	DENMARK WA 6333
Steve	Berndt	DENMARK WA 6333
Beverley	Blechynden	DENMARK WA 6333
C.	Boatwright	DENMARK WA 6333
LW.	Boatwright	DENMARK WA 6333
Toni	Bourban	DENMARK WA 6333
Monica	Boyes	DENMARK WA 6333
Joan	Burke	DENMARK WA 6333
Mary	Cartwright	DENMARK WA 6333
Marnie	Cassidy	DENMARK WA 6333
Marcia	Chamberlain	DENMARK WA 6333
Amy	Chandler	DENMARK WA 6333
Bruce	Christou	DENMARK WA 6333
Kevin	Clark	SHEPPERTON VIC 3630
Pamela	Clarke	CARRAMAR WA 6031
Phillip	Cocks	DENMARK WA 6333
Frances	Collins	DENMARK WA 6333
David	Collis	DENMARK WA 6333
Chris	Constable	DENMARK WA 6333
Suzi	Cooper	DENMARK WA 6333
Leila & Clive	Corbett	DENMARK WA 6333
Peter	Cowdell	DENMARK WA 6333
Dorothy	Davies	DENMARK WA 6333
Danika	Dickie	DENMARK WA 6333
Stevie	Donohoe	DENMARK WA 6333
Lorne	Egan	DENMARK WA 6333
Darrell	Esparon	DENMARK WA 6333
Marie	Evans	DENMARK WA 6333
Pat	Evans	DENMARK WA 6333
Suzanne	Fairhead	DENMARK WA 6333
Suzanne	Fairhead	DENMARK WA 6333
Lorelle	Ferguson	DENMARK WA 6333
Lindsay	Flint	SUBIACO WA 6904
D	Fortescue	DENMARK WA 6333
D.	Francis	DENMARK WA 6333
Jim	George	DENMARK WA 6333

Renee	Goater	BORNHOLM WA 6330
R & B	Hay	DENMARK WA 6333
Valerie	Heath	DENMARK WA 6333
Sandy	Hipper	DENMARK WA 6333
Robert	Hoeksema	DENMARK WA 6333
Sue	Howe-Smith	DENMARK WA 6333
Katrina	Jones	DENMARK WA 6333
Penny	Leech	DENMARK WA 6333
Heidi	Little	DENMARK WA 6333
Nicki	Logan	DENMARK WA 6333
Alan	Lord	DENMARK WA 6333
Serina	Maciaszek	DENMARK WA 6333
Len	MacKenzie	DENMARK WA 6333
Anne	Marsden	DENMARK WA 6333
M.	Mastalerz	DENMARK WA 6333
Peter	Mather	DENMARK WA 6333
Rob	McCarthy	DENMARK WA 6333
Miranda	Miller	DENMARK WA 6333
Bob	Mills	DENMARK WA 6333
Matthew	Mitchell	DENMARK WA 6333
Roberta	Mortlock	DENMARK WA 6333
Terry & Diane	Murphy	DENMARK WA 6333
Val	Noakes	DENMARK WA 6333
Edith	Noble	DENMARK WA 6333
Karen	O'Donoghue	DENMARK WA 6333
K	Owens	DENMARK WA 6333
Lyn	Palmer	REDMOND ALBANY WA 6330
R	Param	DENMARK WA 6333
H	Parry	DENMARK WA 6333
Jill	Pember	SECRET HARBOUR WA 6173
Fabrice	Perez	DENMARK WA 6333
Mauricia	Perez	DENMARK WA 6333
Bree	Phillips	KATANNING WA 6317
Stephanie	Plowman	DENMARK WA 6333
J	Pluckhahn	DENMARK WA 6333
BG.	Pries	DENMARK WA 6333
Jessie	Proctor	DENMARK WA 6333
Shirley	Purdy	DENMARK WA 6333
Julie	Randell	DENMARK WA 6333
Brian	Redfern	DENMARK WA 6333
Scott	Robertson	DENMARK WA 6333
Brian & Pat	Robertson	DENMARK WA 6333
Robin	Rogers	DENMARK WA 6333
Pete & Di	Roguszka	DENMARK WA 6333
Joan	Rosman	DENMARK WA 6333
Dor	Rudd	DENMARK WA 6333
D.	Russell	DENMARK WA 6333
Elizabeth	Sanderson	DENMARK WA 6333
Nickolas	Schoevaart	DENMARK WA 6333
Christine	Shaddick	DENMARK WA 6333

Leigh	Sheldon	DENMARK WA 6333
Mark	Sheperd	DENMARK WA 6333
Christine	Spencer	DENMARK WA 6333
Jan & Phil	Spencer	DENMARK WA 6333
Joan	Stacy	DENMARK WA 6333
Kevin	Stillang	DENMARK WA 6333
Margaret	Stock	DENMARK WA 6333
Gregor	Sutherland	DENMARK WA 6333
Jo	Taylor	DENMARK WA 6333
Allan	Taylor	DENMARK WA 6333
Sue	Templeton	SOUTH FREMANTLE WA 6162
Madge	Teudt	DENMARK WA 6333
Mrs Ruth	Tilbrook	DENMARK WA 6333
Lyn	Tomasetig	DENMARK WA 6333
JR.	Treasure	DENMARK WA 6333
Karen	Trom-Wright	DENMARK WA 6333
Clarke	Tugwell	NAPIER WA 6330
Norman	van den Berg	DENMARK WA 6333
Carlene	Welshman	DENMARK WA 6333
Robert	Wheelock	SUBIACO WA 6904
Jamie	Williams	DENMARK WA 6333
Nancy	Williams	MT EVELYN VIC 3796
Coralie	Wiltshire	DENMARK WA 6333
Nick	Wishaw	DENMARK WA 6333
Robin	Woenne	DENMARK WA 6333
Elaine & Keith	Wright	DENMARK WA 6333
Mia	Sinclair	DENMARK WA 6333
Ella	Sinclair	DENMARK WA 6333
Jimmy Roy	Sinclair	DENMARK WA 6333
Tania	Emery	DENMARK WA 6333
Maddy	Bush	DENMARK WA 6333
Chris	Watkins	DENMARK WA 6333
Marie	Lubiana	DENMARK WA 6333
Lyn	Perry	DENMARK WA 6333
Georgie	Elliott	DENMARK WA 6333
John	Cornwall	DENMARK WA 6333
Ian	Carter	DENMARK WA 6333
Tilly	Kurilowski	DENMARK WA 6333
Jasmine	Hall	DENMARK WA 6333
Hayden	Venkatachalam	DENMARK WA 6333
Danica	Logan	DENMARK WA 6333
Hazel	Moon	DENMARK WA 6333
Molly	Pilkington	DENMARK WA 6333
AE	Cooper	DENMARK WA 6333
Jean	Phillips	DENMARK WA 6333
Lachlan	Kirk	DENMARK WA 6333
Louise	Hoskins	DENMARK WA 6333
Jacob	Denmark Senior High School	DENMARK WA 6333
Kiya Winter	Denmark Senior High School	DENMARK WA 6333
Eli Carter	Denmark Senior High School	DENMARK WA 6333

Alana Cole	Denmark Senior High School	DENMARK WA 6333
Abby Needs	Denmark Senior High School	DENMARK WA 6333
Ruby A	Denmark Senior High School	DENMARK WA 6333
Ashlyn Rose	Denmark Senior High School	DENMARK WA 6333
Lauryn Jones	Denmark Senior High School	DENMARK WA 6333
Maddelin Larkman	Denmark Senior High School	DENMARK WA 6333
Hugo	Denmark Senior High School	DENMARK WA 6333
Ulysses Moore	Denmark Senior High School	DENMARK WA 6333
Fynn	Denmark Senior High School	DENMARK WA 6333
Nic Armenis	Denmark Senior High School	DENMARK WA 6333
Lucy O'Keefe	Denmark Senior High School	DENMARK WA 6333
Jemma Norton	Denmark Senior High School	DENMARK WA 6333
Kelly Hoare	Denmark Senior High School	DENMARK WA 6333
Amber M	Denmark Senior High School	DENMARK WA 6333
Ella V-M	Denmark Senior High School	DENMARK WA 6333
Ella	Denmark Senior High School	DENMARK WA 6333
K Park	Denmark Senior High School	DENMARK WA 6333
Gidget Neunuebel	Denmark Senior High School	DENMARK WA 6333
Meggie Townsend	Denmark Senior High School	DENMARK WA 6333
Sineu Wright	Denmark Senior High School	DENMARK WA 6333
Sian Alexander	Denmark Senior High School	DENMARK WA 6333
Dylan Dimmock	Denmark Senior High School	DENMARK WA 6333
J Taylor	Denmark Senior High School	DENMARK WA 6333
Katherine Bird	Denmark Senior High School	DENMARK WA 6333
Maddie Logan	Denmark Senior High School	DENMARK WA 6333
Nell Arvidson	Denmark Senior High School	DENMARK WA 6333
Sophie Reeves	Denmark Senior High School	DENMARK WA 6333
C Burke	Denmark Senior High School	DENMARK WA 6333
Jesse	Denmark Senior High School	DENMARK WA 6333
Hannah Lloyd-Deely	Denmark Senior High School	DENMARK WA 6333
Max Williamson	Denmark Senior High School	DENMARK WA 6333
Ethan Brough	Denmark Senior High School	DENMARK WA 6333
Jokhem Love	Denmark Senior High School	DENMARK WA 6333
Zia Martinovich-Rushton	Denmark Senior High School	DENMARK WA 6333
Joel Chamberlain	Denmark Senior High School	DENMARK WA 6333
Sam Gregg	Denmark Senior High School	DENMARK WA 6333
Nicola Thies	Denmark Senior High School	DENMARK WA 6333
Kyle Thorpe	Denmark Senior High School	DENMARK WA 6333
Samantha Hoare	Denmark Senior High School	DENMARK WA 6333
Kael Carnachan	Denmark Senior High School	DENMARK WA 6333
Jack Freestone	Denmark Senior High School	DENMARK WA 6333
Jayde Varrone	Denmark Senior High School	DENMARK WA 6333
Charli Kas	Denmark Senior High School	DENMARK WA 6333
Pippa Thies	Denmark Senior High School	DENMARK WA 6333
Keely B	Denmark Senior High School	DENMARK WA 6333
Emma	Denmark Senior High School	DENMARK WA 6333
Maddy Finigan	Denmark Senior High School	DENMARK WA 6333
Violet Anthony	Denmark Senior High School	DENMARK WA 6333
Jessi S	Denmark Senior High School	DENMARK WA 6333
Bethanie Clark	Denmark Senior High School	DENMARK WA 6333

Riley Savic	Denmark Senior High School	DENMARK WA 6333
Ben	Denmark Senior High School	DENMARK WA 6333
Rachel Heal	Denmark Senior High School	DENMARK WA 6333
Lauren English	Denmark Senior High School	DENMARK WA 6333
Hayden Pomery	Denmark Senior High School	DENMARK WA 6333
Isaac Devitt-Boyll	Denmark Senior High School	DENMARK WA 6333
Ethan Connor	Denmark Senior High School	DENMARK WA 6333
Matt Oakley	Denmark Senior High School	DENMARK WA 6333
Jess Larkman	Denmark Senior High School	DENMARK WA 6333
Camellia Cooper	Denmark Senior High School	DENMARK WA 6333
Monica Grafham	Denmark Senior High School	DENMARK WA 6333
Daniel	Denmark Senior High School	DENMARK WA 6333
Kye Henry	Denmark Primary School	DENMARK WA 6333
Kirsten Spencer	Denmark Primary School	DENMARK WA 6333
Maddi Ray	Denmark Primary School	DENMARK WA 6333
Nicole Schroeter	Denmark Primary School	DENMARK WA 6333
Pierre	Denmark Primary School	DENMARK WA 6333
Kayla Emmerton	Denmark Primary School	DENMARK WA 6333
Jasmine Samut	Denmark Primary School	DENMARK WA 6333
Ben Marsh	Denmark Primary School	DENMARK WA 6333
Ambrose Taylor	Denmark Primary School	DENMARK WA 6333
Tyrone Hall	Denmark Primary School	DENMARK WA 6333
Shai Bosman	Denmark Primary School	DENMARK WA 6333
Kyle Varrone	Denmark Primary School	DENMARK WA 6333
Liannah Renee Prior	Denmark Primary School	DENMARK WA 6333
Jackson Whooley	Denmark Primary School	DENMARK WA 6333
Sonya Benson	Denmark Primary School	DENMARK WA 6333
Isaac Knuckey	Denmark Primary School	DENMARK WA 6333
Cody Kerr	Denmark Primary School	DENMARK WA 6333
Janice	Denmark Primary School	DENMARK WA 6333
Grace Hatch	Denmark Primary School	DENMARK WA 6333
Kyle Chamberlain	Denmark Primary School	DENMARK WA 6333
Joel Potier	Denmark Primary School	DENMARK WA 6333
Bernard	Wong	EMAILED
Vicki	Wilson	EMAILED
Max	Williamson	EMAILED
Valda	Wieland	EMAILED
Grace & Elva	Verity	EMAILED
Wendy	Thompson	EMAILED
Jayne	Taylor	EMAILED
Romy	Surtees	EMAILED
Rosie	Smith	EMAILED
Jill	Smith	EMAILED
Parry	Simpson	EMAILED
Eleanor	Shepherd	EMAILED
Judy	Savic	EMAILED
Peter and Belinda	Ross	EMAILED
Chris & Sally	Prickett	EMAILED
Kim	Phillips	EMAILED
Brendon & Lynette	Parker	EMAILED

Bruce & Keir	Muldar	EMAILED
Paul	Moncreiff	EMAILED
Ruth	Mcconigley	EMAILED
Oona	Mansour	EMAILED
Tim	Maisey	EMAILED
Christie	Leyendekkers	EMAILED
Robyn	Lees	EMAILED
Penny	Leech	EMAILED
Delwyn	Joyce	EMAILED
Chris	Jackson	EMAILED
Nicole	Hodgson	EMAILED
Ceinwen	Gearon	EMAILED
John	Fountain	EMAILED
Karen	Forrest	EMAILED
Eric	Duncan	EMAILED
Sarina & Wayne	Denton	EMAILED
Ruth	Dennison	EMAILED
Dennis	Davis	EMAILED
Rose	Byron	EMAILED
Sam	Blythe	EMAILED
Caroline	Blumer	EMAILED
Caren	Blair	EMAILED
Elizabeth	Barnes	EMAILED
Virginia	Jealous	EMAILED
Teegan	O'Hehir	EMAILED
Davina Toth	& Christopher Becker	EMAILED
Brendon	Manuel	EMAILED
Meagan	Mayger	EMAILED
Brenda	Day	EMAILED
Kate	Woodward	EMAILED
Carol	Birdseye	EMAILED
Alison	Bennett Taylor	EMAILED
Bob & Tina	Smith	EMAILED
Courtney	Powys	EMAILED
Jill & Jeremy	Nyman	EMAILED
Joanne	Rowling	EMAILED
Dawn	Atkin	EMAILED
Amelia	Monaghan	EMAILED
Kelly	Schroeter	EMAILED
Angela & Silas	Masih	EMAILED
Maree	Bamford	EMAILED
Nicole & Julian	Jackson	EMAILED
Chris	Sainty	EMAILED
G & L	Upson	EMAILED
Tamara & Matthew	Cybula	EMAILED
Shiralee	Goodwill	EMAILED
Petra & Craig	Thompson	EMAILED
Charlie	Gallagher	EMAILED
Rebecca Gregg &	Neil Atkins	EMAILED
Warren	Barrington	EMAILED

Peter & Kristin	Ellingson	EMAILED
Donald and Ary	Clarke	EMAILED
Anita	Matthews	EMAILED
Holly and Andrew	Carter	EMAILED
Steve and family	Madaffari	EMAILED
Jeanette	Campbell	EMAILED
Judy and Andy	Giles	EMAILED
Petra and Craig	Thompson	EMAILED
Gwen	Harrison	EMAILED
Robin	Birchall	EMAILED
Jill	Haymann	EMAILED
Charlie	Gallagher	EMAILED
Merilyn	Burbridge	EMAILED
Susanne & John	O'Connor	EMAILED
Jennie	Mackenzie	EMAILED
Belinda	Ohle	EMAILED
Rosalie and Colin Pomery	Plozza	EMAILED
Sonia	Dezius	EMAILED
Vince & Trish	Lowe	EMAILED
Emma	McKay	EMAILED
Mark	Adams	EMAILED
Chris	Sainty	EMAILED
Sonia	Edwards	EMAILED
Tim	Dunn	EMAILED
Taya	Hardman	EMAILED
Prue	James	EMAILED
Craig	Baru	EMAILED
Grace	Hockley	EMAILED
Cath	Roberts	EMAILED
Katy	Rutter	EMAILED
Tania	Emery	EMAILED
Sue-anne	Joensson	EMAILED
Deborah	Crock	EMAILED
Anicka	Joensson	EMAILED
Amie	McHenry	EMAILED
Mellissa	Burke	EMAILED
Darryl & Jenny	Cuthbert	EMAILED
Tina	Lewis	EMAILED
Megan	Greaves	EMAILED
Raigan	Reading	EMAILED
Ylonda	Marshall	EMAILED
Callum	Neil	EMAILED
Melissa & Rory	Thomson	EMAILED
Tom	Healey	EMAILED
Jesse	Healey	EMAILED
Cheryle	Pinchback	EMAILED
Tessa	Pattinson	EMAILED
Cyril	Edwards	EMAILED
Simone	MacLardy	EMAILED
Neville	Blampey	EMAILED

Gary, Sue & Family	Sinagra	EMAILED
Drew	Lines	EMAILED
Brad and Marilyn	Hearn	EMAILED
Pauline	Edwards	EMAILED
E	Svendson	EMAILED
Alicia	Nowak	EMAILED
Sophie		EMAILED
Dr Stephen	Richards	EMAILED
Bernard	Martin	EMAILED
Catherine	Martin	EMAILED
Andrew	Milne	EMAILED
Anne	Peachey	EMAILED
Conrad	Kenyon	EMAILED
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Peter	Blades	EMAILED
Peter	Loton	EMAILED
Yvette	Caruso	EMAILED
Liz & Grant	Turnbull	EMAILED
Penelope & Bradley	Goodong	EMAILED
Graham & Bobbie	Batten	EMAILED
Lumari McGuiness &	Christina Hillier	EMAILED
Frank	Manganaro	EMAILED
Gemma	Wyatt	EMAILED
Karen	Andersson	EMAILED
Kate	Gersbach	EMAILED
Patricia	Farrer	EMAILED
Jane	Kelsbie	EMAILED
Mark	Kumara	EMAILED
Bell	Jude	EMAILED
Rosalind & Peter	Paull	EMAILED
Carol & Tony	Blackett	EMAILED
Mitchelle	Capobianco	EMAILED
Graeme	Kontoolas	EMAILED
Stanley	Hynes	EMAILED
Paul	Fyfe	EMAILED
Neil	Blake	EMAILED
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Hazel	Moon	EMAILED
Linda	Bradbury	EMAILED
Mark	Jones	EMAILED
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Maddy	Bush	EMAILED
Grant	Peater	EMAILED
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Kristy	Coughlan	EMAILED
Dane	Carter	EMAILED
Chris	Watkins	EMAILED
Wendy	Trappitt	EMAILED

Marie	Lubiana	EMAILED
David	Lambert	EMAILED
Anja	Tomsrock	EMAILED
Anna	Ramrath	EMAILED
Leanne	Basey -Fisher	EMAILED
Shirley	Smith	EMAILED
Lee	Kaminsko	EMAILED
Jesse-Jayne	Maclardy	EMAILED
Philippa	Kent	EMAILED
Bev	Mc Guiness	EMAILED
Colleen	Paganoni	EMAILED
Brett	Dell	EMAILED
Maria	McCabe	EMAILED
Bruce	Anthony	EMAILED
Jo	Gibb	EMAILED
Derek	Elliot	EMAILED
Kyra	Hall	EMAILED
Ian	Bland	EMAILED
Ola	Tylestam	EMAILED
Louise	Hoskens	EMAILED
Ivan	Peacock	EMAILED
Dorothy	Redrean	EMAILED
Pat & Wynne	Jones	EMAILED
Norman	Sharp	EMAILED
Don	Stevens	EMAILED
Chris	Brown	EMAILED
Thersea	Beecroft	EMAILED
Attila	Hagamas	EMAILED
Christopher	Mazzali	EMAILED
Rebecca	Macdonald	EMAILED
Kaz	Sternberg	EMAILED
Maree & Brian	Bamford	EMAILED
Fiona	Wilson	EMAILED
Lyn	Perry	EMAILED
Karen	Lane	EMAILED
Lara	Tuppin	EMAILED
Cath	Knuckey	EMAILED
Erica	Sayer	EMAILED
Martine	Hennia	EMAILED
A	Tapping	EMAILED
Katrina	Hithersay	EMAILED
Georgie	Elliott	EMAILED
Nel	Struik	EMAILED
John	Cornwell	EMAILED
Hannah	Walker	EMAILED
Adele	Adelphi	EMAILED
Donald	Hunt	EMAILED
Kylie	Bendotti	EMAILED
Kathleen	Croft	EMAILED
Kathy	Ryde	EMAILED

Chris	Spencer	EMAILED
Joy	Graham	EMAILED
Natasha	Rubie	EMAILED
Linzi	Mc Nab	EMAILED
Joy & Jeff	Boughey	EMAILED
Kylie	Bailey	EMAILED
Ian	Carter	EMAILED
Jody	Bushell	EMAILED
Jessica	Mc Cloy	EMAILED
Jeanette	Plowman	EMAILED
Jill	Reading	EMAILED
J	Daff	EMAILED
Ellaline	Blake	EMAILED
Caren	Blair	EMAILED
Tracey	Morrison	EMAILED
Liz	Archer	EMAILED
Mr Ross & Mrs Mary	Boaden	EMAILED
Alison	Vigne	EMAILED
Stuart	Friar	EMAILED
Peter	Carney	EMAILED
Katie	Busch	EMAILED
Garry	Singara	EMAILED
Alex	Metropolis	EMAILED
Cyril	Edwards	EMAILED
Carey	Watkin	EMAILED
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Bronnie	Walker	EMAILED
Wayne	Carter	EMAILED
Esther	Taylor	EMAILED
Julie & Michael	Garland	EMAILED
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Teresa	Izzard	EMAILED
Bronnie	Wallace	EMAILED
Kristy	Ratcliffe	EMAILED
Tilly	Kurilowski	EMAILED
Alan	Rayson	EMAILED
Jane	Holland	EMAILED
Melanie	Browne	EMAILED
Linda	Bradbury	EMAILED
Andries	Mostat	EMAILED
Linda	Taylor	EMAILED
June	Richards	EMAILED
Karen	Short	EMAILED
Avril	Steyl	EMAILED
Per	Joensson	EMAILED
Jasmin	Hall	EMAILED
Leanne	Novatscon	EMAILED
Andrew	Howe	EMAILED
Gail	Barker	EMAILED

Gail	Moore	EMAILED
Deb & Mike	Scanlon	EMAILED
Melissa	Collins	EMAILED
Adam		EMAILED
Becky	Winter	EMAILED
AW	Prathalingam	EMAILED
Karen	Atkinson	EMAILED
Helen	Merifield	EMAILED
Bob	Johnson	EMAILED
Peter	Grant	EMAILED
Karen	Clemens	EMAILED
Lesley	Wiles	EMAILED
Gay	Blake	EMAILED
Nathan	Thompson	EMAILED
Jessica	Southway	EMAILED
Lisa	Nicholson	EMAILED
Stephanie	Teudt	EMAILED
Danica	Logan	EMAILED
Serina	Dosen	EMAILED
Ethel	Mayers	EMAILED
Rose & Marty	Evesca	EMAILED
Andrew	Hicks	EMAILED
Hayden	Venkatachalam	EMAILED
Robert	Graham	EMAILED
Scarlett	Graham	EMAILED
R S	Johnson	EMAILED
Jenny	Baker	EMAILED
Christie	Leyendekkers	EMAILED
Rob	Woods	EMAILED
Helen	Thistlewaite	EMAILED
Leisha	Davis	EMAILED
Alison	Osborne	EMAILED
Nicole	Welshman	EMAILED
Diane	Burke	EMAILED
Brooke	Ryde	EMAILED
Angela	Fairbairn	EMAILED
Norman	Van Den Berg	EMAILED
Simone	Coleman	EMAILED
Julie	Carter	EMAILED
S	Watkins	EMAILED
Leigh	Sheldon	EMAILED

SHIRE OF DENMARK
2011 FINANCIAL ASSESSMENT – AQUATIC FACILITY FEASIBILITY REPORT

18 December 2012 - Attachment 8.2.1 c)

SHIRE OF DENMARK 2011 FINANCIAL ASSESSMENT – AQUATIC FACILITY FEASIBILITY REPORT

Produced by the Shire of Denmark

Referred to Council at the Meeting held

Document Version 1.2

SHIRE OF DENMARK
2011 FINANCIAL ASSESSMENT – AQUATIC FACILITY FEASIBILITY REPORT

INDEX

SHIRE OF DENMARK 2011 FINANCIAL ASSESSMENT – AQUATIC FACILITY FEASIBILITY REPORT

1. INTRODUCTION

At the August 2011 Ordinary Meetings of Council, a report commissioned by the Shire of Denmark and prepared by Coffey Commercial Advisory (Coffey Report) was presented which provided a feasibility analysis of the construction of an indoor heated swimming pool for the Shire of Denmark.

Upon consideration of the information contained in the Report and the accompanying Officer's Report, the following Resolution was adopted;

> *"**COUNCIL RESOLUTION &** OFFICER RECOMMENDATION ITEM 8.2.2*
> *MOVED: CR EBBETT SECONDED: CR SYME*
> *That with respect to the Interim Report of the Denmark Aquatic Centre Project Team, Council;*
> 1. *Receive the Coffey Commercial Advisory report titled "Feasibility Study for a Sustainable Indoor Heated Aquatic Facility in Denmark".*
> 2. *Receive the Interim Report of the Project Team.*
> 3. *Authorise the CEO to request the Director of Finance & Administration to;*
>   a) *Comment on and assess the financial models, scenarios, assumptions and projections of the Coffey Report and Project Team Interim Report with respect to the proposed Aquatic Centre and its implications on Council's future Budgets and Long Term Financial Planning, with this assessment to be provided back to the Project Team by no later than 30 November 2011 and;*
>   b) *Convene no later than 31 October 2011, a risk analysis seminar for the Project Team, Councillors and the Senior Staff of Council relating to the Aquatic Centre decision making framework through the Local Government Insurance Service (Council's Insurer) noting this is at no cost to Council.*
> 4. *Request the Project Team to report to Council by no later than 28 February 2012 on;*
>   a) *Its assessment of the Financial Analysis prepared by the Council's Director of Finance & Administration and;*
>   b) *The risk analysis prepared pursuant to part 3 and;*
>   c) *Its ability or likely timing to make recommendation(s) to Council on how to proceed with the outstanding issues they note as requiring further study denoted as "G3-01" to "G3-06" and;*
>   d) *Comment on its progress towards recommending 'a decision to implement, amend, postpone, stage development or abandon the proposal' for the Aquatic Centre.*
> 5. *That Council consider including in the 2011/12 Budget the sum of $3,000 to fund an intrastate study tour of relevant aquatic facilities in Western Australia for interested and available members of the Project Team and the Director of Finance & Administration, and open to others Councillors, with this tour scheduled to be undertaken in approximately October 2011 to assist inform the attendees in their findings and financial analysis.*
>
> *CARRIED: 8/3 Res: 190811"*

This Report is prepared in accordance with Part 3 of the above Resolution.

2. OBJECTIVES

The overall objectives of this Report are:

- To assess and verify or otherwise the financial models contained within the Coffey Report, including the various assumptions and projections contained therein.
- Provide an assessment of the impact of the construction, maintenance and operation of such a facility on the overall financial position of the Shire.
- Undertake and report on a risk analysis assessment of the process relating to the decision making framework regarding whether such a facility is to be constructed.

3. BACKGROUND

The need for an indoor aquatic facility has been raised on a number of occasions and addressing it has become the prime objective of the Denmark Aquatic Centre Association Inc. (DACA) which currently has over 450 financial family memberships. DACA's interests are represented by the Denmark Aquatic Centre Committee Inc. (DACCI).

The issue of an aquatic facility has been discussed by Council on numerous occasions in addition to which two previous feasibility studies and a needs analysis have been undertaken.

On the 19 June 2007 Council made the following resolution;

> *"That while Council will not, at this point, offer any financial support for the building or operating costs of an indoor heated aquatic centre in Denmark, it recognises the many benefits that such a facility would offer to the Denmark community and therefore gives its strong in principle support to DACCI in its quest to raise funds for the project from a range of other sources. Further, Council –*
>
> *1) will nominate appropriate Officers to assist DACCI to identify possible sources of funding / grants;*
> *2) Undertakes that when DACCI can demonstrate to Council's satisfaction that sufficient funds have been raised to make the project viable, it will:*
> *i) make available an appropriate site for the building of the facility; and*
> *ii) assume full responsibility for the building and operation of the facility.*
> *3) DACCI can advise potential donors of the Council's in principle support for the project and of the undertakings Council has given; and*
> *4) will append a statement of its in principle support for an aquatic centre to any formal applications for grants."* Res: 193/07

In response to this decision, Council further resolved (Res: 490808) in October 2008 to form a Project Team consisting of Shire staff and DACCI members to appoint and oversee a Project Officer/Consultant to complete a Needs Assessment into a Sustainable Indoor Heated Aquatic Facility. Jill Powell & Associates performed this study and reported to the Project Team in May 2009.

Council on 26th May 2009, Resolution 110509 decided;

That with respect to a sustainable indoor heated aquatic facility, Council:

1) Receive the report of the joint Council / DACCI Project team, dated 8 May 2009, titled "Needs Assessment for a Sustainable Indoor Heated Aquatic Facility in Denmark";

2) Receive the Jill Powell & Associates report titled, "Needs Assessment into a Sustainable Indoor heated Aquatic Facility";

3) Acknowledge that there is a need for an indoor heated aquatic facility in the Denmark locality; and

4) Make application for a Community Sporting and Recreation Facilities Fund (CSRFF) Grant to undertake a Feasibility Study for a proposed indoor heated aquatic facility in Denmark and a net cost of $20,000 be included in Council's draft budget considerations for 2009/2010.

In response to this Resolution, Council staff successfully obtained a Department of Sport Recreation CSRFF grant of $10,000 towards the study during the 2009/10 financial year and a Project Team was formed to oversee the Feasibility Study. The team consisted of two Councillors, two members from DACCI, the Director of Community and Regulatory Services; Chris Thompson (Regional Manager of the Department of Sport and Recreation) and Damian Schwarzbach, Council's Manager of Recreation Services who has acted as the Project Manager.

The report titled "Feasibility Study for a Sustainable Indoor Heated Aquatic Facility" has been prepared by David Lanfear of Coffey Commercial Advisory in consultation with the Shire of Denmark Aquatic Centre Project Team. In response to this Report, the Project Team have prepared an interim response titled "Denmark Aquatic Centre, Interim Report of the Project Team, 12 April 2011" (this report is a heavily marked up version of the first report with a comprehensive addendum addressing issues, concerns and general comments regarding the content of the Coffey Report).

4. METHODOLOGY

The methodology used in preparing this Report is as follows;

1. Review of Coffey Commercial Advisory Report.
2. Consultation with Project Team regarding the contents of the Coffey Report and other relevant issues.
3. Undertake a tour of similar aquatic facilities within Western Australia to allow comparison with information contained in Coffey Report and increase project team's awareness of issues relating to construction, maintenance and operation of such facilities.
4. Completion of a risk assessment regarding the decision as to whether to construct such a facility or not.

5. STUDY TOUR

A three day study tour was undertaken by members of the Project Team from 28 to 30 November 2011. The tour was attended by Mr Gregg Harwood, Mr Garry Bird and Mr Damien Schwarzbach representing the Shire and Ms Christine Randall and Mr Cyril Edwards (in part) representing the Project Team and DACCI.

The pools that were inspected were selected on the basis that they provided a comparison to the recommended model/s from the Coffey Report and/or might offer some insight into recent technological advances in operating such a facility.

The pools inspected were as follows;

Facility Name	Local Authority	Description
Manjimup Aquacentre	Shire of Manjimup	8 lane 25 metre pool and leisure pool
South West Leisure Centre	City of Bunbury	10 lane 50 metre pool and leisure pool
Geographe Leisure Centre	Shire of Busselton	6 lane 25 metre pool with leisure pool and outdoor 25 metre pool
Donnybrook Recreation Centre	Shire of Donnybrook/Balingup	6 lane 25 metre pool with toddler pool
Waroona Recreation Centre	Shire of Waroona	6 lane 25 metre pool with leisure pool
Murray Leisure Centre	Shire of Murray	8 lane 25 metre pool with leisure and hydrotherapy pool
Terry Tyzack Aquatic Centre	City of Stirling	8 lane 25 metre pool indoors, 50metre outdoor lap pool, indoor leisure pool and 3 outdoor leisure pools
Belmont Oasis	City of Belmont	8 lane 50 metre pool, 6 lane 25 metre pool with leisure pool
Wanneroo Aquamotion	City of Wanneroo	8 lane 25 metre pool with leisure and hydrotherapy pools

All those who attended the study tour found it to be a worthwhile exercise and the opportunity to discuss with facility managers how their facility operates, their various advantages and disadvantages and potential for improvement was most useful for members of the project team.

It was intended that the tour would also include an inspection of facilities at the Shire of Augusta-Margaret River however due to the severe fires that they experienced at the time of the scheduled inspection, these visits had to be cancelled. The Shire of Augusta-Margaret River operates a standalone hydrotherapy pool in Augusta and a combined recreation centre/aquatic facility in Margaret River, which would be of relevance to the proposed Denmark facility.

Of the facilities inspected, the following (in order) were found to best represent the options most suitable for the Shire of Denmark as the size and scope of the aquatic facilities are similar to that proposed in the Coffey Report and they are integrated with adjoining recreation centre facilities;

1. Geographe
2. Murray
3. Waroona
4. Donnybrook

Although these four pools differ in size, management and staffing structures, associated facilities and catchment areas, their annual operating cost provides an interesting comparison to the information supplied in the Coffey Report. Their net annual cost (excluding depreciation and financing), as advised to the Shire of Denmark, are as follows;

1. Geographe $333,334
2. Murray $480,891
3. Waroona $444,754
4. Donnybrook $274,128

6. RISK ASSESSMENT WORKSHOP

Due to scheduling problems with Local Government Insurance Services (LGIS) and conflict with other Council business, the Risk Assessment Workshop was held on Thursday 7 December 2011. Due to the size and scope of the risk assessment process, completion of the risk assessment was undertaken for several days after the initial workshop, in consultation with Mr Morreno Parrella, Workshop Coordinator.

Due to the size and scope of the process, the Project Team determined to narrow the focus of the assessment to the risks associated with the decision to be made by Council whether to proceed with the construction of a pool or not. In the event Council determined to proceed with a pool, separate risk assessments will be undertaken to examine in detail risks associated with the construction and operation of this facility.

The risks that were identified at the Workshop and subsequent follow up sessions, which also included input from Elected Members as an exercise in risk management, are detailed in Attachment 1.

In summary, none of the risks identified were deemed to be critical in terms of a decision as to whether the aquatic facility is to be constructed or not and that these risks could be managed by Council and/or the Project Team.

7. COMMUNITY SURVEY

In 2008, the Shire of Denmark reintroduced the biennial survey of electors, which included two specific questions regarding the proposed construction of an aquatic facility. The responses to these questions and subsequent Officer Comment and recommendation were as follows;

"Strength of Agreement 1=Disagree 5 = Agree	***1***	***2***	***3***	***4***	***5***
Council should construct a swimming pool within Denmark	*20.45*	*7.39*	*19.32*	*16.76*	*36.08*
Council should raise rates to construct and maintain a swimming pool	*37.22*	*11.93*	*19.32*	*18.18*	*13.35*

Officer Comments:
From the above questions, there is a strong level of support for the construction of a swimming pool, although it is noted that a high percentage of respondents also are strongly opposed to such a facility, presumably due to the high costs of construction and maintenance of such a facility. This is also reflected in the question as to whether Council should raise rates to fund such a facility with the level of support dropping if rates were to be raised.

The Officer Recommendation accompanying these results, which was subsequently received by Council was as follows;

Officer Recommendation:
That the results of the Survey regarding the swimming pool questions be referred to the Shire of Denmark Swimming Pool Advisory Committee for information and that it be noted that while there is a high level of support for a pool, this level of support drops markedly when it is to be funded by ratepayers."

A copy of individual comments received from survey respondents, regarding the proposed aquatic facility, has been included as Attachment 2 for further information.

The same or similar questions were not asked in the 2011 Community Needs and Customer Satisfaction Survey, as a specific survey was prepared as part of the Working Group's analysis of the feasibility of the Report, the results of which were contained and considered in the final Coffey Report.

8. COFFEY COMMERCIAL ADVISORY REPORT

In summary, the Coffey report identified three options for the development of an aquatic facility to meet the needs of the Shire of Denmark, being;

Option 1	6 lane, 25 metre pool with toddler's area and a hydrotherapy pool.
Option 2	8 lane, 25 metre pool with a toddler's area and a hydrotherapy pool.
Option 3	3 lane, 25 metre pool with toddlers area and a hydrotherapy pool and further 96m2 of programmable space.

Costs associated with these three options were as follows;

	CAPITAL COST	OPERATING COST
Option 1	$8,237,000	$240,000 to $357,000
Option 2	$8,950,000	$280,000 to $412,000
Option 3	$7,970,000	$214,000 to $326,000

Note the above operating costs are based on a ten year period, hence the variation in figures. These figures also include adjustments for inflation and refurbishment every five year period and a correction to Option 1 which had understated the size of the area of the swimming and hydrotherapy pool (by a combined 30m2) and resulted in the cost being understated by $67,000.

To determine capital cost, the consultant used a quantities surveyor to estimate the construction cost, although it is noted that there are several significant exclusions from this cost including fixtures, furniture and equipment, carparking, works to the existing Recreation Centre, public art and most significantly financing costs. It is also significant to note that this cost is estimated as at October 2010.

As noted by the Project Team, the Report makes no mention of costs of building in Denmark and it is assumed that a location factor has been included within the costs provided.

Noting these exclusions, the estimates presented would appear to be realistic based on similar recent developments, namely the Shire of Murray facility which was constructed in 2010/11 at a total capital cost of $7,500,000.

In order to ensure that these estimates reflect likely actual construction costs, financial modeling contained later in the report has added 5% to reflect these exclusions from the estimated cost, excluding financing costs which are dealt with as a separate matter.

In order to arrive at the operating cost estimates, several assumptions were made by the consultant. Generally these assumptions are considered to be sound or immaterial to the facilities overall financial position. Some of these assumptions however do require closer scrutiny and are discussed in greater detail as follows;

- **Depreciation**

  "Depreciation has been included in table 30 as an overview, but is not included in all other models referenced in this section."

  Officer Comment

  Depreciation estimates are important to the whole of life cost facility and need to be factored into the financial estimates of any facility. Although not a "cash" expense as such, the value of the depreciation should be placed into a Reserve Fund to fund replacement/ renovation of the facility as the building and associated equipment requires. Without this, there will be a significant funding shortfall when time comes to undertake these works.

  Whilst this philosophy has not previously been applied to other Council assets, such as plant and equipment, this has been as a result of lack of finances to do so and is certainly not recommended best practice. Failure to do so has meant Council has had to borrow funds to finance such purchases, meaning a higher cost once debt financing is taken into consideration.

  The Coffey Report provided for a 30 year life for the facility and as such a depreciation rate of 3.33% of the total construction cost has been applied to the annual cost to Council (see Part 9).

  It is acknowledged by the Director of Finance and Administration that there are different philosophies on how depreciation can be funded and that putting aside funds less than the prescribed depreciation rate is a decision that has been made historically for political and financial reasons by the Shire of Denmark and other local authorities.

- **Post Construction Works**

  "Projections do not include any provision for post construction make good and fit for purpose works associated with construction or design issues. Depending on project management methodology, provisions of up to 5% of construction cost should be made for this work."

  Officer Comment

  Anecdotal evidence obtained from the study tour would indicate that expenditure is required during and post construction to rectify design issues and to ensure maximum efficiency in amalgamating with the existing Recreation Centre. The 5% recommended would appear to be reasonable to provide for these contingencies. This would be a one off cost, budgeted for in the first year of the facilities operations.

- **Pre-opening Budget**

  "Projections do not include any establishment/pre-opening budget for a new facility. An indicative budget allocation is approximately 5% of projected expenditure."

  Officer Comment

  There will be need to expend such monies to ensure proper planning has taken place prior to commencement of operations. An estimate of 5% (of operating cost) would appear reasonable given the importance of ensuring all aspects of the facility, including staff, programming and equipment has

been thoroughly tested, trained etc prior to opening. This would be a one off cost, budgeted for in the in the first year of the facilities operations and as such no additional expenditure is provided for in the financial estimates provided.

- **Utility Charges**

  "Utility cost estimates have been based on previous Coffey advice for comparable projects however Coffey strongly recommends that upon development of detailed design drawings that these forecasts are reviewed."

  Officer Comment

  Given the increases to utility charges (power, water and gas) in recent years and with proposed further increases to come (including carbon tax implications), the costs associated with these expenses would need to be considered further when designing the facility. Whilst there is an increase in these costs in the ten year projections provided in the Coffey report, they appear to be based more on inflation increases than the current government policy of moving to a full cost recovery system, which will mean further significant rises in future years.

  As such it is suggested that these costs have most likely been underestimated over the ten year projections contained within the Coffey Report and should be revised for future budgeting purposes. As there has been a significant increase to power costs since the preparation of the Coffey Report, a contingency of an additional $25,000 has been added to the estimates provided.

- **Salaries and Wages**

  "Wage rates are as previously outlined."

  Officer Comment

  Whilst the wage rates for centre staff appear to be high, they are not considered unreasonable given, as the Coffey Report notes, "the specialist and casual nature of employment and are not comparable for centre administration staff".

  The total cost for wages contained within the operating cost estimates would appear to be low when compared to other Centre's visited and from the experience of shire staff that have experience in managing operating aquatic facilities at other local authorities. Given the lack of supporting detail in these estimates, it is difficult to estimate the actual salaries and wages cost and to ensure there is a sufficient allocation to operate the facility, a contingency of an additional $25,000 has been added to the estimates provided in the Coffey Report.

  The Officer supports the Coffey Report recommendation that the facility be managed by the Shire of Denmark, representing the best value for money and allowing Council to retain control over the aquatic/recreation centre facility.

While on face value these figures would appear to be fair and reasonable based on industry benchmarking and information obtained on the Study Tour, there is a lack of detail to support how they were determined. As such it is difficult, if not impossible, to assess their accuracy and how they may vary under different conditions.

That said the figures provided are considered to be fair and reasonable in a broad sense and certainly more than sufficient for financial modeling purposes.
Assuming a decision to construct an aquatic facility is made, more detailed financial costings should be prepared once actual construction costs, design issues and other matters have been finalized.

As a general comment, in comparison to the Centre's visited on the Study Tour, these operational costs supplied in the Coffey Report would appear to be low. For example of the pools that were found to be most similar to the proposed model/s being considered for Denmark, their annual operating costs (excluding depreciation and financing costs) were as follows;

	Annual Operating Cost
Geographe Leisure Centre	$333,334
Murray	$480,891
Waroona	$444,754
Donnybrook	$274,128

Given that none of these facilities are exactly the same, making comparison difficult, the range in costs supports the information provided in the Coffey Report, until such time as design options have been completed.

The Coffey Report also examined funding options to finance the construction of the aquatic facility. The Report identified various funding sources and attributed the following likelihood to obtaining such funding;

Potential Funding Source	Denmark Aquatic Centre
PPP/Private sector	Unlikely
CSRFF	Possible
Rate Levy	Possible
State Government	Unlikely
Federal Government	Unlikely
Sports bodies	Unlikely
User Group Contribution	Possible
Other trusts/funds	Unlikely

This assessment of potential funding sources would appear to be sound, with the exception of state government funding. The State Government Royalties for Regions Country Local Government Fund would have some potential for financing a portion of the construction costs.

Based on the allocation received for the 2011/12 financial year, the Shire of Denmark could possibly contribute between approximately $500,000 and $1,000,000 from this fund, although this would be dependent on several factors including;

- Continuation of the funding past the term of the current government.

- Support from the City of Albany in allocating all or some of the "regional project" funds to be shared by the City and Shire of Denmark as regional partners for the purpose of Royalties for Regions funding.
- Deferring some of the projects for which these funds have been tentatively allocated in the Shire of Denmark Forward Capital Works Plan.

Enquiries made with Department of Regional Development staff, who administer the Royalties for Regions program, have indicated that an aquatic facility would be an eligible project, although unless the projects could be staged in some way, funding would not be able to be spread over more than one financial year.

In regards to the Community Sporting and Recreation Facilities Fund (CSRFF), grants from this fund are based on a competitive selection process, reflecting the limited funds available ($20 million) to be allocated across the many sport and recreation projects undertaken across the state each year. While an application for funding from the Shire of Denmark would meet all eligible criteria, it may not be forthcoming immediately and may require any construction to be deferred until grants funds are available.

The one option not specifically mentioned by the consultant is loan funding to finance the capital cost. Although this may be included in the "rate levy" option, such large funds could not be raised in a single year by way of rates, however rate funds could be used to finance any debt incurred.

Consultants and Project Teams Recommendation/s
Of the three options considered in the Report, it was recommended by the consultant that Option 3 (3 lane pool) was the most viable for the Shire of Denmark based on a "capital build perspective and in respect of ongoing running costs". Despite the consultant's recommendation, the project team has recommended Option 1 (6 lane pool) on the basis it is seen as being the "most widely accepted option" within the community.

9. FINANCIAL IMPLICATIONS – SHIRE OF DENMARK

In order to assess the impact of the construction, operation and maintenance of an aquatic facility, it is first necessary to examine the existing Shire financial position. Significant financial factors relevant to any decision to construct such a facility are summarised as follows;

• 2011/12 total rates income	$4,264,010
• 1% of total rates income	$42,640
• Total loans outstanding 30/6/2012	$3,086,903
• Total loans outstanding 30/6/2012 (less self supporting loans)	$2,089,112
• Total loan repayments (P&I) 2011/12	$358,275
• Total loan repayments (P&I) 2011/12 (less self supporting loans)	$302,485

Following an assessment of the financial data contained within the Coffey Report, the following adjustments are recommended to the figures supplied, to ensure that they reflect the most likely scenario for the Shire of Denmark. Note that the "conservative scenario" provided by the consultants has been used in the following analysis on the basis that it represents the "worst case scenario" to Council and that electors of the Shire would be well aware of the financial implications arising from the construction of a pool.

If for any reason financial performance of the facility proved to be better than forecast, savings could be returned to ratepayers via the annual rate setting process.

Construction and Financing Costs

Based on the information supplied by the consultants, revised construction costs for the three options contained in the Report are as follows;

	Option 1	**Option 2**	**Option 3**
Construction (Coffey)	$8,237,000	$8,950,000	$7,970,000
Additions			
5% for exclusions	$411,850	$447,500	$398,500
4% for inflation	$329,480	$358,000	$318,800
Carparking	$360,000	$360,000	$360,000
Revised Total Construction Cost	**$9,338,330**	**$10,115,500**	**$9,047,300**

Based on the above revised estimated construction costs and advice received from Mr Chris Thompson, Department of Sport and Recreation Great Southern Regional Manager, possible funding scenarios for this capital cost are summarised below for each individual option and using different scenarios for "other grants" that may be received for the construction of the aquatic facility.

In the advice received from Mr Thompson, he outlined several different financing options, based on other grants that may be received. Dependent on the success of obtaining other grants etc, Mr Thompson advised that Council would be required to contribute between 16.67% and 66.67% of the total capital cost. It should be noted that the 16.67% model has been calculated on the basis that Council may be able to obtain up to 50% of the costs through grants other than the Department's CSRFF program.

This scenario is considered most unlikely and for the purpose of financial modeling has been revised to demonstrate the effect if Council determined to allocate 100% of the Shire of Denmark's available Royalties for Regions funds (including regional fund shared with City of Albany) towards the project in any one given year. Based on the 2011/12 Royalties for Regions allocation, Council will receive $596,697 in total funds with the regional group allocated $856,953, being $1,453,650 in total. This scenario would be dependent on the City of Albany agreeing/supporting the regional benefits of such a facility and may require Council to forego $596,697 in regional funds in a later year. For comparison purposes, the models also include a scenario where Council determines not to allocate any Royalties for Regions funding towards the construction.

Other than loan funding, other options that may exist to finance the construction cost would be as follows;

Shire Reserve Funds.

Of the existing Reserve Funds, the Land and Buildings Reserve would be the only funds readily available (current balance $1,101,395 as at 23 January 2012) although the other funds could be redirected for this purpose if so resolved by Council. Given that these other Reserves have been set aside by previous Councils for other purposes, it is not recommended that they be used for any aquatic facility.

The Land and Buildings Reserve could be used for this purpose, however as these funds have tentatively been allocated for other purposes (namely industrial land development) they have been excluded from the financial projections contained within this Report.

Sale of Shire Assets.
The Shire of Denmark has few economically realisable assets, with only a small number of land held in freehold title and available for sale. These sites include the newly acquired saleyards site, a residence on Chiltern Road and the freehold land behind the Shire Administration Centre.

None of the above are recommended for sale at this point in time.

Community Fundraising
There are examples of other pools constructed in Western Australia which have been funded, either in part or whole, by community fundraising efforts. Given the large capital cost it would be considered unreasonable and unrealistic for the Denmark community to raise the whole capital cost, if a significant sum (i.e. $500,000) was raised this would reduce the financing cost to Council and reduce the overall impact on Shire finances.

As such, likely the following financing summary is provided for each of the three options contained within the Coffey Report;

Option 1 (6 Lane Pool) - $9,338,330

CSRFF (33.33%)	Other Grants	Shire Loan Funds	Total
$3,112,465	$1,453,650	$4,772,215	$9,338,330
$3,112,465	$0	$6,225,865	$9,338,330

Option 2 (8 Lane Pool) - $10,115,500

CSRFF (33.33%)	Other Grants	Shire Loan Funds	Total
$3,371,496	$1,453,650	$5,290,354	$10,115,500
$3,371,496	$0	$6,744,004	$10,115,500

Option 3 (3 Lane Pool) - $9,047,300

CSRFF (33.33%)	Other Grants	Shire Loan Funds	Total
$3,015,465	$1,453,650	$4,578,185	$9,047,300
$3,015,465	$0	$6,031,835	$9,047,300

In the event other grant funding is identified and successfully obtained, it would be recommended that these funds be used to reduce the Shire loan undertaken to finance the construction cost.

Based on the above estimates, a loan from the WA Treasury Corporation (WATC) over a twenty five year period (maximum term available from the WATC), fixed at the rate of 5.52% (prevailing rate as at 23 January 2012, based on quarterly repayments), the above loans would cost annually as follows;

Option	Royalties for Regions Funding	Loan Funds	Annual Repayments
Option 1	Yes	$4,772,215	$353,101
	No	$6,225,865	$460,658
Option 2	Yes	$5,290,354	$391,439
	No	$6,744,004	$498,996
Option 3	Yes	$4,578,185	$338,745
	No	$6,031,835	$446,302

In regards to loan funding, the WATC have adopted a far stricter policy on borrowing to local authorities in recent years, and while Council could be confident in receiving funding approval, it should not be taken as guaranteed. In the event the WATC refused to loan the requested funds, commercial lenders would be an alternative source of borrowings, although a higher rate on interest would be payable.

Such a large loan would significantly increase the total Shire debt ratios, with all the loan options presented exceeding the current total loans of Council. Whilst this is not necessarily a problem, it does have the potential to alert state authorities, particularly the Department of Local Government, as to the financial position of Council and to the uninformed create the perception that the Shire financial position is perilous.

Now that financing costs have been established for the construction of the aquatic facility, an annual operating cost can now be prepared. Using financial information contained within the Coffey Report and adjusted as per comments/issues identified with these estimates in Part 8 of this Report, the following revised estimates are presented. For the purposes of this exercise, the base year costings have been used, noting that these are higher in the first year than subsequent years.

Option 1 (6 Lane Pool) - $9,338,330

	Conservative	Optimistic	Realistic
Coffey Report (Net)	382,151	184,657	283,526
Adjustments			
Additional Utility Charges	25,000	25,000	25,000
Additional Salaries and Wages	25,000	25,000	25,000
Depreciation	307,966	307,966	307,966
Sub-total	740,117	542,623	641,492
Financing Cost	460,658	460,658	460,658
Total Cost	**$1,200,775**	**$1,003,281**	**$1,102,150**

Option 2 (8 Lane Pool) - $10,115,500

	Conservative	Optimistic	Realistic
Coffey Report (Net)	438,616	241,122	339,721
Adjustments			
Additional Utility Charges	25,000	25,000	25,000
Additional Salaries and Wages	25,000	25,000	25,000
Depreciation	333,812	333,812	333,812
Sub-total	822,428	624,934	423,533
Financing Cost	498,996	498,996	498,996
Total Cost	**$1,321,424**	**$1,123,930**	**$1,222,529**

Option 3 (3 Lane Pool) - $9,047,300

	Conservative	Optimistic	Realistic
Coffey Report (Net)	350,845	154,991	252,772
Adjustments			
Additional Utility Charges	25,000	25,000	25,000
Additional Salaries and Wages	25,000	25,000	25,000
Depreciation	301,276	301,276	301,276
Sub-total	702,121	506,267	604,048
Financing Cost	446,302	446,302	446,302
Total Cost	**$1,148,423**	**$952,569**	**$1,050,350**

The above estimates have been prepared on the basis that Council chooses not to allocate any Royalties for Regions funding to the construction of this facility. If Council did determine to allocate these funds for this purpose, an annual saving of approximately $100,000 would result.

10. OTHER COMMENTS/ISSUES

Although outside of the brief provided by Council, the following issues have been identified in the course of preparing this Report that may warrant further discussion by Council and the community at large.

1. Hydrotherapy Pool
   The Coffey report recommends that any hydrotherapy pool be considered as a component as larger facility, presumably to take advantage of economies of scale. In the event Council determines that the cost of the aquatic facility is too high, constructing a standalone hydrotherapy pool may be an option that needs to be reconsidered, given the high seniors population in the Shire of Denmark. In addition there would also be potential to operate learn to swim classes from such a facility.

2. Swim Club/ Private Management Option
   In discussing management options on the Study Tour with various centre managers, the option of a Swimming Club managing such a facility could be an option worth investigating further. This would mean that potentially no staff is required to manage the facility and it is effect leased to a local community group (Swimming Club) who allow access to members who have demonstrated a certain level of proficiency in swimming. This facility could be hired for swimming lesson purposes. There would still be a significant cost in operating such a facility and there could be problems in obtaining necessary insurances and Health Department approvals, however the option could be investigated further pending Council's consideration of this Report.

3. Health Club Option
   Some private health clubs provide small aquatic facilities (i.e. two lane pools) for members use and it has been raised as a potential option for the Shire of Denmark, operating as part of the gymnasium facility at the Denmark Recreation Centre. Again, this option could warrant further investigation pending Council's consideration of this Report. A preliminary estimate indicates such a facility could be constructed for approximately $1,500,000.

4. Sinking Fund/Reserve Fund
   Given the high capital cost of constructing an aquatic facility, Council may like to consider creating a Reserve Fund and allocating funds for the purpose of constructing such a facility at some point in the future. Given the impacts on inflation, this option could relieve the burden on ratepayers when and if a facility is constructed at some point in the future, assuming Council elects not to proceed with its construction at this point in time.

5. Community Bus Option
   The 2008 Community Needs and Customer Satisfaction Survey contained several comments from electors stating that it would be an option for Council to bus pool users into Albany to access the facilities already available there. This option could warrant further consideration, in the event Council determines the cost to the community of operating an aquatic facility is too high. This option could have potential for organised swimming lessons and hydrotherapy treatment.

11. CONCLUSION

Based on the revised costing estimates and depending on the design of the facility to be constructed, the net annual cost to Council of constructing, operating and maintaining an aquatic facility would range between $952,569 (optimistic scenario Option 3) and $1,200,755 (conservative scenario Option 1), discounting Option 2 which is not recommended by the consultant or Project Team. The lower cost of $952,569 would equate to a rates increase of 22.33% whilst the higher cost of $1,200,755 would equate to a rates increase of 28.16%.

Using an average of a 25% increase to rates, the impact on ratepayers and the different types of properties is provided below, to put into context what such an increase would mean for property owners.

Ass#	Property Description (small, etc. relates to property size only)	Approximate Size (m2)	2011/12 Rates	25% Increase	Total after increase
A1164	Commercial - Hotel	3,700	$20,258	$5,064	$25,322
A1505	Commercial - Other - developed, large	5,000	$8,900	$2,225	$11,125
A5434	Commercial - Other - developed, small	100	$1,208	$302	$1,510
A457	Commercial - Other - vacant, large	10,000	$11,647	$2,912	$14,558
A3115	Commercial - Other - vacant, medium	1,300	$3,106	$776	$3,882
A1276	Residential - 2 bed, 1 bath home - medium	1,000	$800	$200	$1,000
A624	Residential - 3 bed, 2 bath home - medium	1,000	$800	$200	$1,000
A1168	Residential - 4 bed, 2 bath home - large	8,000	$911	$228	$1,139
A2937	Residential - 4 bed, 2 bath home - medium	4,000	$996	$249	$1,245
A5056	Residential - 4 bed, 2 bath home - small	340	$890	$222	$1,112
A1128	Residential - Other home - large	5,500	$800	$200	$1,000
A1136	Residential - Other home - medium	2,000	$839	$210	$1,049
A2247	Residential - Vacant - medium	2,000	$899	$225	$1,124
A5172	Residential - Vacant - small	440	$800	$200	$1,000
A1751	Residential - Vacant - very large	66,000	$9,317	$2,329	$11,647
A170	Rural - Large	2,800,000	$1,754	$439	$2,193
A1045	Rural - Small	280,000	$2,132	$533	$2,665
A2550	Special Rural - 2 bed, 2 bath home - medium	30,000	$890	$222	$1,112
A2144	Special Rural - Vacant - medium	20,000	$1,374	$344	$1,718
A1324	Tourist - Caravan Park	35,000	$14,960	$3,740	$18,700
A501	Tourist - Chalets	8,000	$3,390	$848	$4,238
A2236	Tourist - Holiday Home	24,000	$848	$212	$1,060

SHIRE OF DENMARK : INDOOR HEATED AQUATIC FACILITY RISK REGISTER

Project criteria Risk categories	Risk Identification - Statement: What can go wrong?	Casual factors and their impact on the project's objectives What will this result in?	Current controls What are we doing now to manage this risk and how effective is this?		Risk Assessment				
			Control details	Evaluate the current controls	Which success factor/s are impacted?	Consequence rating	Likelihood	Residual Risk Rating	Risk Acceptance
Budget - Funding	Grant funding unsuccessful - in total	Change in government finances/policies. Competitive process, other Shires also seeking same funds. Will result in delayed construction.	Adhere to grant processes, good relationship with funding bodies	Effective	Financial	Severe (5)	Unlikely (2)	H10	Manage
Budget - Funding	Grant received in later/future years	Delay in receiving grant, increased construction/operating costs	Adhere to grant processes, good relationship with funding bodies	Effective	Financial	Severe (5)	Possible (3)	H15	Manage
Budget - Funding	Accuracy of estimates	Cost overrun or budget saving. Reputation if significantly higher.	Independent analysis of cost estimate - industry peers (inc interstate to take advantage of technology improvements).	Effective	Financial	Severe (5)	Possible (3)	H15	Manage
Budget - Funding	Higher than estimated operating costs - energy, staff, utilities	Impact on municipal budget - extra rates required to fund to loss of other services.	Attention to design and management structure/pool programming. Close attention to budget once operational.	Effective	Financial	Severe (5)	Possible (3)	H15	Manage
Budget - Funding	Increasing energy costs	Impact on municipal budget - extra rates required to fund to loss of other services.	Attention to design factors i.e. energy, local environment. Factor in % increase over time.	Effective	Financial	Severe (5)	Possible (3)	H15	Manage
Budget - Funding	Attendance figures	If less, negative impact on budget. Savings to Council if higher - positive impact on budget.	Independent analysis of predicted attendances. Pricing structure will be important. Marketing and programming of pool activities.	Effective	Financial	Major (4)	Possible (3)	H12	Manage
Budget - Funding	Movements in interest rates between decision to proceed and completion of construction	If interest rates rise, financing costs will increase.	Factor in % increase in interest rates.	Effective	Financial	Severe (5)	Possible (3)	H15	Manage
Community expectation	Community not accepting the decision making process	Poor communication. Keep stakeholders and community informed of process and developments.	Regular media updates, existing Council Resolutions, Council website and social networking, informal means such as staff/community contacts/discussions/questions.	Partially Effective	Reputation	Minor (2)	Almost Certain (5)	H10	Manage
Community expectation	Lack of community consensus about whether there is a pool.	Poor communication. Keep stakeholders and community informed of process and developments.	Regular media updates, existing Council Resolutions, Council website and social networking, informal means such as staff/community contacts/discussions/questions.	Partially Effective	Reputation	Minor (2)	Almost Certain (5)	H10	Manage
Community expectation	Lack of community consensus about preferred pool type - i.e. 6 vs. 8 lane.	Different requirements from pool, previous experiences at other pools,	Communication of all relevant factors, design, use, cost etc at appropriate time.	Partially Effective	Reputation	Minor (2)	Almost Certain (5)	H10	Manage
Appropriate facility design	Failure of design to reflect present and/or future needs and changes in technology.	Responding to minority groups (silent majority). Rapidly changing technology. Cut costs to meet budget constraints but limiting practical use of facility. Inadequate consultation.	Pool working group. Industry contacts/pool on site inspections.	Effective	Financial	Severe (5)	Likely (4)	E20	Urgent attention
Appropriate facility design	Failure of design to reflect present and/or future needs and changes in technology.	Responding to minority groups (silent majority). Rapidly changing technology. Cut costs to meet budget constraints but limiting practical use of facility. Inadequate consultation.	Pool working group. Industry contacts/pool on site inspections.	Effective	People Health & Safety	Severe (5)	Likely (4)	E20	Urgent attention
Appropriate facility design	Failure of design to reflect present and/or future needs and changes in technology.	Responding to minority groups (silent majority). Rapidly changing technology. Cut costs to meet budget constraints but limiting practical use of facility. Inadequate consultation.	Pool working group. Industry contacts/pool on site inspections.	Effective	Community	Minor (2)	Likely (4)	M8	Monitor

Appropriate facility design	Failure of design to reflect present and/or future needs and changes in technology.	Responding to minority groups (silent majority). Rapidly changing technology. Cut costs to meet budget constraints but limiting practical use of facility. Inadequate consultation.	Pool working group. Industry contacts/pool on site inspections.	Effective	Environment	Major (4)	Likely (4)	M8	Monitor
Appropriate facility design	Failure of design to reflect present and/or future needs and changes in technology.	Responding to minority groups (silent majority). Rapidly changing technology. Cut costs to meet budget constraints but limiting practical use of facility. Inadequate consultation.	Pool working group. Industry contacts/pool on site inspections.	Effective	Legal/ Compliance	Minor (2)	Likely (4)	M8	Monitor
Appropriate facility design	Failure of design to reflect present and/or future needs and changes in technology.	Responding to minority groups (silent majority). Rapidly changing technology. Cut costs to meet budget constraints but limiting practical use of facility. Inadequate consultation.	Pool working group. Industry contacts/pool on site inspections.	Effective	Reputation	Minor (2)	Likely (4)	M8	Monitor
Appropriate facility design	Challenge to recommendation that Rec Centre the best location for the pool.	Recommendation from Coffey report - based on staffing and marketing costs.	Thorough analysis of all available sites	Effective	Reputation	Minor (2)	Likely (4)	M8	Monitor
Appropriate facility design	Successfully integrate to Rec Centre	Impact on existing Rec Centre users, future Rec Centre upgrades. Management costs. Inc in construction costs and/or cost to retrofit at a later date. Bring forward any Rec Centre renovations.	Careful attention to design. Independent review.	Effective	Interruption to services	Moderate (3)	Likely (4)	H12	Manage
Appropriate facility design	Successfully integrate to Rec Centre	Impact on existing Rec Centre users, future Rec Centre upgrades. Management costs. Inc in construction costs and/or cost to retrofit at a later date. Bring forward any Rec Centre renovations.	Cost of retrofit	Effective	Financial	Severe (5)	Possible (3)	H15	Manage
Appropriate facility design	Successfully integrate to Rec Centre	Impact on existing Rec Centre users, future Rec Centre upgrades. Management costs. Inc in construction costs and/or cost to retrofit at a later date. Bring forward any Rec Centre renovations.	Staffing and pool facility guidelines	Effective	Legal/ Compliance	Major (4)	Possible (3)	H12	Manage
Appropriate facility design	Needs to have "wow" factor - attract public to facility. A facility the community can be proud of.	Good design	Careful attention to design. Independent review. Architectural model/concept design presented to public at appropriate stage.	Effective	Reputation	Major (4)	Likely (4)	H16	Manage
Environmental	Unknown site works/earthworks. Contaminated site - previous land uses	Increase construction costs	Research history, possible testing if required.	Partially Effective	Financial	Major (4)	Unlikely (2)	M8	Monitor
Environmental	Unknown site works/earthworks. Contaminated site - previous land uses	Contaminated site.	Research history, possible testing if required.	Partially Effective	Environment	Minor (2)	Likely (4)	M8	Monitor
Opportunity Cost	If pool proceeds, what other services and/or projects will not able to be funded	Potential deferral or omission of large capital works projects, or reduction in service levels in other area's (i.e. parks and gardens).	Accurate assessment of proposal (for pool) on municipal budget and long term financial plans.	Effective	Financial	Severe (5)	Possible (3)	H15	Manage
Opportunity Cost	If pool proceeds, what other services and/or projects will not able to be funded	Potential deferral or omission of large capital works projects, or reduction in service levels in other area's (i.e. parks and gardens).	Accurate assessment of proposal (for pool) on municipal budget and long term financial plans.	Effective	Community	Major (4)	Possible (3)	H12	Manage
Opportunity Cost	If pool does not proceed, what "cost" will result to community	Health, business being taken to Albany, social interaction and community meeting point. Deterrent to some potential new residents - no pool.	Status quo remains, other alternatives still available - beach, rec centre, walk trails, Albany Pool.	Partially Effective	Community	Minor (2)	Possible (3)	M6	Monitor
Resources - Council	Cost to Council for staff to investigate/manage feasibility	Financial cost and delay etc in other duties/projects being completed. Potential staff burnout.	Ensure sufficient budget for staff salaries and reasonable expectation on delivery of other duties.	Effective	Financial	Moderate (3)	Possible (3)	M9	Monitor
Resources - Council	If decision is made to proceed with pool, project management and staffing implications (who will manage the construction?).	Need to assess impact to proceed on existing hr resources and "who" is best person to coordinate (internal or external)	Include in construction budget sufficient allocation for project management services.	Effective	Financial	Major (4)	Possible (3)	H12	Manage
Timeline	Decision to proceed or not, taking too long. Community expect a decision soon.	Issue has been around for some years and community feel that a decision is now imminent.	Compliance with deadlines set by Council. Inform of decision when made.	Effective	Reputation	Moderate (3)	Possible (3)	M9	Manage

Council should construct a swimming pool within Denmark.

1	2	3	4	5
20.45	7.39	19.32	16.76	36.08

COMMENTS:

- *User Pays*
- *Perhaps a tidal baths at Ocean Beach*
- *Before we all need it for age therapy instead of family enjoyment*
- *There's one at Mt Barker hardly used*
- *Yes but at what cost? They cost $1m just to run P/A. Who pays?*
- *Should work with current working group to address the cost raising a structure etc.*
- *Albany cost the shire plenty.*
- *A swimming pool is an essential service*
- *Should have been done years ago. Must have disabled access.*
- *Could be a good community investment & help develop Winter tourism.*
- *All places need a pool.*
- *Children need to learn to swim locally.*
- *This would boost tourism.*
- *Desirable.*
- *Not needed. If necessary use free Council bus to travel to Albany/return. Much better.*
- *How long can you wait.*
- *Definitely!*
- *Whilst I strongly agree with this it doesn't mean it comes before more important things.*
- *Emergency Service Levy?? Funding?? Grants??*
- *If cost effective.*
- *When viable*
- *In time yes, when it can be funded in 10+ years.*
- *Possibility of having a sea water swimming pool at Ocean Beach.*
- *There are plenty of ways to keep fit and active here.*

Council should raise rates to construct and maintain a swimming pool.

1	2	3	4	5
37.22	11.93	19.32	18.18	13.35

COMMENTS:

- *User Pays*
- *Approach Lotteries Commission and State Government to assist in funding for pool*
- *If that is what it is going to take!*
- *Perhaps in conjunction with action group.*
- *If necessary*
- *Yes, if majority support this.*
- *It would have to*
- *Very much!*
- *Swimming pool must be on a "user pays " basis.*
- *Not everyone would use this, so why charge all.*
- *Non rate payers will use too – what would be their contribution?*
- *No money is raised by the community and council could lease out.*

- *It should be state and federal funding via our income tax.*
- *Entry fee could maintain pool – construction – lobby government etc.*
- *Emergency Service Levy?? Funding?? Grants??*
- *Should be self funded*
- *Users pay.*
- *Do not build yet – ratepayers must understand cost to operate.*
- *Plus grants and community funding projects.*
- *Access funding.*
- *No – definitely not.*

Denmark Aquatic Centre – Alternative Models

DACCI Plan A

18 December 2012 - Attachment 8.2.1 d)

EXECUTIVE SUMMARY

The following paper shows that an indoor heated six lane 25m swimming pool and accompanying hydrotherapy pool may be built to serve the Denmark community and operated at an annual cost to ratepayers of ~ $300k in stark contrast to earlier advice to Council that such a facility would cost ratepayers ~ $1.2M per year.

Two models are compared: the Paterson Plan, introduced as Option 1 in the Coffey Report, and a new configuration defined as DACCI Plan A. The water spaces are identical in both models (lap swimming 325m^2, hydrotherapy 35m^2) but the footprint of the DACCI Plan A is only half the size of the Paterson Plan. This saving in space is achieved by removing duplication of peripheral rooms and excessive circulation space. As a result, the capital build cost is closer to $5M rather than $9M and the financing costs and depreciation allowances are also less.

Assuming that one third of the capital cost of the Paterson Plan may be covered by a CSRFF Grant, and that no Royalties for Regions Funding should be used, the Director of Finance and Administration has determined that the Shire would need to take out a loan for $6.226M to execute that Plan – requiring repayments of principal and interest of $461k pa.

We show that for DACCI Plan A, Federal Government assistance for the hydrotherapy pool and a minimum State Government development bonus, together with the establishment of a pool reserve fund would reduce the required loan capital to $1.1 M – which would cost $83k pa to service. This reserve would be established prior to the opening of the aquatic centre by raising an additional rate of ~7% of the 2011/2012 average rate. This rate increase is determined in a self-consistent way and, when the facility becomes operational, reverts to an annual subsidy ensuring that revenue and expenditure are balanced. This requires an assumption that the revenue corresponds to the conservative lower limit specified in the Coffey Report and is therefore a worst case.

The paper also examines the operational expenses detailed in the Coffey Report and adjusts the utilities budget to reflect modern, but proven, swimming pool technology. Building maintenance costs are reduced in proportion to the lower capital cost of Plan A as is the allowance for the five-yearly refurbishment, here accumulated annually.

In terms of the CCA usage scenarios the DACCI Plan A requires a subsidy of between $115k in the optimistic case and $301k pa for the conservative case. The annual cost to the average ratepayer ranges from about $30 to $80.

DACCI Plan A has a non-cash, zero-residual, depreciation in the order of $100k pa using ATO approved rates for swimming pools. Arguments are presented to suggest that positive non-cash benefits such as improved community health and increased disposable income within the community would almost certainly outweigh this worst-case negative term and thus show a net positive gain for the community.

Through substantial capital reduction, operating cost rationalisation, and funding review, the Denmark Aquatic Centre is shown to be a viable project requiring no more than $78 pa in incremental rates in the worst-case scenario. The project is now ready for Council's immediate review and decision without further delay so that preliminaries may get underway in the 2012/13 Budget.

Denmark Aquatic Centre - Alternative Models

Introduction

The Department of Sport and Recreation's guidelines "Focus on Facility Planning" anticipates the need to amend a proposal in the final stages of a Feasibility Study. Thus, if the initial concept plan for the Facility is flawed, incomplete, or simply too costly, it should be recast so that it is suitable to put to the decision makers with a reasonable chance of success. This paper remodels the earlier proposal in order to improve its functionality and reduce both the capital and recurrent costs.

DACCI Plan A

Step 1 – the Floor Plan

The proposed floor plan central to the Coffey Report [CCA] originates with Paterson Group Architects. Figure 1 shows the basic 'Option 1' layout - a 25m pool with six 2m wide lanes and a 5m x7m hydrotherapy pool[1]. It is referred to hereafter as "the Paterson Plan".

The design fails to deliver the good sightlines for both wet and dry operations that are critical to the operation of any good recreation centre - particularly those that, on account of their scale, need to optimise the use of staff[2]. Conceptually, it is simply an aquatic centre tacked on to the side of an existing recreation centre. Operationally this unfortunate separation would be evident and would persist over time.

Moreover, the Paterson Plan is generous both in its provision of room space and circulation space. It contains rooms that either exist already or are not essential to the operability of the aquatic centre. Figure 2 summarises these spaces and the functional areas. The plan has a building footprint of 2,241m^2 and a water space of 360 m^2 – a "water efficiency" of 16%.

We introduce here an alternative - the DACCI Plan A - that provides exactly the same water configuration but is contained within a building footprint of 1,146m^2. It retains only those components that are essential to the operation of the Aquatic Centre and relies on existing space allocations for functions such as Reception, Kitchen, Centre Manager's Office, Function/Meeting Room etc that are common to both wet and dry operations.[3] Its water efficiency is 31%.

Figure 3 shows that the required sightlines could be easily achieved if the gym were to be relocated on the west side of the main hall rather than the east side. While this involves additional expense, it must be recognised that the Paterson design also

… continuing on Page 7

1 Although three Options were presented in the CCA Report, only the first (6 lane @2.0m) has been costed in detail. Options 2 (8 lane @2.5m) and Option3 (3 lane with leisure area) were treated as variations to Option 1 resulting from the changed area of the water and circulation spaces. Option 3 has been ruled out by DACCI because it fails to meet the needs of the schools and thus the revenue forecasts are flawed.

2 The decision to collocate the aquatic centre and the existing recreation centre has been justified on the assumption that it would allow for efficient staffing. The CCA Report nowhere explains how this might actually work in detail – it is simply take for granted that it is obvious.

3 Relocating the gym creates the opportunity to add a new meeting room and dedicated staff kitchen and WC. However, unless it can be shown that these additions are essential components of the aquatic facility they should be considered to lie outside the scope of the present plan

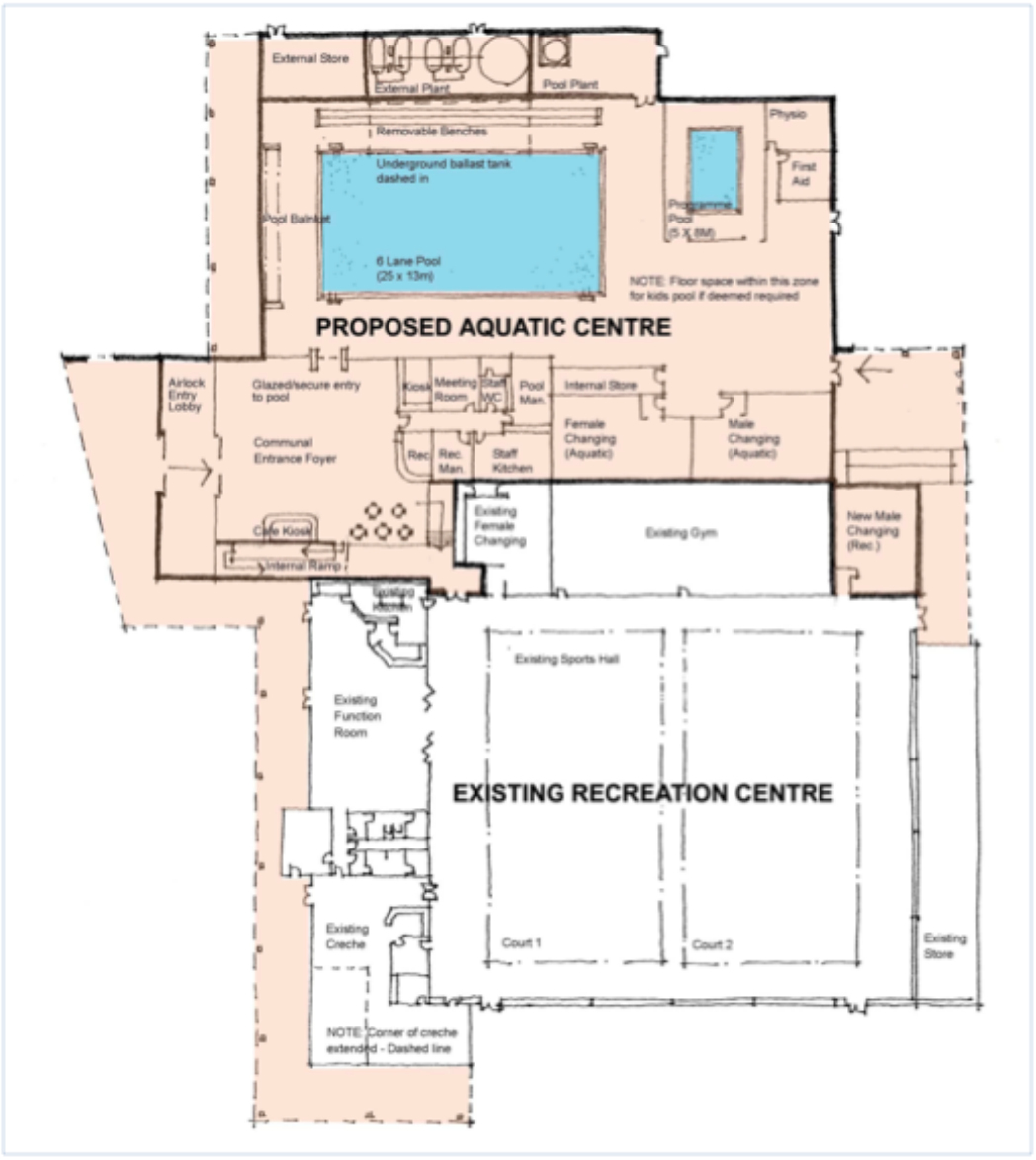

Figure 1. The Paterson Plan. The proposed additions are shown shaded. The two buildings are unified externally by a full width canopy but are functionally largely independent. No attempt to utilise existing rooms is in evidence.

Items on drawings	**Paterson design**	**Status**	**DACCI Plan A**
Total area from drawings m^2	**2,265**		**1,146**
Area of rooms listed below m^2	1,373		923
Area of essential rooms listed m^2	959		923
Circulation space m^2	892		223
Communal Entrance Foyer	276	Duplicate	
Meeting Room	20	Desirable	
Staff WC	11	Desirable	
Staff Kitchen	29	Desirable	
Rec Manager	15	Duplicate	
Reception	13	Duplicate	
Café kiosk	10	Inessential	
Physio	25	Inessential	
Kiosk	14	Inessential	
Pool Manager	22	Essential	18
Chemical store	0	Essential	14
Family change rooms	0	Essential	12
First Aid	22	Essential	15
Internal Store	26	Essential	22
Wet change room Female	86	Essential	33
Wet change room Male	86	Essential	33
Hydro pool	35	Essential	35
External plant	80	Essential	55
HVAC plant	0	Essential	0
Pool plant	63	Essential	45
Main pool	325	Essential	325
Spectator space	0	Essential	43
External store	45	Essential	
Airlock	87	Essential	19
Changes to existing			
New Male dry change room m^2	82	Essential	Not req'd
Relocate gym m^2	Not req'd	Essential	255
Summary	m^2		m^2
Total area from drawing	2,265		1,146
Total Duplicate	365		0
Total Inessential	49		0
Total Essential	959		923
Total room space	1,373		923
Total Circulation space	365		223
Circulation space	39%		19%
Water v Footprint efficiency	16%		31%

Figure 2. A comparison between the functional space allocation in the Paterson and DACCI Plan A designs. Rooms described as desirable may be so but are considered beyond the scope of the present plan

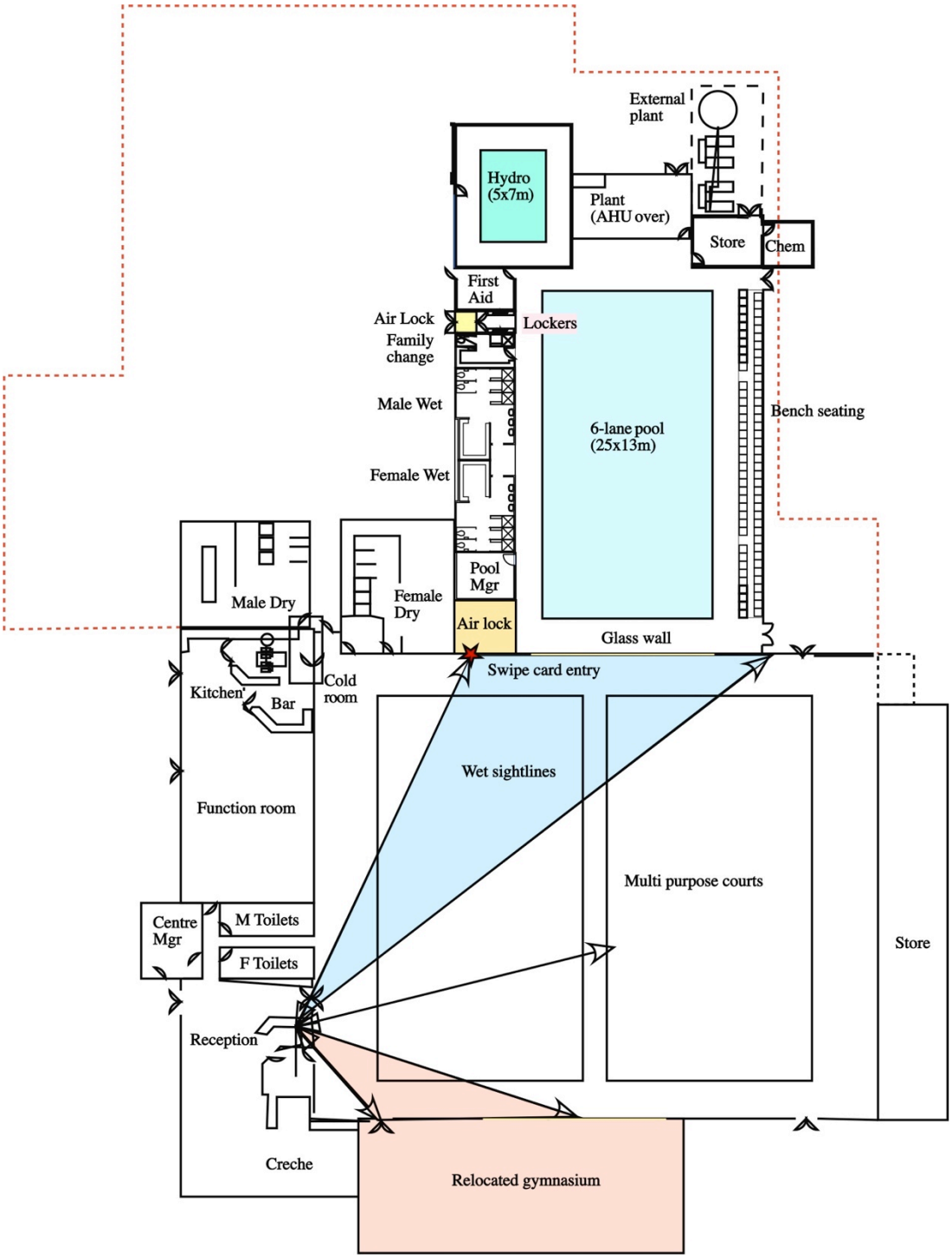

Figure 3. DACCI Plan A integrates the wet and dry activities into a unified multifunctional entity. It achieves excellent sight lines of both from the existing Reception Area. The change rooms in the NE corner of the existing recreation centre, used extensively by visiting teams, remain but the gymnasium is relocated. A high profile clear wall feature for both the gym and pool areas allows both to advertise their presence to users of the main court area thereby increasing participation in both.

depends on demolishing[4] the male change rooms in the NE corner of the existing building and relocating them at the rear SE corner. Although the area lost (change rooms - 133m^2) is only half of the existing gym (255m^2) the costs may not be too different given that the latter is uncomplicated while the former involves significant expense in plumbing and fittings.

Figure 4 compares the two designs. The shaded areas correspond to new building. It should be immediately apparent that DACCI Plan A has a much smaller footprint (1146m^2) than the Paterson Plan (2241m^2) and excellent sightlines to all dry and wet activities. Moreover, it integrates well into the Recreation Centre and by exposing the pool to dry-side users, its location is likely to raise participation in swimming. Plan A has a considerably reduced circulation space and the water efficiency[5] of 31% (cf 16%). Plan A does not disturb either of the existing dry change rooms used by visiting sporting teams.

Step 2 - Construction costs and inflation

We have used the same approach as CCA to estimate the cost of the DACCI Plan A so that it can be compared with the Paterson estimate in October 2010 dollars[6]. The main difference is of course the smaller building footprint[7] – but that is not all.

The Paterson Plan shows a 120 bay car park but fails to include it in the project cost. In earlier discussions some members of the Project Team[8] felt that the existing parking available at the Recreation Centre would suffice. However DACCI suggests that the opportunity to include at least *some* additional parking for the entire recreational area[9] should not be missed and we had initially a suggested a 50 bay car park would be advisable. The current redevelopment of McLean Oval will provide 35 bays and we have therefore included 15 additional bays in Plan A.

Plan A also abandons the canopy at the front of the Paterson Design and the allowance for courtyards. The former may have been intended to create an impression of architectural integration but DACCI suggests that the actual functional integration implicit in Plan A is more important.

The cost of the two plans is compared in Figure 5 below. It should be compared with the table on page 14 of "Financial Assessment – Aquatic Facility Feasibility Report" by the Director of Finance and Administration (hereafter DFA and FAAFF).[10]

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[4] Moving the male change room is unacceptable to other users because it occupies a key position at the front of the existing Recreation Centre.

[5] Since the relocated gym is not part of the aquatic centre, it is not included in these percentages.

[6] The line item 'Escalation to Tender' has been included without changing the escalation interval.

[7] It may be that a slightly higher cost should be used since one-off items are spread over a lower floor area. However, in order to retain as much similarity as possible between the two plans, we have chosen to ignore this possibility. To do otherwise would introduce an additional level of uncertainty that might in any case be unnecessary in view of the simple shape of the DACCI plan A.

[8] The DCRS indicated that the existing car parking spaces would be sufficient for most of the time – a view which we believe may have been supported by the Director of Engineering.

[9] The McLean Oval is a focus for many recreational activities other than those currently taking place in the Recreational Centre and proposed for the Aquatic Centre. All can be expected grow during the expected lifetime of the Aquatic Centre.

[10] The table referred to also contains estimates for CCA Options 2 and 3. They are not relevant here. It should also be noted that the table in FAAFF gives the Paterson total as 9,338,330

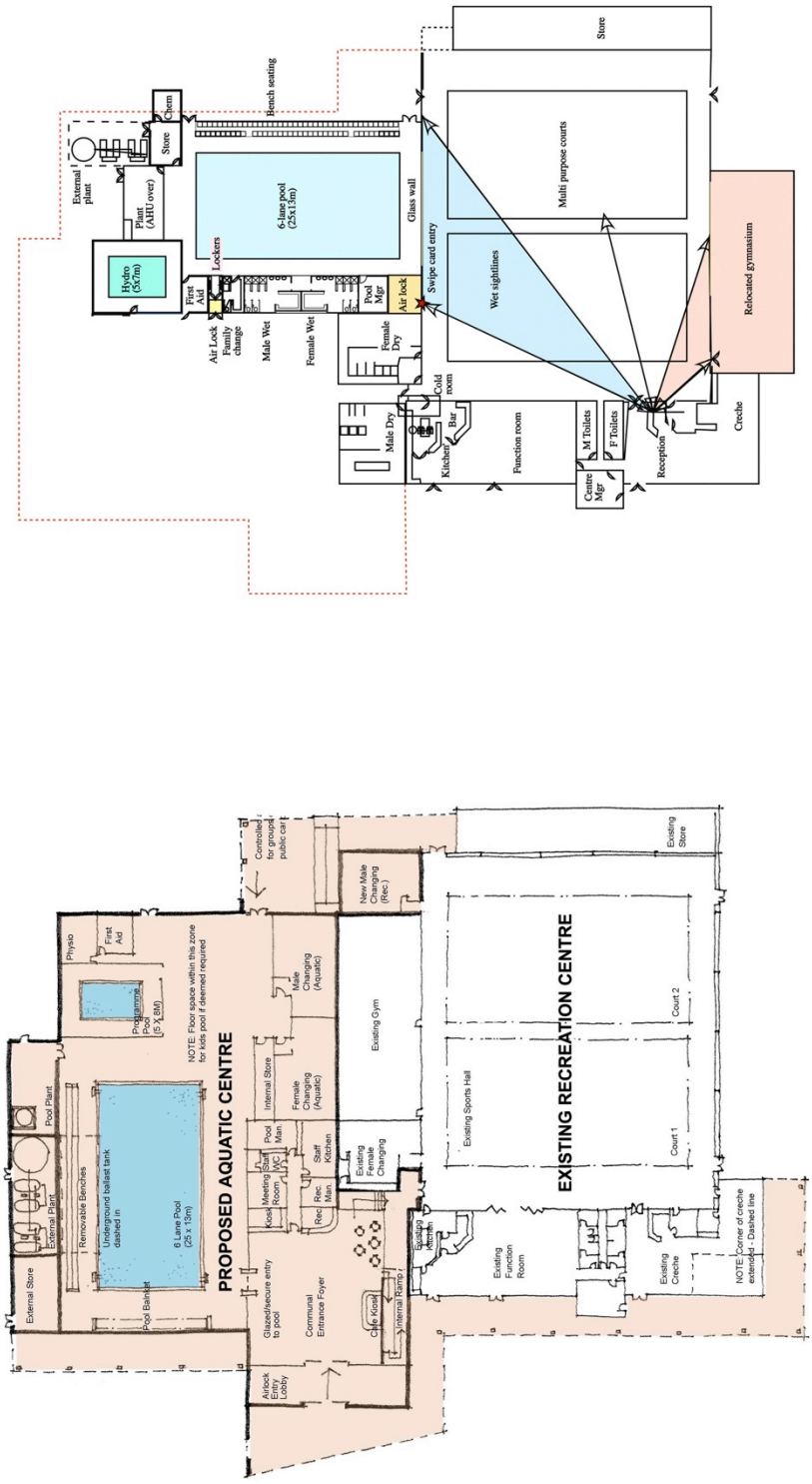

Figure 4. The Paterson Plan is shown alongside DACCI Plan A. The dotted line surrounding the latter shows the building footprint of the Paterson Plan, not its canopy footprint (front cover). The generous circulation space is evident in the Paterson Plan. Note that from Reception in Plan A there are excellent sightlines for both wet and dry operations.

Description	Unit	Rate	Paterson Plan Qty	Paterson Plan Total	DACCI Plan A Qty	DACCI Plan A Total
New Building Works						
Provision of new building	m2	2200	2241	4,930,200	1,146	2,521,200
Provision of 6 Lane Pool	m2	2200	325	715,000	325	715,000
Provision of programme pool	m2	2400	35	84,000	35	84,000
Extra over for kitchen facilities item				10,000		
Extra over for café kiosk item				10,000		
Allowance for ramps item				5,000		
Sum of New Building Works				**5,754,200**		**3,320,200**
Alterations and Demolition						
Works to existing external wall	m2	50	400	20,000	400	20,000
Forming openings in walls	Nr	4000	3	12,000	3	12,000
Sundry allowance for interfaces (roof etc)	item			20,000		20,000
Sum of Alterations & Demolitions				**52,000**		**52,000**
External Works and Services						
Site clearance	item	0		25,000		25,000
Allowance for new canopy	m2	350	801	280,350	801	
Minor works to hardlandscaping generally	item	0		25,000		25,000
New paved courtyard including fence and	m2	300	212	63,600	212	
New paved pergola area to creche including	m2	400	75	30,000	75	
New courtyard complete	m2	300	117	35,100	117	
Allowance for soft landscaping				50,000		50,000
External Stormwater allowance - on site				15,000		15,000
Incoming Sewer allowance				15,000		15,000
Incoming Water allowance				15,000		15,000
Incoming Gas allowance				5,000		5,000
Incoming Fire Protection allowance				20,000		20,000
Incoming Electrical allowance				15,000		15,000
Water Corporation Headworks				25,000		25,000
Electrical Headworks				25,000		25,000
Sum of External Works and Services				**644,050**		**235,000**
15% of Preliminaries	item	15%		104,408		43,050
Proportion of Preliminaries						
NET PROJECT COST SUBTOTAL *(Construction)*				**6,554,658**		**3,650,664**
Construction Contingency @ 3.5%		3.5%		229,413		127,759
Design Contingency @5%		5.0%		327,733		182,513
Public Art - excluded						
Professional Fees and Disbursements		10.0%		711,180		396,052
ESD Allowance [rainwater + pv cells]				375,000		375,000
GROSS PROJECT COST (At Current				**8,197,984**		**4,731,573**
Escalation to Tender [4Q12]		0.50%		40,990	1%	23,658
ESTIMATED TOTAL COMMITMENT				**8,238,974**		**4,755,231**

Figure 5. Building cost estimates for the Paterson Plan and DACCI Plan. Note that apart from the main saving that results from a more efficient floor plan the expensive, and purely cosmetic, canopy has been excised from the External Works and Services section. External courtyards have also been removed.

All DACCI Plan A costs are in 2010 dollars in order to avoid compounding inflation estimates that depend on guesses of both the rate that is appropriate and the period over which that rate should be applied.

Note in the summary table below that the amount added for inflation in FAAFF was 4% yet the most recent ABS data for the CPI change (all groups) between fourth quarter 2010 and 2011 was only 3.1%. More importantly, the Building Cost index (shown in Figure 6) showed a decrease rather than an increase in building costs. In September 2010 the BCI was 189 and in December 2011 it was[11] 181 – a fall of 4.42%. Note also that the construction total in the 'Paterson-DFA' column reflects that in FAAFF and differs slightly from that in Figure 5[12].

	Paterson - DFA	DACCI Plan A	Savings
Construction total	8,237,000	4,755,231	(3,481,769)
Adjustments			
Exclusions @5%	411,850	237,762	(174,088)
Unspecified inflation @4.0%	329,480	0	(329,480)
Known BCI variation @-4.42%	0	-210,181	
Projected LG-NRC @0.5%		~~23,776~~	
Parking	360,000	45,000	(315,000)
Revised construction cost	9,338,330	4,827,812	(4,510,518)

Table 1. Summary of comparative costs of the Paterson and DACCI designs.

Although the two designs differ appreciably in size, the cost savings have not been at the expense of Environmentally Sustainable Design. We have retained the same allowance ($375k) in both. In the Paterson case ESD is loosely described as an add-on "for PV and water". DACCI believes that ESD is not something that can be tacked on to a finished design by adding hardware … it is fundamental to the entire design and its subsequent operation and must therefore be built-in at ground zero.

Step 3 – Funding options and financing costs

Figure 6 shows the Department of Sport and Recreation's advice on possible funding contributions. It is a statement of *possibilities* that makes no reference to the *probabilities* of success in seeking grants. The data was first presented to the Project Team in April 2011 and the Acting Regional Manager of DSR has recently confirmed it. It was *not* available to CCA prior to completion of its Final Report.

As the table shows, funds may be sought from DSR's Community Sport and Recreation Facilities Fund [CSRFF] for up to a maximum of one third[13] of the project cost (the 'standard grant'). This may be either replaced or supplemented by a State Government Development Bonus of 40% to 50% of the project cost. In the latter case, the total grant funding could be 33% plus 50% or 5/6ths of the project cost. Although DACCI has been advised that, to date, this has never been achieved[14], we believe that until the funding matrix is revised it must remain as a listed option[15].

[11] State Government BMW's Building Cost Index – Perth.
[12] The line entry of $23,766 in "Projected LG-NRC @0.5%" has not been included in the total here for reasons explained in a footnote to the caption in Figure 7
[13] The Local government Authority requesting support is expected to provide another one third and the community the remainder.
[14] This comment arises from a conversation with the Acting Regional Manager of DSR, Albany.
[15] This contrasts with the DFA's approach which ruled it out on the grounds of its low probability.

Possible project funding contribution percentages

	Eligible project %	CSRFF %	Other govt %	Applicant's share %	Applicant must have cash %	Applicant's other %
Standard grant	100	33.33	0	66.67	33.33	33.33

	Eligible project %	CSRFF %	Max other state govt %	Min Applicant's share %	Applicant must have cash %	Applicant's other %
Other govt assistance	100	33.33	50.00	16.67	8.34	8.34

	Eligible project %	Development Bonus %	Other govt %	Applicant's share %	Applicant must have cash %	Applicant's other %
Development Bonus Applications	100	40	0	60	30.00	30.00
	100	42	0	58	29.00	29.00
	100	44	0	56	28.00	28.00
	100	46	0	54	27.00	27.00
	100	48	0	52	26.00	26.00
	100	50	0	50	25.00	25.00

	Eligible project %	Development Bonus %	Max other state govt %	Min Applicant's share %	Applicant must have cash %	Applicant's other %
Development Bonus Applications with other government assistance	100	40	43.33	16.67	8.34	8.34
	100	42	41.33	16.67	8.34	8.34
	100	44	39.33	16.67	8.34	8.34
	100	46	37.33	16.67	8.34	8.34
	100	48	35.33	16.67	8.34	8.34
	100	50	33.33	16.67	8.34	8.34

*Figure 6. The Department of Sport and Recreation funding matrix – as presented by the Regional Manager of DSR in late April 2011 - **after** the completion of the Coffey Report. The funding possibilities indicated in this table supersede those in that Report.*

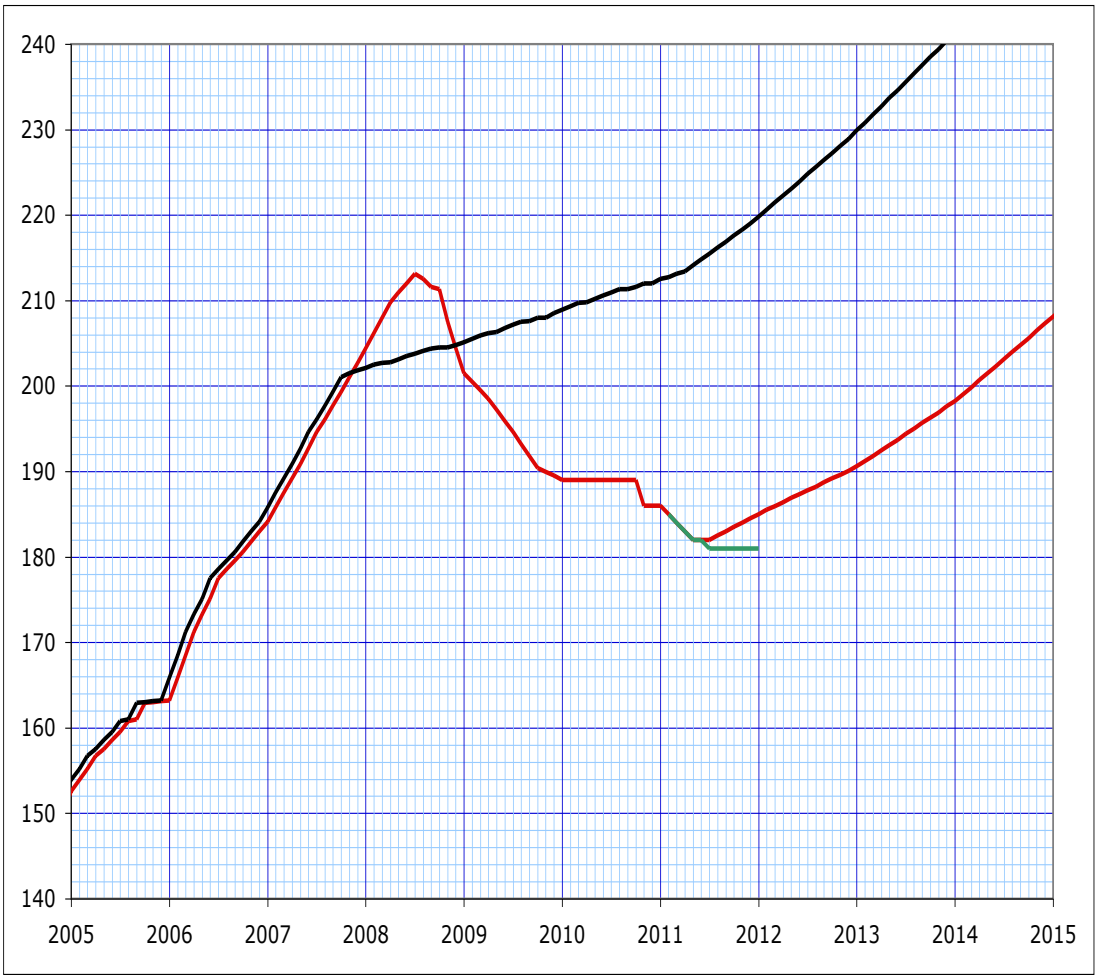

*Figure 7. Building Cost Index versus time. The black line shows the observed index until the end of Q3 2007 and the predicted index beyond that point. The red line shows the observed index published in September 2011 and, in contrast, the **predicted** index from the end of Q2 2011 through to 2015. Note the large difference between the observed and the predicted index throughout 2008 and the rapid decline from the middle of that year. The September 2011 data shows a continued decline to mid-year and thereafter a **predicted** increase. Data for the final six months of 2011 has now been published and is indicated by the green line. The index is flat: once again contrary to earlier predictions. The decline between September 2010 (the latest possible source of the CCA Final Report) and December 2011 is 4.42%.[16] The reported figures apply to the Perth metropolitan area.*

Note that the long-term trend of the BCI is ~5%pa i.e. roughly twice the rate of growth of Denmark's population. It follows that every year's delay increases the magnitude of the capital cost problem.

[16] Local Government Non-Residential Construction [LG-NRC] costs may differ from the BCI. However, since the "LG-NRC" mirrored the fall in BCI (red curve) from its 2008 peak, decreasing by 5.7% in 2010 (*WALGA 'Economic Briefing, November 2010'*) it is reasonable to assume it will also follow the flat-lined BCI to Dec 2011 (the green curve in Figure 7). The latest briefing (*op cit January 2012*) reveals a projected increase of 0.5% in FY11/12 and 3.5% in FY12/13. Thus the comparison between LG-NRC and BCI rates is one that tests a *projected* +0.5% with an *observed* -4.4% (Dec 2011). At most this means the savings suggested by the BCI fall should be about $24k less than the figure shown. We have noted this but not adjusted Table 1 because we wish to avoid the risk of confusing prediction and observation.

The finance costs for DACCI Plan A apply to a 25-year loan at 5.52% pa repaid quarterly as shown in Table 2 below. They describe the case where there is no additional funding other than supplied by State Government.

Item	Net support	Loan required	Repayments pa
No grant assistance	0.00%	**4,827,812**	(357,215)
- OR -			
Standard CSRFF grant at 1/3rd	33.33%	3,218,541	(238,143)
- OR -			0
Development bonus	40.00%	2,896,687	(214,329)
Development bonus 42%	42.00%	2,800,131	(207,185)
Development bonus 44%	44.00%	2,703,574	(200,040)
Development bonus 46%	46.00%	2,607,018	(192,896)
Development bonus 48%	48.00%	2,510,462	(185,752)
Development bonus 50%	50.00%	2,413,906	(178,607)
- OR -			0
CSRFF + Development bonus	83.33%	804635	(59,536)

Table 2. Finance costs of DACCI Plan A – State grants only.

In all but the most optimistic (and rare) case shown here the recurrent loan servicing costs are clearly burdensome. DACCI therefore proposes to ease this burden by creating a dedicated Pool Reserve Fund to which both donors and ratepayers contribute.

First, DACCI would enter into a Memorandum of Understanding with the Council to pledge a total of $200k with an initial deposit of $80k to seed the Reserve Fund and the balance to follow as scheduled in the MoU. Donations from corporate and other benefactors would be actively encouraged.

Second, and most importantly, ratepayers would contribute to the fund via a rate rise equal to that which they would eventually have to absorb once the aquatic centre became operational. In the example that follows, the required rate rise amounts to $78 pa for DACCI Plan A … an amount not too dissimilar to the rate increases required each year to cover wage and salary bracket creep and other inescapable costs. In effect, the Reserve Fund concept amounts to the old-fashioned idea of saving for something that is needed, but merges smoothly into an annual subsidy once the facility becomes operational.

Allowing one year to secure grant funds and another for the approval stage, design stage, the tender stage and the actual construction we would suggest a target date for project completion of December 2014. If the fund could commence at the start of FY 2012/13 and run for 30 months, it would accumulate ~$943k *without* any additional inputs from donors (other than DACCI).

Step 4 – Additional sources of grant funds

The Shire of Murray's aquatic centre at Pinjarra secured $1.22M in federal funds for its hydrotherapy component and Denmark should attempt to secure similar Federal Government support. The breakdown of funding sources is shown in Table 3 below.

The first three columns here show the source, the fractional support from each and the dollar amount in the case of Pinjarra.

The next two columns, headed Plan A(*P*), show the equivalent contributions on the assumption that the State and Federal relative shares (in bold font) remain in the same proportion for Denmark. Note that in this scenario, the total contribution from the Shire and Community is 42.8%.

		Pinjarra		**Plan A**(*P*)
Source	*%*	*$*	*%*	*$*
State govt. DB	**40.36**	2,920,000	**40.36**	1,948,743
Federal govt.	**16.86**	1,220,000	**16.86**	814,201
Shire Loan	27.65	2,000,000	**23.23**	1,121,722
Community	15.12	1,094,000	19.54	943,145
Cost	100	7,234,000	100	4,827,812
P&I cost pa				(82,997)

Table 3. Possible funding scenarios for DACCI Plan A assuming similar grant support as provided to the Shire of Harvey's facility at Pinjarra (Shire of Murray).

In the case of the Pinjarra facility, the 'Community' entry (Table 3) is the sum of a donation of $1M from Alcoa and $94,000 raised by the community.

The corresponding contribution in the case of Denmark comes from a Pool Reserve Fund initiated by a pledge of $200,000 from DACCI and a fixed annual dollar contribution from ratepayers. In the example discussed here a quarantined sum of $1.50 per week ($78 pa) would be added to the average general rate … initially in order to save for the pool.

Even in the absence of additional donations by community benefactors, the Pool Reserve Fund would stand at $943k by 31 December 2014, (i.e. 2.5 years from the start of FY 2012/13). At this time the 'capital accumulation' phase would be complete and the bulk of the fund would be committed to construction. Any excess would remain in the dedicated fund as a contingency.

The rate increase, fixed in dollar terms, would be maintained as an annual subsidy of $297k for the life of the facility or until reviewed. We suggest that such a review should take place every five years. Abnormal increases in expenditure would need to be met by increased entry fees.

It is important to note that the magnitude of the subsidy in this example is ~$297k[17] and it has been determined by the need to balance the books using the CCA cash flow estimates given in Appendix D of the CCA Report. It is not the capital accumulation

[17] This figure is consistent with the annual deficits at Donnybrook ($274k) and Busselton ($333k) – two facilities with quite different water configurations (minimal in the first case and generous at the second).

phase but rather the need to keep the annual subsidy low that drives the required rate rise – and this, in turn, depends critically on the revenue assumptions.

The following Table 4 shows how the rate rise and subsidy depend on the user revenue and the duration of the capital accumulation phase. The values in the table have been determined so that for each given revenue scenario and accumulation period the books balance – i.e. there is zero cash flow[18].

The first block - Part (a) - refers to the case we have discussed so far – an accumulation phase of 2.5 years. The first row shows that the required rate rise (ref 2011/12) falls from ~7% to 3.6% as the patronage is assumed to rise from *Conservative* (identified in the CCA Report) through *Realistic* (recommended by CCA) to *Optimistic*. The annual subsidy requirement also falls roughly to half ($153k rather than $298k). (The reduced reserve results in an increase in the quarterly loan repayments – but these are already included in the annual subsidy).

Part (a) - 2.5 year capital build

		Conservative	Realistic	Optimistic
Percentage rise on 2011/12 rate	%	6.99%	5.34%	3.60%
Dollar equivalent (annual)	pa	$78.19	$60.00	$40.29
Weekly equivalent	pw	$1.50	$1.15	$0.78
Reserve	$	944,920	769,130	583,532
Annual subsidy	$	297,968	227,652	153,532
P&I repayments	$	(82,866)	(95,873)	(109,583)

Part (b) - 3 year capital build

		Conservative	Realistic	Optimistic
Percentage rise on 2011/12 rate	%	6.78%	5.18%	3.49%
Dollar equivalent (annual)	pa	$75.82	$57.93	$39.07
Weekly equivalent	pw	$1.46	$1.11	$0.75
Reserve	$	1,066,840	862,279	646,652
Annual subsidy	$	288,947	220,760	**148,884**
P&I repayments	$	(73,845)	(88,981)	(104,935)

Part (c) - 1.5 year capital build

		Conservative	Realistic	Optimistic
Percentage rise on 2011/12 rate	%	7.45%	5.69%	3.84%
Dollar equivalent (annual)	pa	$83.39	$63.71	$42.97
Weekly equivalent	pw	$1.60	$1.22	$0.83
Reserve	$	676,718	564,220	445,636
Annual subsidy	$	317,812	242,813	163,757
P&I repayments	$	(102,711)	(111,034)	(119,809)

Table 4. The dependence of key financial parameters on patronage and the accumulated Pool Reserve. These figures are based on the entry fees proposed by CCA which, at $4.50 per adult casual swim, are already below market levels (cf ALAC 's 2011 fee of $5.00).

[18] We developed a tool based on the Cash Flow diagram in Figure 9 which found an iterative solution to the question "what rise is required for zero cash balance" for the particular conditions in question. The Reserve, Subsidy and P&I repayments are all outputs along with the required percentage rate rise.

Part (b) shows similar data for the slightly longer capital accumulation phase. The time needed for all the steps between a decision and its final implementation (i.e. Phase Three of the DSR process) cannot be known with certainty - "two and a half to three years" is probably as close as one can get. A comparison of (a) and (b) suggests that there is very little difference - although the reduction in annual subsidy and loan repayments become significant over the life of the loan. (Compared with (a), option (b) *saves* $225k and option (c) *costs* $496k).

The figures in Part (c) are shown simply to illustrate the impact of delaying the savings campaign by a whole year but retaining the completion date. A comparison of (c) and (a) shows that both and the annual subsidy jumps by ~$20k. Delaying the Pool Reserve Fund until FY 2013/14 would cost ratepayers dearly over the life of the loan.

The boxed areas in Table 4 show the sensitivity of the numbers to the patronage assumptions. Although it might appear that simply adopting a more optimistic outlook could halve the required subsidy, we are not suggesting this! We have chosen to present the least optimistic scenario by sticking with the *Conservative* profile and the original (unrealistically low) fee structure. This preserves the opportunity to accumulate a healthy reserve and keep the Shire loan to a minimum. We think this is a worthy objective since every $1 saved now saves $1.85 over the life of the loan.

The required rate rise could of course also be reduced with slightly more generous State and Federal aid. A slightly larger Development Bonus (40% is the lowest rung on the ladder), and more realistic costing for the hydrotherapy pool, would leave the community and Shire together contributing one third of the cost rather than 42.8%. The latter should be targeted given that Pinjarra's hydrotherapy pool cost $1.22M and the most recent facility at Corrigin[19], due to open shortly, $1.4M

Step 5 – Revisiting the Operational Costs
Figure 8 shows the itemised CCA estimates in Income and Expenditure for the most conservative usage assumptions in the case of the Paterson Plan and DACCI Plan A. Most line items are the same for both cases but those (on the expenditure side) that depend on the original cost of building must be adjusted.

For example, the annual maintenance allowance for the building, which is set at an industry standard of 1% of building costs, falls from ~$81.5k to ~$47.5k – reflecting the lower build cost of Plan A. An additional refurbishment allowance of 1% is budgeted for every five years - but rather than build this additional amount into each and every year (as the DFA suggests) it would be more reasonable to spread the cost over the interval, taking ~$16.5k each year. The equivalent amount for DACCI Plan A is $9.5k.

On the revenue side, DACCI Plan A has no café and therefore no derived income.

All of these changes are intrinsic to both the CCA model and Plan A and are shown in column 3 of the summary Table 5 as adjustments.

[19] See the Shire of Corrigin's 2011/12 Annual Report.

Denmark Aquatic Centre Shire of Denmark	Opt 1-Cons (F=6) 8,173,003		DACCI Plan A 4,755,237		
Estimated Operating income					
Casual Swim					
Casual swimming	133,525		133,525		
Pool bookings	6,055		6,055		
Carnivals/Events	1,514		1,514		
Aquatic Programs					
Learn to Swim	22,087		22,087		
Squad	1,514		1,514		
Birthday parties	1,279		1,279		
Schools LTS	19,980		19,980		
Ancillary					
Retail Net	3,330			*	*No café in Plan A*
Café Net	3,330			*	*No café in Plan A*
OtherRevenue (Leases)	10,000		10,000		
Total Operating Income Forecast	**202,614**		**195,954**		
Estimated Operating Expenditure					
Swim School Staff					
Swim School Administration/Reception	2,667		2,667		
Swim Instructors $	5,062		5,062		
Squad Coaches $	2,298		2,298		
Aquatics Operations					
Operations Coordinator	17,784		17,784		
Life Guards	91,104		91,104		
First Aid Equipment	2,000		2,000		
Birthday Parties	266		266		
Operations					
Electricity	31,000		31,000	*	*See discussion*
Gas	97,500		97,500	*	*See discussion*
Water	10,000		10,000		
Cleaning	20,000		20,000		
Chemicals - Cleaning	3,000		3,000		
Chemicals - Aquatics	12,000		12,000		
Insurance	15,000		15,000		
Security	3,000		3,000		
Plant - maintenance	20,380		20,380		
Buildings - maintenance	81,520		47,552	*	*1% of build cost*
Grounds - maintenance	2,000		2,000		
Equipment - maintenance	3,000		3,000		
Refurbishment	81,520		9,510	*	*1/5 of 5 year refurb*
Administration					
Admin/Mgmt Salaries	33,332		33,332		
Staff Development, Uniforms	5,000		5,000		
IT support (internal support promotion)		1		1	
Marketing & Promotion	5,000		5,000		
Audit	500		500		
Bank Charges	500		500		
Cash security	500		500		
Telephone	2,000		2,000		
Postage	2,000		2,000		
Printing & Stationery	2,000		2,000		
Licences	1,000		1,000		
Miscellaneous/Contingency	2,000		2,000		
Total Expenditure Forecast	555,933		454,726		
Total Cash Position	353,319		258,772		
Adjusted for inflation (2yrs @ 4%)	382,151			*	*Disallowed*

Figure 8. Income and Expenditure in the Conservative scenario – Paterson and DACCI Plan A.

In the FAAFF report the DFA also proposes certain changes to the operating costs – adding an arbitrary $25k to both the Utilities and the Staffing budgets. These are not included in the DACCI Plan A column in Table 5 for reasons that will become apparent in the subsequent section.

Item	**Paterson Plan** *Conservative*	**DACCI Plan A** *Conservative*
Operating Income	202,614	202,614
- less café		(6,660)
Net Operating Income	202,614	195,954
Operating Expenditure	(555,933)	(555,933)
- reduced bldng maint @1% of cap cost		33,968
- amortised 5yr refurbishment to annual		72,010
- inflation boost	(28,831)	0
Net Operating Expenditure	(584,764)	(449,956)
Net cash position	**(382,150)**	**(254,002)**
Adjustments		
- additional utility charges	(25,000)	
- utility cost savings		38,900
- additional salaries and wages	(25,000)	
Net cash adjusted position	**(432,150)**	**(215,102)**

Table 5. Summary of operational budget and adjustments

Step 6 – Adjustments in utilities and staffing budgets

DACCI has consistently protested the lack of detail in the CCA estimates of energy needs. As shown in Figure 8 the Base Year estimates for gas and electricity total $128.5k. Yet nowhere in the CCA Report are rates are given – in $/kWh or $/GJ. No clues are to be found that would allow the reader to deduce what the annual consumption might be. The same can be said about water consumption.

The 'Best Practice Guidelines for water management in aquatic leisure centres' published by Sydney Water, has much to offer in terms of Key Performance Indicators for both water consumption and energy use. The guidelines are based on the practice of ten NSW centres and offer achievable figures of merit [FOM].

In the case of energy, the figure of merit is 2GJ per m^2 of heated water space per year. Assuming that any design for Denmark would insist on (and achieve) this FOM, the 360 m^2 water space common to both the Paterson and DACCI plans would require 720GJ, or 200MWh, per year.

The present cost of bulk energy is roughly $0.32 per kWh - so the energy budget for either design should be about $64k not $128.5k. At the time of writing, DACCI has been unable to confirm that the FOM quoted above includes the HVAC energy demands. We believe that because the two energy requirements are so closely interlinked the figure is likely to be inclusive – but if not, we'd need to add about 40% more for HVAC. In this case the energy budget would rise to about $89k pa ... about 70% of CCA's figure quoted without justification. Clearly, adding an additional $25k to the CCA figure as suggested by the DFA would be hard to justify.

DACCI's independent calculations confirm a pool heating demand for about 180MWhr pa and we have had an informal offer of a 'take or pay' contract to supply fixed for 10

years at $49k pa. The most pessimistic prediction for energy prices in 2020 that we have been able to find suggests a possible tripling of the 2011 prices. Thus, there may be a case for owning the power generation hardware.

Note that in Table 5 we have adjusted only the energy budget not the water budget. Saving water is of course also a paramount consideration … and there are many opportunities detailed in the Sydney Water publication, most of which result in coincidental energy savings. Waterless urinals, timed showers, solar thermal preheating of water, re-use of grey water with intelligent rain water harvesting etc. All should be incorporated in a good design. The hydraulic circuitry would use cascade heat exchangers to extract heat from warm grey water and the air conditioning circuit would be required to extract enthalpy from the moist exhaust air to warm incoming fresh air.

Finally, in terms of the adjustment summarised in Table 5, we have not included the suggested $25k boost to the salaries component simply because, like the salaries component in the CCA budget, it has not yet been justified. It appears that at no stage did the CCA Consultant sit down with the Manager of Recreation Services and plan for the most efficient use of staff in the Recreation Centre – even though this was agreed to be one of the main benefits of colocation.

It is claimed within the Leisure Industry[20] that 'swipe card entry' can lead to large economies in staffing. It is also possible to make savings using volunteer lifeguards – particularly during the early years that have yet to benefit from a growing population. These elements need to be examined and included in any staffing model for the integrated Recreation Centre.

Until this work can be done, it is premature to make unsubstantiated boosts to the staffing budget.

Step 7 – Depreciation

DACCI understands that the concept of providing for depreciation is set in stone, and that in theory the amount provided for is placed in a sinking/reserve fund in order that the cost of replacement is set aside. We also understand that the practice is that in almost every case the setting aside of the amount provided for in a specific fund **does not occur.** We have followed conventional practice in Figure 9.

In the commercial world the taxation allowance received as a result of the write down of taxable income by depreciation may sometimes be retained as working capital. The amount of the claim for depreciation is determined by the Income Tax Assessment Act 1997. The Act determines that the "effective life" of a concrete swimming pool is 50 years - in other words a rate of 2%pa on a prime cost basis if the residual value is taken to be zero.

DACCI believes that it is unrealistic to assign a zero residual value to a *building* thirty, or even fifty years, old if it has been maintained at a cost of ~$48k per annum, and subject to a major refurbishment every five years. We note that although the Shire of

[20] At the 2011 Leisure Institute of WA 42nd Annual Conference the Trade Show included a demonstration of such a system by Links Modular Solutions. It was claimed that 9 staff positions had been saved at one outer Melbourne facility following the introduction of its products. The initial costs are modest as is the annual license fee for the software.

Denmark does provide for depreciation in its Financial Statement it does not place the value of the provision into a Reserve Fund.

DACCI believes that cost of replacing the depreciated asset should be funded by borrowings at the appropriate time rather than by current users. In the present case there is no tax to consider, but excess revenue arising from better patronage than the conservative forecast could effectively play the role of working capital if it were to be used to reduced the outstanding loan rather than returned to ratepayers.

We suggest that no discussion of depreciation expenses can be complete without considering the positive outcomes resulting from the depreciable asset not just the negative of future replacement. In the case of the proposed aquatic centre there are several benefits that might be estimated ... we will consider just two.

For example, the health benefits of aquatic activities such as lap swimming, lane walking, aerobics etc are undisputed. We might therefore try to estimate the savings to the health budget flowing from improved fitness. In the third quarter of 2011, the federal government spent $4.5 billion on 86 million bulk-billed services across the nation – an average of $52 per service.

The cost of providing **one** bulk-billed service for each of Denmark's population of 5503 (ABS 2011) would be $288k. Thus, it would take a saving of only one such visit (per head) every three years to cancel the negative impact of depreciation ($100k).

Similarly, many Denmark residents travel by car to Albany to swim. Assuming that the number doing this reflects WA statistics (for swimming) and assuming just each late-model vehicle has an adult driver with three passengers[21], this group of swimmers would need only 2.7 trips per year counteract the depreciation (-$100k) calculated in Table 8. DACCI is aware of Denmark families that exceed this number of trips *each week*.

These two examples show positive benefits that accrue to the wider *present* community by those who would pay additional rates to fund the proposed Aquatic Centre. In contrast, the depreciation proposition requires the present community to pay for a *future* good. It seems self-evident to DACCI that ratepayers might be more inclined to invest in the welfare of the present day community before that of future generations.

Step 8 – Cash flow comparison: Paterson v DACCI Plan A

The foregoing analysis shows that CCA's Option 1 could be replaced by a more modest design. Figure 9 below compares the cash flow for the Paterson Plan used by the DFA in FAAFF (conservative case only) with that for the DACCI Plan A and all three scenarios *Conservative*, *Realistic* and *Optimistic*.

In the former case, DACCI Plan A has a net zero cash flow when the rate rise is 6.99% of the 2011/12 average rate ($1,119). This corresponds to an annul $78.22 per

[21] We have used the Needs Assessment figures of 17% of the population swim at least once per year and taken the RAC figures for the cost of motoring apply. To compute the loss of productive capacity, we have taken the Q3 2011 average hourly wage (non-managerial) and allowed a total driving time of two hours. We have also included an average ancillary spend of $2 per swimmer per trip. This is a conservative guess since even a soft drink for a child costs more than this and if the adult shops at an Albany supermarket while the kids swim, the ancillary spend would be much greater. Essentially all of these costs represent a loss to the Denmark's business community.

ratepayer. For convenience we have rounded this down to a fixed amount of $78 - which results in a slight negative cash flow (in the Conservative scenario). However, we have adjusted the proposed CCA entry fee of $4.54 per casual adult swim to match the $more realistic $5.00 entry fee current in Albany. This results in a small positive cash balance in the conservative scenario and a very healthy one in the optimistic case!

Cashflow, $A pa (Base Year)	**DFA- Pat**	**DACCI Plan A**		
	Con	*Con*	*Real*	*Opt*
Operating Income	202,614	202,614	299,208	395,515
- less café		(6,660)	(10,000)	(13,330)
Sub-total	202,614	195,954	289,208	382,185
Inflation boost	16,533			
User Generated Income Total	219,147	195,954	289,208	382,185
Shire subsidy		297,258	297,258	297,258
Fee boost $4.54 to $5.00 (adult)		16,772	25,158	33,544
Operating Income total	219,147	509,984	611,624	712,987
Operating Expenditure	(555,933)	(555,933)	(561,094)	(566,241)
Operating Expenditure Inflated	(601,297)	(449,956)	(459,887)	(465,034)
Adjustments				
Operating Expenditure Total	(651,297)	(411,056)	(420,987)	(426,134)
Financing cost				
Total project cost	9,338,330	4,827,812		
Request to State Government	3,112,777	1,948,743		
Request to Federal Government	0	814,201		
Contribution from Proposed Pool	0	943,145		
Debt Required (Denmark Shire)	6,225,553	1,121,722	1,121,722	1,121,722
P & I repayment:	(460,635)	(82,997)	(82,997)	(82,997)
Cost of Operation	(1,111,93	(494,053)	(503,984)	(509,131)
Net Cashflow	**(892,785)**	**15,931**	**107,640**	**203,856**
Non-Cash Cost				
Depreciable asset initial value	8,173,003	4,827,812	4,827,812	4,827,812
Depreciation - Nil residual after 30 yrs	(307,966)			
Depreciation - Nil residual after 50 yrs		(96,556)	(96,556)	(96,556)
Total Non-Cash Cost	(307,966)	(96,556)	(96,556)	(96,556)
Community benefits		>100,000		
Health and fitness		TBA		
Saved school swimming expenses		TBA		
Saved communty travel costs		TBA		
Saved productive hours in travel		TBA		
Incidental $ returned to local traders		TBA		
Total Non-Cash Costs		Positive		

Figure 9. Comparison of *cash flow in the Paterson model (as adjusted by the DFA) and DACCI Plan A models. Note that the entry fee for an adult casual swim has been boosted to match the Albany Leisure and Aquatic Centre fee current in late 2011. No other entry fees have been changed.*

This data should be compared directly with the DFA's Option 1 table on p16 of FAAFF.

		Conservative	*Realistic*	*Optimistic*
DFA- Paterson				
Net cash position		400,845	302,772	204,991
Depreciation		301,276	301,276	301,276
Financing		446,302	446,302	446,302
Total cost		1,148,423	1,050,350	952,569
DACCI Plan A				
Net cash position		98,928	190,637	286,853
Depreciation		0	0	0
Financing		(82,997)	(82,997)	(82,997)
Ratepayer subsidy		(297,258)	(297,258)	(297,258)
Net Cash flow		15,931	107,640	203,856
Effective subsidy		(281,327)	(189,618)	(93,402)
Boost adult casual $5 to $7		76,891	115,337	153,782
Real cost to ratepayers		(204,436)	(74,282)	60,380

Table 5. Key financials for the DFA-Paterson model and DACCI Plan A. Note that by adding the estimated annual cash flow to the fixed subsidy, the latter is reduced. If, as would appear likely, the cost of an adult casual swim should be raised from $5 to $7 in 2015 (matching the current cost of a gym session at the Recreation Centre), the resulting income boost reduces the real cost to ratepayers even further. The facility would become entirely "User Pays" if the patronage were to lie somewhere between Realistic and Optimistic.

There are three principal factors for the striking difference in annual outlay between the two models. The primary factor is the more efficient use of building space achieved in DACCI Plan A without any loss of functionality. This impacts in a major way.

The second factor is the recognition that federal funding possibilities exist and that the community could be asked to contribute to a pre-payment reserve fund. The demands on State funding sources are not ambitious.

The third factor depends critically on the engineering choices that must be made. We have assumed that heat pumps with a coefficient of performance of ~3 would be driven either by solar PV or gas-fired cogeneration or tri-generation plant. In making this choice we have relied on current best practice guidelines in Australian aquatic centres.

Step 9 – Other possibilities

Although the foregoing analysis demonstrates the viability of DACCI Plan A we must remember that it is, after all, only a *Concept Plan*. It may succeed in its purpose of showing that a predetermined water configuration may vary significantly in cost depending on the architectural layout, but it is not necessarily the design most suitable for Denmark now and in the future.

Plan A set out to assemble the key ingredients essential to support the particular choice of water spaces – CCA's Option 1 configuration for hydrotherapy (5mx7m =35m^2) and lap pool space (25m x 13m = 325m^2). Within this constraint, Plan A makes no attempt at imaginative architecture. Rather, it treats the various elements such as the change

rooms, the plant room, the first aid station etc[22] as pieces of a jigsaw and lays them out in a way that avoids minimizes the building cost.

DACCI Plan A is therefore the simplest layout that includes all the essentials – there are many alternatives that preserve the same water configuration but may be more efficient. Consider for example Plan A2 shown below.

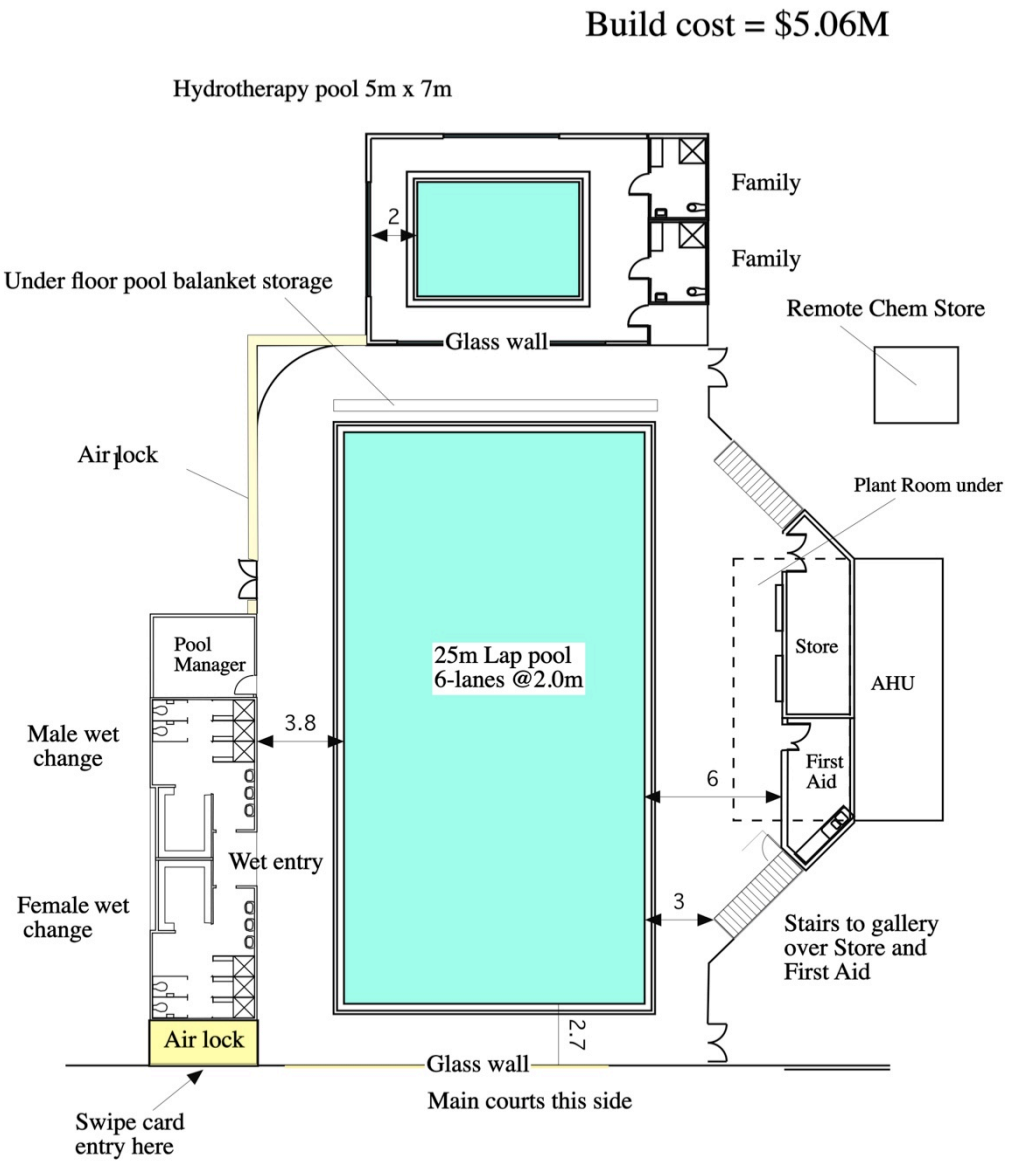

Figure 10. DACCI Plan A2 – another example of an A-series pool all of which have the same water configuration as the Paterson Plan. The pool deck is wider than in Plan A but some of this extra area is recovered by stacking the Store and First Aid rooms beneath a 250 seat tiered gallery and lowering the main plant room below deck level (as in the Margaret River facility). The space on the right hand side of the pool below the overhead cantilevered gallery creates an 85m^2 mini-concourse for officials at an aquatic event or for casual spectators on other occasions.

[22] The Air Handling Unit [AHU] proves to be an exception. This is usually located directly above the plant room and convention dictates that it need not be counted in the building footprint.

This plan first reduces the building footprint by stacking the spectator viewing space the above the plant room[23] rather than alongside it as in Plan A but then invests these savings in a more generous allowance of circulation space round the lap pool. The plan suffers only a marginal increase in cost ($303k). It's the same water space … just a smarter building design.

If the constraint on water configuration is lifted, many other possibilities exist. Figure 11 shows a plan that belongs in a different family – the B-series that allows for larger water spaces.

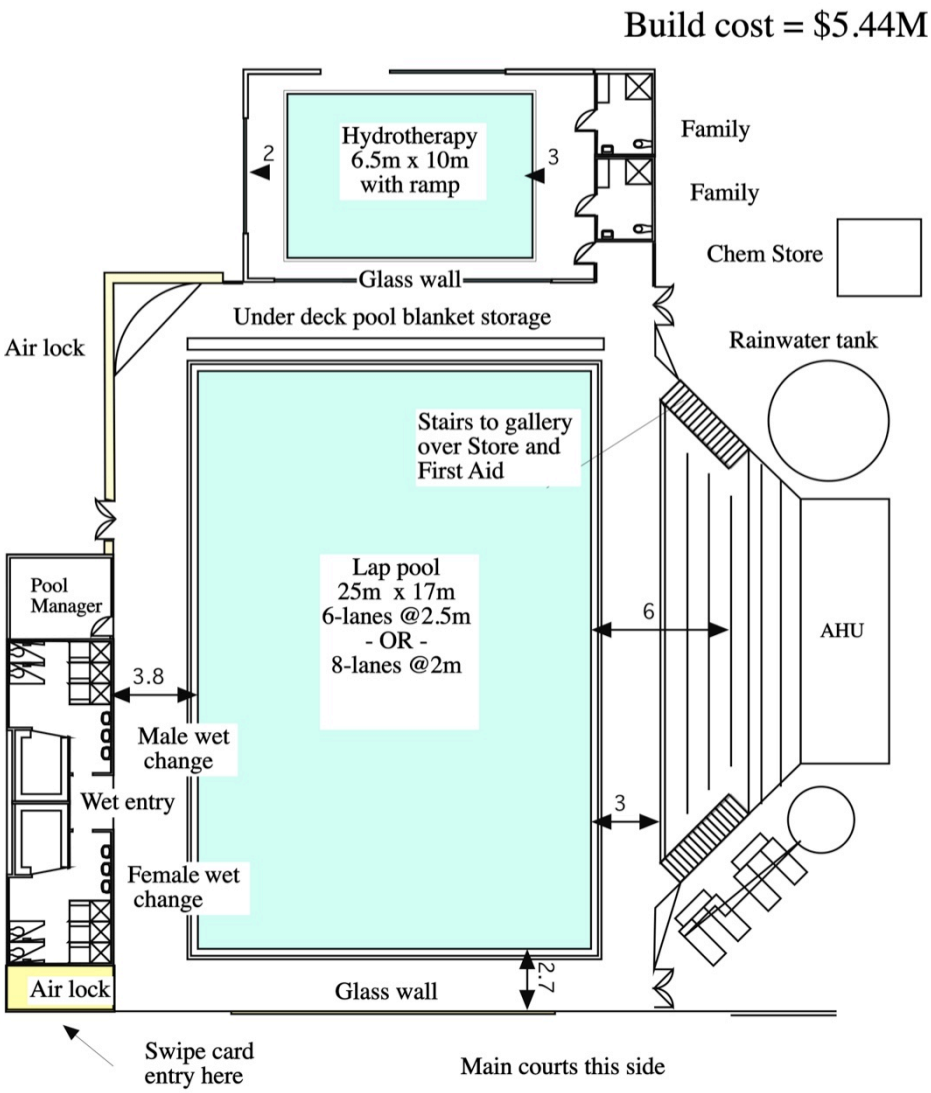

Figure 11. DACCI Plan B2. This is an example of a B-series pool all of which are no longer constrained to have the same water configuration as the Paterson Plan. The pool deck is again wider than in Plan A1 but some of this extra area is recovered by stacking rooms as in Figure 10.

[23] The Albany Leisure and Aquatic Centre provides a good example of a plant room hidden beneath a tiered spectator space capable of seating 250-300 school children. It is close to overflowing at school faction and inter-school carnivals.

Here the lap pool wide enough to configure either as six lanes @2.5m or as eight lanes @2m; and a larger hydrotherapy pool. At 6.5m x 10m = 65m^2[24] this is now safely above the recommended minimum of 50m^2. These more generous water spaces are more likely to meet the demands of a growing Denmark community over the expected life of the facility than those in the Paterson Plan.[25]

Step 10 – Vulnerabilities

We have followed the practice established in the CCA Report of quoting costs to the nearest dollar only because it appears to be an industry standard. The likelihood is that estimates may be no better than ±20%. This level of accuracy can only be improved upon once a detailed design is in place.

However, even though the apparent absolute precision of these numbers is an illusion here and elsewhere in this paper they may still provide a rough indication of comparative trends. Figure 10 shows a difference of roughly $300k between A1 and A2. Clearly the B series would cost a more: B2 for example is $379k more than A2 and $682k more than A1. Yet all designs shown here fall within ±10% of the estimated base figure of ~$5M build cost although that may itself be good to only ± 20% ($1M).

Estimates of revenue are similarly approximate but still useful in establishing trends. DACCI has done some preliminary work on testing the sensitivity of the models on parameters such as entry fees and user profiles and abnormal increases in utility. These will be needed when grant applications are to be written but are not presented here.

The importance of good design became a recurrent theme during the risk assessment process. We stress it again here as a vulnerability. The assumption underlying the DACCI plans is that the completed facility must satisfy key performance indicators. The Best Practice Guidelines referred to earlier need to be met. The consequences of poor initial design can be seen in may of the facilities we have visited and account for a major share of annual running costs.

The clearest example of this is in the area of energy and water. Decisions made in an era where both were regarded as cheap and plentiful are proving costly today. But good management and multi-skilled staff are also critically important. Unless these lessons are taken to heart and steps put in place to manage them, the proposed facility will be at risk.

Conclusions

Over the years DACCI has consistently held the view that a proposal of this magnitude, and with long-term implications, requires the most thorough preparatory analysis before Council's support should be sought. The Shire's Project Team has held a similar view. Moreover, both parties have followed DSR guidelines as closely as possible throughout. These guidelines anticipate an iterative approach the problem, with continual refinement of the preferred model taking place before a decision to proceed, shelve, stage or abandon any proposal.

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[24] Australian Standard 3979-2006 provides a guide. See Harrison J., and Larsen J., *"Pool design basics: a guideline for where to start."*

[25] Although the larger building is more expensive initially there can be no doubt that user revenue would be boosted in a design with appeal to a wider section of the community.

It should therefore have been no surprise that, as reported in the Project Team's Interim Report in April 2011, the Coffey Report left some unanswered questions. Further research in the past year, more pool visits, increasing liaison with the leisure industry, together with the timely contribution from the DFA in his financial assessment, have all contributed to a level of understanding that has produced a robust and viable plan.

DACCI is now satisfied that the proposal is now ready for Council's immediate review and decision to proceed from 'proposal' to 'project'.

Cyril Edwards,
DACCI. 19 May, 2012

MUNICIPAL ASSOCIATION OF VICTORIA

DEDUCTIBLE GIFT RECIPIENTS STATUS FOR LOCAL GOVERNMENT

The State Council resolution of October 2010:

> *"That the MAV lobbies the Federal Treasurer and Prime Minister to provide the local government sector with Deductible Gift Recipient (DGR) status in order to provide the local government sector with the ability to receive tax deductible donations from the community for the development and upgrade of much needed community infrastructure across Australia."*

The Current Legislative Framework

The *Income Tax Assessment Act 1997* (the ITAA) establishes the legislative framework for DGRs and sets out the types and nature of entities that may be accorded the DGR status:

- charitable institutions;
- cultural & recreational institutions including public libraries, galleries and museums;
- educational institutions;
- health & welfare service providers;
- research institutions; and
- defence institutions responsible for war memorials.

From the types and nature of entities that may seek DGR status, it appears that where donations are for capital, that capital is generally associated with the provision of charity, cultural & recreational services, education, health & welfare services and so. Accordingly the provision of community infrastructure by local government does not appear to 'sit well' within the existing purposes for DGR status.

The ITAA also requires that entities seeking the DGR status to meet two criteria:

- that the entity is not established under statute; and
- the entity must be capable of being wound up and on winding up transfer any surplus assets to another entity with DGR status.

These criteria appear to prevent a council which operates a public library, gallery or museum from seeking DGR status. However, it appears possible for a council to establish a trust to receive donations and contributions towards the public library, gallery or museum. As the trust is able to meet both the two criteria, it will be able to gain DGR status.

Implementing the State Council Resolution

The successful implementation of the State Council resolution will require amendments to the ITAA, which will impact all local governments across Australia. Accordingly, it will be imperative that before any request is made to the Federal Government there is consensus amongst all the State and Northern Territory Local Government Associations that the resolution be implemented. Further the support of the State and Territory Governments will also be critical.

Any amendments to the ITAA might consider extending:

- the DGR framework to include community infrastructure (however defined); and/or
- the range of entities eligible to seek DGR status to include local government by amending the above mentioned entity criteria.

The State Council resolution did not define 'community infrastructure' and it will be necessary to determine what should be included before consulting the Local Government Associations in the other States and Northern Territory, and the Victorian Department of Treasury and Finance.

In the event that the DGR framework is changed to include community infrastructure but the criteria for entities left unchanged, councils will need to be prepared to establish an entity to operate at arm's length from the council to gain DGR.

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Introduction

In my position in the Uniting Church, I often receive enquiries from our church organisations seeking information as to the qualifications required to become a Deductible Gift Recipient (**DGR**). The motivation appears to be more a case of seeking tax concessions, rather than a genuine quest to provide the necessary public benefit community services that is aligned to such a special charity status. This Fact Sheet is designed to educate our UCA organisations and answer many such enquiries arising in the future. I trust you will find it useful.

Deductible Gift Recipients (DGRs)

A DGR is an organisation which the income tax law or the Australian Taxation Office (**ATO**) has determined or endorsed as being entitled to receive income tax deductible gifts. This means that a person or a body can make a donation to that DGR organisation and receive a tax deduction at the time of making the donation. The temptation is often for our church organisations to be more swayed towards this goal, rather than the genuineness of the intended charitable goals or outcomes of those church organisations.

The law is very tight on which organisations can be endorsed as DGRs, as obviously granting such endorsement results in less revenue to the Federal Government. If your organisation already has DGR endorsement, it is extremely important that you carry on your organisation's activities at all times in a manner which is consistent with your original intended goals, and does not endanger or risk your DGR endorsement. This will be discussed in more detail further on in this Fact Sheet.

DGRs listed by name

Some organisations have DGR endorsement as they are listed by name in the tax law. Examples are Amnesty International Australia, the Australian Sports Foundation and all prescribed private funds.

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Fact Sheet

Endorsed DGRs

Although some DGRs are listed by name in the tax law, the majority of DGRs in Australia are not listed by name. The majority have applied to the ATO for individual endorsement as a DGR and have received DGR status because they fall within one of the general categories listed in the DGR table. There are more then 30 general DGR categories.

The DGR table setting out the general categories of DGRs is as follows:

Health	
• Public hospital • Non-profit hospital • Public fund for public and non-profit hospitals • Public authority for research	• Public institution for research • Health promotion charity • Public ambulance service • Public fund for public ambulance services
Education	
• Public university • Public fund for the establishment of a public university • Higher education institution • Residential educational institution • Commonwealth residential educational institution • Affiliated residential educational institution • TAFE	• Public fund for religious instruction in government schools • Roman Catholic public fund for religious instruction in government schools • School building fund • Public fund for rural school hostel building • Government special school • Scholarship fund • Life education company
Research	
• Approved research institute • The Commonwealth	

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Welfare and Rights

- Public benevolent institution
- Public fund for public benevolent institutions
- Public fund for persons in necessitous circumstances
- Public fund on the register of harm prevention charities
- Australian disaster relief fund
- Animal welfare charity
- Charitable services institution

Defence

- The Commonwealth or a State
- Public institution or public fund for members of the armed forces
- War memorial repair fund

Environment

Public fund on the Register of Environmental Organisations

The Family

- Public fund for an approved marriage guidance organisation
- Public fund for provision of family counselling or family dispute resolution

International Affairs

- Overseas aid fund
- Developed country disaster relief fund

Sports and Recreation

- Guides branch
- Scout branch

Cultural Organisations

- Public fund on the Register of Cultural Organisations
- Public library
- Public museum
- Public art gallery
- Institution consisting of a public library, public museum and public art gallery or any two of them

Ancillary Fund

Ancillary fund

Other conditions for DGRs

Most DGRs also have to satisfy the following four conditions:

1. The organisation must be in Australia.
2. The organisation must have an ABN and maintain a gift fund.
3. If the organisation issues a receipt for a gift, it must include particular information in that receipt.
4. An organisation must tell the ATO if it ceases at any time to be entitled to endorsement.

What is a gift fund?

A prerequisite for DGR endorsement is that the organisation maintains a gift fund. If the organisation is seeking endorsement in its own right, the gift fund must be for the organisation as such. If the organisation is seeking endorsement for a fund, authority or institution it operates, the gift fund must be only for that fund, authority or institution.

A gift fund has these characteristics:

1. it is a fund;
2. it is maintained for the principal purpose of the organisation or of the fund, authority or institution;
3. all gifts, and deductible contributions, of money or property for that purpose are made to it;
4. any money received by the organisation, because of such gifts, or deductible contributions, is credited to it;
5. it does not receive any other money or property;
6. the fund is used only for the principal purpose of the organisation or of the fund, authority or institution; and

- the organisation is required – by a law, its constituent documents or governing rules – to transfer any surplus assets of the fund to another gift deductible fund, authority or institution when the fund is wound up or the DGR endorsement is revoked, whichever occurs first.

Operating a gift fund

Maintaining a gift fund entails banking money separately and specifically identifying items of property. The money and property of the gift fund must be clearly separate from that of the rest of the organisation and accounted for accordingly.

New DGRs

The Commonwealth Government regularly adds to the list of DGR categories. For example, as of 1 July 2006, the following new DGR categories were added:

- scholarship fund;
- Australian disaster relief fund;
- animal welfare charity;
- charitable services institution;
- war memorial repair fund;
- family counselling and family dispute resolution organisations;
- developed country disaster relief fund.

It is beneficial to keep up to date with newly created DGR categories, as you may find that activities which you have been carrying on and which, to date, have not entitled your organisation to DGR status, suddenly do entitle you to such status.

We suggest you refer to the following web site to keep up to date with the tax laws governing DGR endorsement and to view the latest organisations, institutions, funds and authorities which have become endorsed as DGRs.

http://www.ato.gov.au/nonprofit/pathway.asp?pc=001/004/006/008/001

Public Benevolent Institution (PBI)

All organisations which are endorsed as public benevolent institutions (or PBIs, as they are more commonly known), which term is defined below, are entitled to be endorsed as DGRs.

For organisations within the Uniting Church which are endorsed as DGRs, they will usually be endorsed because those organisations:

- are predominantly focused on providing community type or educational services; or
- have been endorsed as PBI's.

UnitingCare NSW (ACT) and all its entities within are a PBI for the purposes of the Tax act.

Definition of a PBI

A PBI is a non-profit institution organised for the direct relief of poverty, sickness, suffering, distress, misfortune, disability or helplessness. The characteristics of a PBI are as follows:

1. It is set up for needs that require benevolent relief.
2. It relieves those needs by ***directly*** providing services to people suffering from them.
3. It is carried on for the public benefit.
4. It is non-profit.
5. It is an institution.
6. Its dominant purpose is providing benevolent relief.

Let us look at each of these six characteristics in turn.

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Fact Sheet

1 Needs requiring benevolent relief

The condition or misfortune which is being relieved by a PBI must be such poverty, sickness, suffering, distress, misfortune, disability or helplessness as arouses pity or compassion in the community. Examples of activities of PBIs include:

- providing hostel accommodation for the homeless;
- treating sufferers of disease;
- rescuing people who are lost or stranded (in a physical sense rather than a spiritual sense).

It is the opinion of the ATO that not all degrees of distress or suffering would necessarily arouse community compassion. For example, organisations that provide marriage guidance or counselling to sole parents who are divorced or have lost a spouse will not be PBIs. Further, needs to be met by education or training will not normally be such as to arouse community compassion.

However, there will be circumstances where education and training may be among the services provided to alleviate the effects of poverty or helplessness. For example, primary and secondary schools, business colleges, etc are not PBIs, but a Braille learning centre for the blind is a PBI.

2(a) Relief of need

Organisations that serve people who are in need will only be PBIs if they relieve those needs.

The services of some organisations are far too broad and not sufficiently focused on meeting such needs to be considered PBIs by the ATO. For example, a community service organisation which helps the needy, runs after school care, organises cultural events and offers relationship counselling is not a PBI as its services are too broad to be a PBI.

The fact that an organisation charges fees for its services will not prevent it from being benevolent. However, the type and level of charges, in view of the services being provided, may indicate that an organisation is not a PBI.

2(b) Direct provision of services

PBIs provide their services directly to persons in need of relief. Out of all of the characteristics of a PBI, this is usually the most difficult to satisfy. For example, if an organisation exists to promote social welfare in the community generally, it would lack the required direct benevolence.

Organisations for lobbying, advocacy, research and policy studies and disseminating information are not generally PBIs. Organisations that merely play a general role in the field of benevolent relief will not be PBIs. Organisations that merely provide information on welfare and/or similar services to the community are not PBIs.

Organisations are not PBIs if they primarily:

- give information and advice to the public on preventing a disease or ailment;
- conduct research, training or advocacy about a need or condition; or
- provide equipment and facilities to PBIs and other bodies that help people in need.

3 Public

PBIs operate for the public. They confer relief on an appreciable needy class in the community.

Organisations will not be public in the required sense if:

- benefits are not provided for the public, but are provided on such grounds as personal relations, employment or membership of a voluntary association which can arbitrarily exclude potential applicants; or
- benefits are provided on a discriminatory basis and not primarily because of need.

4 Non-profit

A PBI must operate on a non-profit basis. This means that its assets or profits are not to be distributed to members, owners or particular persons, except as reimbursement for out-of-pocket expenses incurred on behalf of the organisation, or as proper remuneration for administrative

services. Your constitution or rules will have to contain special clauses to satisfy this characteristic of a PBI.

5 Institution

An institution can have different legal forms. It can be a trust, a company, an unincorporated association, an incorporated association, a body established by law, etc. An analysis of whether or not an organisation is an institution takes into account a study of its activities, size, permanence and recognition.

6 Predominantly for benevolent relief

The dominant purpose of a PBI must be the direct relief of poverty, sickness, suffering, distress, misfortune, disability or helplessness. Other purposes and activities must be incidental to that purpose. They must be minor in extent and importance. Organisations that provide benevolent services, but only as part of broader purposes or operations, are not PBIs.

For example, an association is organised by an ethnic group. It provides cultural, social and sporting activities, care for the aged and disabled, after school care and education programs. While some of the association's purposes may provide benevolent relief, this is not its dominant purpose.

It is important to note that if there are changes in an organisation's constitution or operations, its status as a PBI may change. An organisation's character upon foundation will not be determinative indefinitely. In this respect, it is imperative that a PBI carry out an annual check of its activities to ensure that it has not changed or adopted new activities which take the organisation outside the realm of a PBI.

Checklist – is your organisation a PBI?

It is both surprising and worrying that organisations often state their goals and identify themselves as being a PBI for endorsement purposes, but subsequently (in their promotional literature, website, etc) state or promote a completely different purpose, which diverts away from, adds to or completely withdraws from their original PBI goals. The ATO is quite clear in its position on this – in

that it is not acceptable - and often uses this inconsistency with the original constitution, DGR endorsement application form and goals to revoke the PBI status of that organisation.

You should use the following checklist to determine whether or not your organisation is a PBI:

1. Who is your organisation set up to help?
2. Why do these people need help?
3. What aid/services does your organisation provide to them?
4. How does your organisation choose who will receive your aid/services?
5. From day to day operations, annual reports, financial statements, website and promotional material etc, can your organisation conclude that your dominant activity is providing direct relief of poverty, sickness, distress, misfortune, disability or helplessness?
6. Do your organisation's constituent documents clearly show that your organisation's dominant purpose is providing benevolent relief?
7. Does your organisation limit the people to benefit only on the basis of being able to better provide benevolent relief?
8. Is your organisation a non-profit institution?

Maintaining DGR status

Organisations that have been endorsed as DGRs must tell the ATO if they cease to be entitled to that endorsement. Things that can affect entitlement include:

1. changes to purpose and operations;
2. failing to maintain a gift fund;
3. where applicable, not satisfying the "in Australia" requirement; and

- incorrectly issuing receipts for tax deductible gifts or contributions.

Carrying out reviews

This means that there is a requirement to carry out regular reviews of an organisation's DGR status. The law itself does not require any particular intervals between self reviews, but the ATO recommends a yearly review. There should also be a substantial review when there is a major change in your organisation's structure or operations.

We suggest that such a review be undertaken annually by the governing body (board, committee, etc) as part of its agenda. Make a decision as to when it needs to be formally placed on the agenda of a meeting. Such a meeting needs to critically examine its original charter vs. current status and try to reconcile that the organisation still meets its intended DGR purposes. Prior to the meeting have available to members the necessary constitution, charter or other relevant documentation to engage in such a discussion.

Purposes versus objects

It is imperative that you ensure, at all times, that the public appearance of your organisation reflects what you advised the ATO as being the objects of your organisation when you first applied for endorsement.

The ATO distinguishes between an organisation's "purposes" and its "objects". It uses the term "objects" for written statements in the constituent documents. An organisation's constitution, memorandum and articles of association, trust deed or other constituent document formally sets out the reasons for which it is to exist and operate, that is, its objects. The ATO will have analysed these documents in first deciding whether or not to endorse your organisation. It is important to draft your objects carefully with an eye to all of the tax concessions which are available and which you wish to obtain.

"Purposes" is used for the substance and reality of the organisation's operations, as judged in the light of relevant circumstances. Defining an organisation's purpose involves an objective weighing of all its features. These include not only the constituent or governing documents, but also:

- the organisation's activities, policies, plans and procedures;
- the organisation's public actions and statements;
- the activities of the executive body;
- how the organisation is administered;
- the uses and sources of funds and property;
- the duties and tasks of employees, contractors and volunteers;
- finances;
- history;
- the question of control;
- any legislation governing its operation; and
- how all this is publicly portrayed or represented through its published material (including pamphlets, brochures, annual reports, etc) and its website.

To minimise the possibility of loss of any endorsement you currently enjoy, you should regularly check whether all of the different facets of your organisation as outlined above are in line with the objects as stated in the constituent documents and as represented to the ATO.

Revoking endorsement

As part of its general administration of tax laws, and to ensure only genuine entities or funds receive DGR concessions, the ATO carries out reviews of endorsed DGRs. The reviews help establish if DGRs are in fact entitled to endorsement.

The ATO may ask you to provide information and documents relevant to your organisation's entitlement to endorsement. While you must comply with this request, you will be given at least 28 days to provide the information and documents. Failure to do so can lead to your endorsement being revoked, and to prosecution.

The ATO can revoke the endorsement of a DGR if:

- the organisation is not entitled to be endorsed;
- the organisation has not provided the information and documents within the specified time after a request from the ATO; or
- the organisation has not given the specified information on receipts for tax deductible gifts and contributions.

If your endorsement as a DGR is revoked, you will receive written notice of that revocation. The revocation is effective from the date specified by the ATO and the date may be retrospective.

Worksheets

To assist DGRs in undertaking a self review, two worksheets are available from the ATO:

1. Where an organisation is endorsed as a DGR in its own right – use worksheet 1 (**attached**).
2. Where an organisation is endorsed as a DGR for a fund, authority or institution that it operates – use worksheet 2 (**attached**).

The policy of the Uniting Church on DGRs

Organisations within the Uniting Church intending to register as a DGR with the ATO need to firstly contact Uniting Financial Management Services and speak to either Bronwyn Shead (on (02) 8267 4476) or myself, Kegan Kashian (on (02) 8267 4341).

By reading the instructions within this Fact Sheet, UCA applicants should establish very early on if they in fact qualify as a DGR. The requirements are quite clear and onerous. Only a handful of congregations carrying out special community service activities currently hold DGR status. The rest are organisations endorsed within UnitingCare, Private Schools and Missions.

If you wish to pursue becoming a DGR, we can guide you to proper legal advice to assist you in the process of preparing your constitution and DGR application, and in satisfying all other requirements.

Seeking advice

It is imperative for any congregation (or organisation operated by a congregation) to seek advice from both a lawyer and an accountant, both of whom specialise in the charities sector, when:

- initially establishing an organisation;
- initially applying for DGR status or PBI status; and
- contacted by the ATO and advised that the ATO is undertaking an audit of the congregation/organisation.

Resources

The ATO publishes both in hard form and on its website some very good resources for organisations which either are already endorsed as DGRs or wish to be endorsed as DGRs.

The ATO publication *GiftPack – for deductible gift recipients and donors* is a very useful guide. It is updated regularly. The document number is NAT3132-07.2006. You can either order a hard copy from the ATO or download it from the ATO's website. The ATO's website is www.ato.gov.au.

When you enter the home page of the ATO website, you will find down the left-hand side various sections of the website you can access. If you access the "Non-Profit" section, you will find some very useful information, including fact sheets.

Conclusion

We trust you found this Fact Sheet informative. We welcome your feedback in writing or email to kegank@nsw.uca.org.au.

Kegan Kashian

Chief Financial Officer

Uniting Resources

WORKSHEET 1: REVIEW OF A DGR ENDORSED IN ITS OWN RIGHT

This worksheet will help you work out whether your organisation is still entitled to endorsement as a deductible gift recipient (DGR).

Endorsed DGRs must tell the Tax Office if they stop being entitled to endorsement. Things that can affect your organisation's entitlement are: changes to purpose and operations, the gift fund, the 'in Australia' requirement, and the gift or deductible contribution receipts the organisation issues. You should self-review each year and whenever there is a major change in structure or operations.

Do not write on the original worksheet – keep it as a template so you can make copies whenever you carry out a self–review.

WHO SHOULD USE THIS WORKSHEET?

- Use this worksheet if your organisation has been endorsed in its own right as a DGR.
- Do not use this worksheet if your organisation has been endorsed as a DGR for a fund, authority or institution that it operates. These organisations should use **Worksheet 2** on page 67. For example, a school that has been endorsed for a school building fund that it operates will use **Worksheet 2**.

What you will need

- A copy of *GiftPack for deductible gift recipients & donors* (NAT 3132-07.2006).
- The Tax Office notice that states that your organisation is endorsed as a DGR.
- Your organisation's governing or constituent documents, and information about its activities and finances.

WORKSHEET 1

1 **Full name of your organisation**

2 **Australian business number (ABN)**

3 **Period of review**

to

4 **Reason for review**

- ☐ Annual review
- ☐ Change in circumstances
- ☐ Other (please specify) _____

5 **Tax Office notice of endorsement**

Date of endorsement

DGR category

Note: These worksheets have been extracted from *GiftPack – for deductible gift recipients & donors* (NAT 3132-07.2006), which is available on the ATO website at www.ato.gov.au.

AUSTRALIAN BUSINESS NUMBER (ABN)

6 **Is your organisation's ABN still current?**

☐ Yes Go to question 7.

☐ No Your organisation is no longer entitled to be endorsed as a DGR. The Tax Office will notify you that endorsement has been revoked.

Your organisation must have a current ABN to be entitled to endorsement as a DGR.

You can check your organisation's ABN by searching the Australian Business Register website at **www.abn.business.gov.au** or by phoning the Tax Office on **1300 130 248**. If your organisation's ABN has been cancelled, you will have received written notification.

Notes:

DGR CATEGORY

7 **Does your organisation still fall within the general DGR category for which it was endorsed?**

☐ Yes Go to question 8.

The category for which your organisation was endorsed is shown on the notice of DGR endorsement.

Check that your organisation still falls within the category's description given in the DGR table on pages 12 to 21 of *GiftPack for deductible gift recipients & donors*. If the table sends you to an explanation of terms, check that your organisation still satisfies the description in the explanation.

☐ No Your organisation is no longer entitled to endorsement. You must tell the Tax Office, in writing, that it ceased to be entitled to DGR endorsement and give the date it ceased to fall within a DGR category.

If your organisation no longer falls within the general DGR category for which it was endorsed, it might still fall within another category. Check the other DGR categories in the table. If your organisation does satisfy the description in another DGR category, write to the Tax Office.

Notes:

GIFT FUND

8 **Is your organisation maintaining a gift fund?**

- ☐ Yes — Go to question 9.
- ☐ No — Your organisation is not entitled to DGR endorsement for the period it was not maintaining a gift fund. You must tell the Tax Office in writing so your organisation's endorsement can be revoked for that period.

Your organisation must maintain a gift fund to receive gifts and deductible contributions made for its principal purpose. For any period your organisation is not maintaining a gift fund, it is not entitled to DGR endorsement.

The gift fund requirement is explained on page 56 of *GiftPack for deductible gift recipients & donors*. Check that your organisation continues to meet this requirement.

Briefly, a gift fund is a fund with these features:

- it is a fund
- it is maintained for the organisation's principal purpose
- all gifts and deductible contributions, of money or property for that purpose are made to it
- any money the organisation receives because of such gifts, or deductible contributions, is credited to it
- it does not receive any other money or property
- it is used only for the organisation's principal purpose, and
- the organisation is required – by a law, its constituent documents or governing rules – to transfer any surplus assets of the fund to another gift deductible fund, authority or institution when the fund is wound up or the DGR endorsement is revoked, whichever occurs first.

Notes:

IN AUSTRALIA

9 **Is your organisation in Australia?**

- ☐ Yes — Go to question 10.
- ☐ No — Your organisation is not entitled to be endorsed for the period it was not in Australia. You must tell the Tax Office in writing so that your organisation's endorsement can be revoked.
- ☐ Not applicable — Go to question 10.

All endorsed DGRs (except ancillary funds) must be in Australia. If your organisation's DGR category is ancillary fund, answer 'Not applicable'.

The 'in Australia' requirement is explained on page 54 of *GiftPack for deductible gift recipients & donors*.

Briefly, your organisation will be in Australia if:

- it is established and operated in Australia, and
- its purposes and beneficiaries are in Australia.

For exceptions to these conditions, see page 54 of *GiftPack for deductible gift recipients & donors*.

Notes:

RECEIPTS

10 Has your organisation correctly issued receipts for gifts and deductible contributions it has received?

☐ Yes — Your organisation has met all requirements to continue as an endorsed DGR. You do not need to contact the Tax Office. Continue to carry out periodic self-reviews.

☐ No — Your organisation must ensure that gift and deductible contribution receipts contain the required information. Take immediate steps so this problem does not arise again. If you do not, the endorsement may be revoked.

If an endorsed DGR issues receipts for tax deductible gifts or contributions, particular information must be provided on them.

The receipts must specify:

- the name and ABN of the DGR, and
- if the receipt is for a gift, the fact it is a receipt for a gift, or
- if the receipt is for a deductible contribution
  - the fact that it is a receipt for a deductible contribution
  - that the contribution was made for a right to attend a fundraising event, or for the purchase of goods and services as a successful bidder at a fundraising auction
  - the amount of the contribution (if money), and
  - the GST inclusive value of the right or of the goods and services.

Further information on receipts is provided on page 60 of *GiftPack for deductible gift recipients & donors*.

Notes:

Once you have completed this worksheet you should:

☐ sign it off and keep it with your organisation's other records, and
☐ make an entry in the 'Log of status reviews' on page 100.

Name of person carrying out review	Position held

Signature	Date

Approval by Board/Committee/Trustee

DO NOT SEND THIS FORM TO THE TAX OFFICE – KEEP IT WITH YOUR RECORDS

WORKSHEET 2: REVIEW OF A DGR ENDORSED FOR A FUND, AUTHORITY OR INSTITUTION IT OPERATES

This worksheet will help you work out whether your organisation is still entitled to endorsement as a DGR.

Endorsed DGRs must tell the Tax Office if they stop being entitled to endorsement. Things that can affect your organisation's entitlement are: changes to purpose and operations, the gift fund, the 'in Australia' requirement, and the gift or deductible contribution receipts your organisation issues. You should self-review each year and whenever there is a major change in structure or operations.

'Organisation' is the corporation, trust, unincorporated association, or government entity that has been endorsed.

'Fund, authority or institution' is the part of the organisation that can receive tax deductible gifts.

If an organisation has been endorsed separately for two or more funds, authorities or institutions, it should carry out a separate review for each of them. For example, if a school is endorsed for a school building fund and a public library that is part of the school, there should be a separate review for each.

WHO SHOULD USE THIS WORKSHEET?

- Use this worksheet if your organisation's DGR endorsement applies only to a fund, authority or institution your organisation operates. For example, a school that has been endorsed for a school building fund it operates will use this worksheet.
- Do not use this worksheet if your organisation has been endorsed in its own right: that is, if the whole of the organisation falls within a DGR category, use **Worksheet 1** on page 62.

What you will need

- A copy of *GiftPack for deductible gift recipients & donors* (NAT 3132-07.2006).
- The Tax Office notice that states your organisation is endorsed as a DGR.
- Your organisation's governing or constituent documents and information about its activities and finances.

Do not write on the original worksheet – keep it as a template so you can make copies whenever you carry out a self-review.

WORKSHEET 2

1 Full name of your organisation

2 Australian business number (ABN)

3 Name of the fund, authority or institution for which your organisation is endorsed

4 Period of review

to

5 Reason for review

- ☐ Annual review
- ☐ Change in circumstances
- ☐ Other (please specify) _____

6 Tax Office notice of endorsement

Date of endorsement

DGR category

AUSTRALIAN BUSINESS NUMBER (ABN)

7 **Is your organisation's ABN still current?**

- ☐ Yes — Go to question 8.
- ☐ No — Your organisation is no longer entitled to be endorsed as a DGR. The Tax Office will notify you that endorsement has been revoked.

Your organisation must have a current ABN to be entitled to endorsement as a DGR.

You can check your organisation's ABN by searching the Australian Business Register (ABR) website at **www.abn.business.gov.au** or by phoning the Tax Office on **1300 130 248**. If your organisation's ABN has been cancelled, it will have received written notification.

Notes:

DGR CATEGORY

8 **Does your organisation's fund, authority or institution still fall within the DGR category for which it is endorsed?**

- ☐ Yes — Go to question 9.
- ☐ No — Your organisation is no longer entitled to DGR endorsement for this fund, authority or institution. You must tell the Tax Office in writing that it has ceased to be entitled and give the date that the fund, authority or institution ceased to fall within a DGR category.

The general DGR category under which your organisation's fund, authority or institution falls is shown on its notice of DGR endorsement.

Check that your organisation's fund, authority or institution still falls within the description of the DGR category given in the DGR table on pages 12 to 21 of *GiftPack for deductible gift recipients & donors*. If the DGR table sends you to an explanation of terms, check that it still satisfies the description in the explanation.

If it no longer falls within the DGR category shown on the endorsement notice, it might still fall within another category. Check the other DGR categories in the DGR table. If it does satisfy the description in another DGR category, write to the Tax Office.

Notes:

GIFT FUND

9 **Is your organisation maintaining a gift fund for the fund, authority or institution?**

☐ Yes Go to question 10.

☐ No Your organisation is not entitled to DGR endorsement for the period it was not maintaining a gift fund. You must tell the Tax Office in writing so your organisation's endorsement for the fund, authority or institution can be revoked for that period.

A gift fund must be maintained to receive gifts and deductible contributions made to the fund, authority or institution for its principal purpose.

For any period that a gift fund is not maintained, there is no entitlement to DGR endorsement.

The gift fund requirement is explained on page 56 of *GiftPack for deductible gift recipients & donors*. Check that your organisation continues to meet this requirement.

Briefly, a gift fund is a fund with these features:

- it is a fund
- it is maintained for the principal purpose of the fund, authority or institution
- all gifts and deductible contributions, of money or property for that purpose are made to it
- any money received because of such gifts or deductible contributions is credited to it
- it does not receive any other money or property
- it is used only for the principal purpose, and
- your organisation is required – by a law, its constituent documents or governing rules – to transfer any surplus assets of the fund to another gift deductible fund, authority or institution when the fund is wound up or the DGR endorsement is revoked, whichever occurs first.

Notes:

IN AUSTRALIA

10 Is your fund, authority or institution in Australia?

☐ Yes Go to question 11.

☐ No There is no entitlement to be endorsed for the period the fund, authority or institution was not in Australia. You must tell the Tax Office in writing so that endorsement can be revoked.

All funds, authorities or institutions (except ancillary funds) must be in Australia.

The 'in Australia' requirement is explained on page 54 of *GiftPack for deductible gift recipients & donors*.

Briefly, your fund, authority or institution will be in Australia if:

- it is established and operated in Australia, and
- its purposes and beneficiaries are in Australia.

For exceptions to these conditions, see page 54 of *GiftPack for deductible gift recipients & donors*.

Notes:

RECEIPTS

11 **Has your organisation correctly issued receipts for gifts and contributions it has received?**

☐ Yes All requirements to continue endorsement have been met. You do not need to contact the Tax Office. Continue to carry out periodic self-reviews.

☐ No You must ensure that gift and deductible contribution receipts contain the required information. Take immediate steps so this problem does not arise again. If you do not, the endorsement may be revoked.

If an endorsed DGR issues receipts for tax deductible gifts or contributions, particular information must be provided on them.

The receipts must specify:

- the name of the fund, authority or institution and the ABN of the DGR, and
- if the receipt is for a gift, the fact it is a receipt for a gift, or
- if the receipt is for a deductible contribution
  - the fact that it is a receipt for a deductible contribution
  - the fundraising event and that the contribution was made for a right to attend it, or for the purchase of goods and services as a successful bidder at a fundraising auction
  - the amount of the contribution (if money), and
  - the GST inclusive value of the right or of the goods and services.

Further information on receipts is provided on page 60 of *GiftPack for deductible gift recipients & donors*.

Notes:

Once you have completed this worksheet you should:

☐ sign it off and keep it with your organisation's other records, and
☐ make an entry in the 'Log of status reviews' on page 100.

Name of person carrying out review	Position held

Signature	Date

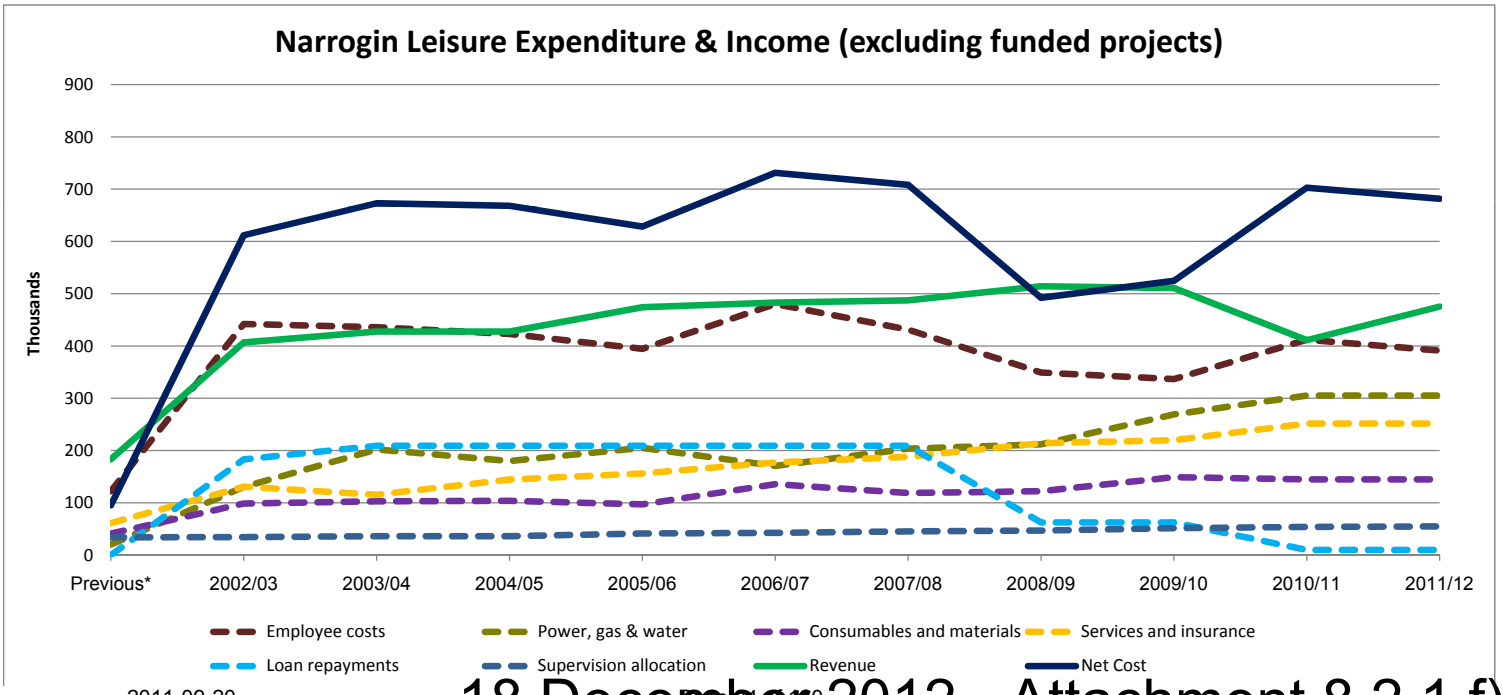
Approval by Board/Committee/Trustee

DO NOT SEND THIS FORM TO THE TAX OFFICE – KEEP IT WITH YOUR RECORDS

Community Services Division

Additional Information Narrogin Leisure Centre

	Average Previous*	Actual 2002/03	Actual 2003/04	Actual 2004/05	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10	Forecast 2010/11	Budget 2011/12
Expenses											
Employee Costs	122,300	441,900	435,800	422,900	394,500	480,100	431,100	349,300	336,800	412,000	391,200
Consumables	26,300	81,800	78,900	73,900	75,300	107,800	88,300	87,700	92,400	100,800	99,400
Equipment and hardware	14,800	16,600	23,900	29,800	21,700	27,700	30,500	34,500	46,300	48,100	45,300
Gas and fuel	100	67,200	92,800	91,400	90,100	72,000	114,400	95,600	134,700	140,500	140,200
Maintenance and improvemer	40,400	79,100	57,100	64,100	65,800	70,800	84,400	117,500	131,700	151,800	175,900
Hire, communication, consult	14,800	25,000	25,400	33,000	41,500	56,300	56,100	57,900	25,800	27,500	33,100
Insurance	6,100	26,500	32,700	47,200	48,800	50,100	47,300	38,400	40,000	40,500	42,500
Power Supply	15,800	55,000	81,400	69,300	90,500	81,900	72,500	99,200	92,300	100,400	135,000
Water supply	4,200	8,200	27,700	19,100	24,400	16,400	16,600	16,900	19,300	28,100	30,000
	244,800	**801,300**	**855,700**	**850,700**	**852,600**	**963,100**	**941,200**	**897,000**	**919,300**	**1,049,700**	**1,092,600**
Revenue											
Contributions	16,200	20,000	30,200	35,200	37,200	33,100	44,400	37,300	44,000	38,500	69,300
Grants and reimbursements	6,300	6,000	7,700	9,400	16,200	10,300	25,100	10,000	7,800	6,800	15,900
Advertising Fees											10,000
Memberships								9,800	10,900	6,400	5,000
Pool and general admission	47,900	135,600	153,600	150,000	173,000	173,600	175,800	184,000	176,400	153,100	157,400
Hockey	8,800	42,200	42,600	42,400	48,800	47,900	42,900	62,400	68,400	46,600	47,500
Netball	3,800	23,000	23,000	23,000	25,600	26,400	26,800	29,500	29,900	20,900	21,600
Basketball		20,000	20,000	20,800	20,600	25,500	26,100	35,500	31,600	20,600	21,000
Squash	16,200	6,800	10,000	10,000	10,000	11,300	12,500	11,500	13,300	6,800	9,000
Badminton	3,300	1,500	1,200	3,000	1,000	2,800	3,000	2,600	2,000	1,100	1,200
Gymnasium	46,500	48,000	51,000	52,500	58,700	66,200	55,100	41,500	43,900	45,700	48,000
Stadium hire	8,200	800	800	1,200	1,000	800	300	100	2,400	2,500	3,000
Child Care	1,500	1,500	1,500	10,400	1,900	8,800	7,300	7,400	6,700	6,300	5,800
Other	2,000	1,500	1,500	1,500	1,500	300	600	500	500	500	500
Kiosk sales	22,600	99,700	84,400	68,100	78,700	76,100	67,200	82,000	73,100	55,300	60,000
	183,300	**406,600**	**427,500**	**427,500**	**474,200**	**483,100**	**487,100**	**514,100**	**510,900**	**411,100**	**475,200**
Net running costs	**61,500**	**394,700**	**428,200**	**423,200**	**378,400**	**480,000**	**454,100**	**382,900**	**408,400**	**638,600**	**617,400**
Supervision	34,000	34,300	36,000	36,100	41,200	42,400	45,200	46,800	51,500	53,900	54,600
Loan repayments	0	341,700	407,800	407,800	407,800	407,800	407,800	62,400	62,400	62,400	62,500
Less transfers from fundraisin	0	158,800	198,900	198,900	198,900	198,900	198,900	0	0	0	52,900
Net Cost	**95,500**	**611,900**	**673,100**	**668,200**	**628,500**	**731,300**	**708,200**	**492,100**	**524,700**	**702,800**	**681,600**



TOWN OF NARROGIN 2011/12 Budget

Budget Overview

The rate increase & additional funds

The budget increases rates collected by 6.0%. The increase provides Council with an additional $160,000 in rate revenue. Our Federal Assistance Grant of $964,500 only increased by a disappointing 2% or $20,000. Council has $180,000 more to apply to services, facilities and projects. Councils power bill for the year is expected to increase by $90,000 leaving only $90,000 that Council can apply to services and programs for the year.

Council does not like increasing rates but the CPI increase of 3.6% applied to Council's normal expenditure increases the cost of providing services by around $300,000.

Council uses 40% of the rates that you pay to provide recreation facilities;15% for the library and community development; 10% for streets, drains and footpaths; 15% on the environment; 5% on planning and development; and 15% goes to governance and statutory compliance.

Shire Contributions

In 2011/12, the Shire of Narrogin will contribute $120,000 for the use of services and facilities provided by the Town. The contribution is an increase of 1% on last year. Council is extremely grateful for the contribution from the Shire because it reduces rates for Town of Narrogin residents by about 5%. The Shire of Cuballing contributes around $3,000 to the $240,000 cost of the RW Farr Regional Library.

Rates for a standard Narrogin residence are in the order of $1,100 and the average rate charged in WA for a standard residence is around $900. The Narrogin minimum rate is $750 and the average minimum rate is $585. The Town of Narrogin rate in the dollar is 9.1 cents and the average rate in the dollar is 10.25 cents.

The table below gives an indication of how an average rate bill is applied.

	Last year	This year
Sports grounds	49	50
Parks and gardens	59	68
Leisure Centre	173	209
John Higgins Centre	32	28
Narrogin Regional Library	62	65
Narrogin Town Hall	14	10
Community Development	56	60
Donations to community groups	10	10
Animal, mosquito & pest control	10	13
Public toilets	18	20
Public safety	15	20
Health inspection	10	25
Building and town planning	19	14
Footpaths	36	37
Roads and drainage	175	158
Street lighting	20	27
Tourism & development	41	16
Governance	126	150
	925	**980**

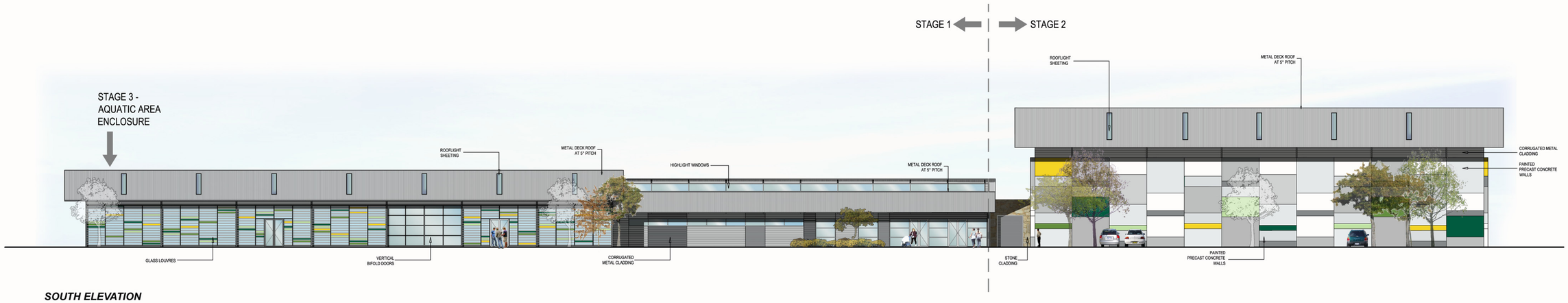
Appendix 1

Plans

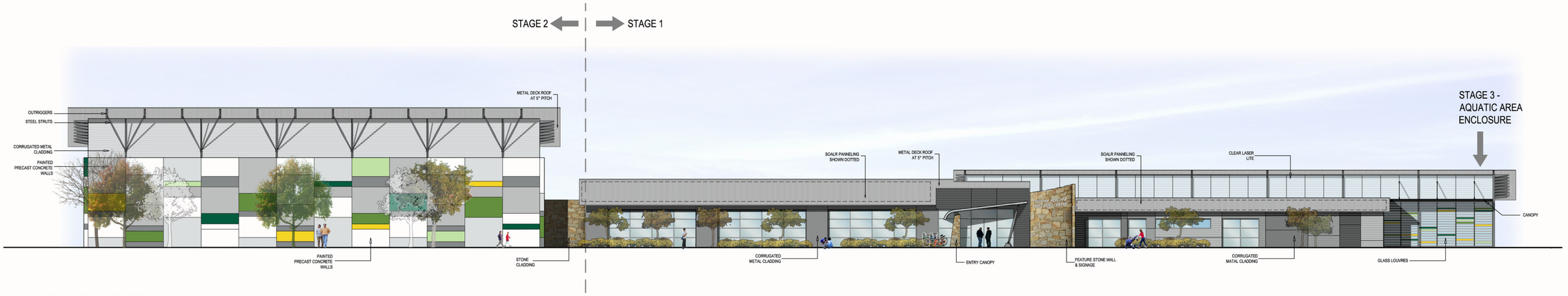
Health and Wellbeing Centre

Toodyay

18 December 2012 - Attachment 8.2.1 g)



SOUTH ELEVATION



NORTH ELEVATION

DWG NO. 02

Elevations

SCALE 1:200 @ A1

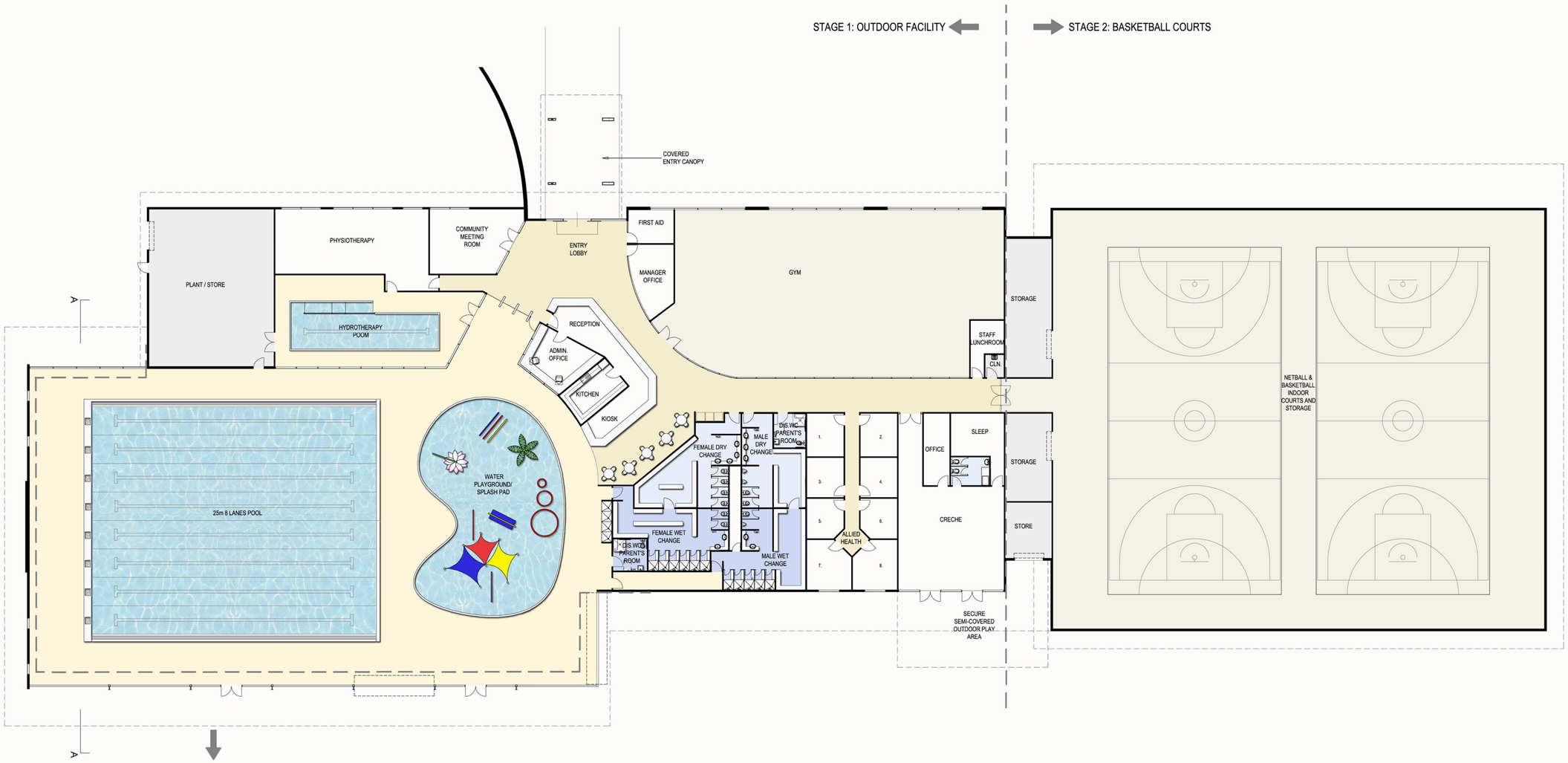
0 1 2 5 10

PROJECT "Toodyay Health and Well-being Centre", Shire of Toodyay

JOB N. 1067

DATE July 2011

Bollig Design Group
Architecture
Urban Design
Masterplanning
Interior Design
8 Cook Street, W. Perth WA 6005
T 61 8 9321 4402 F 61 8 9481 8259
E bdg@bollig.com.au W bollig.com.au
ABN 62 968 268 623



DWG NO. 01

Plan

SCALE 1:200 @ A1

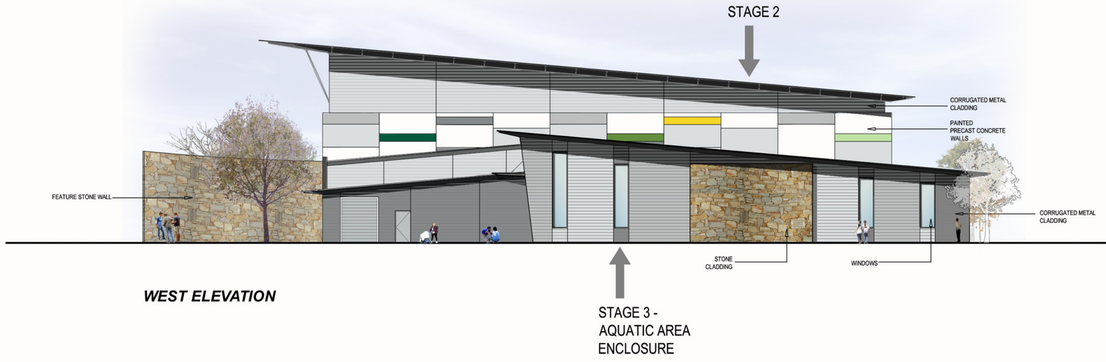
0 1 2 5 10

PROJECT "Toodyay Health and Well-being Centre", Shire of Toodyay

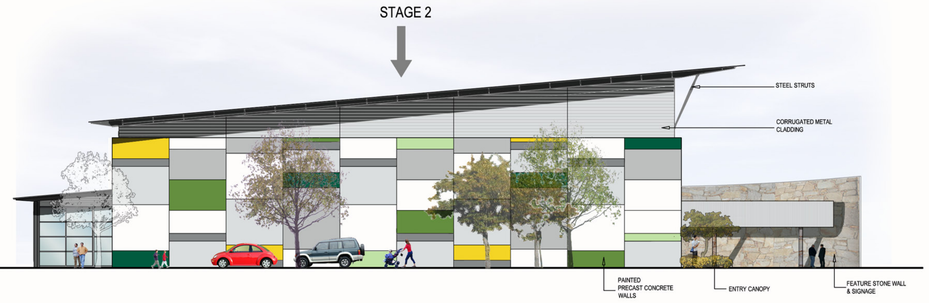
JOB N. 1067

DATE July 2011

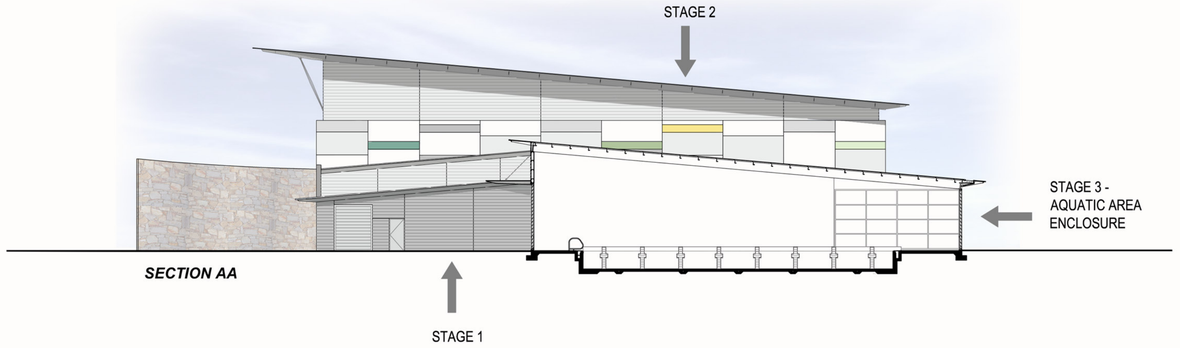
Bollig Design Group
Architecture
Urban Design
Masterplanning
Interior Design
T 61 8 9321 4402 F 61 8 9481 8259
8 Cook Street, E bdg@bollig.com.au W bollig.com.au
West Perth WA 6005
ABN 62 968 268 623



WEST ELEVATION



EAST ELEVATION



SECTION AA

DWG NO. 03

Elevations, Section

SCALE 1:200 @ A1

0 1 2 5 10

PROJECT "Toodyay Health and Well-being Centre", Shire of Toodyay

JOB N. 1067

DATE July 2011

Bollig Design Group
Architecture
Urban Design
Masterplanning
Interior Design
T 61 8 9321 4402 F 61 8 9481 8259
8 Cook Street, E bdg@bollig.com.au W bollig.com.au
West Perth WA 6005
ABN 62 968 268 623

Appendix 8

Rationale for Chosen Site

Health and Wellbeing Centre

Toodyay

Rationale for sighting

While the co-location of recreational facilities is desirable Toodyay in choosing to locate its proposed Health and Wellbeing Centre adjacent to Toodyay District High School rather than at the existing showground has taken into account the following factors;

1. **Severe constraints as to available room at the showground site** - the showground site being bounded by the Avon River, Toodyay Bindi-Bindi Road, West Toodyay Road with a number of heritage buildings either on the site or directly opposite and an aboriginal burial site protected by the Aboriginal Heritage Act forming the remaining boundary.
2. **Cost** – expansion of the showground site would involve the resumption and demolition of established homes at considerable cost, while the shire has previously set aside a recreation reserve in the vicinity of the school which may be used at no additional cost.
3. **Expressed desire by the community** – the community has in all consultations strongly favoured the site near the school for development of aquatic facilities and objected to the disruption that would be caused by further expansion of the showground site.
4. **Expressed desire by the school** - the school has expressed a strong desire to have a swimming pool and indoor courts built in the school's vicinity so that the school may make use of the facilities. If so located the Dept of Education have further expressed interest in hiring a least one indoor court during school hours on a permanent basis, as well as using the other aspects of the facilities on a casual basis. Additionally the School will attempt to source funding if the project is so located.

Given Toodyay's topography there exists no site within the town boundaries that could house all required facilities without prohibitive cost arising from either the acquisition and demolition of existing homes or extensive earthworks. Given that Toodyay already has a functional oval and hockey field at the showground and the school needs access to indoor facilities the building of the Health and Wellbeing centre at this site represents a united approach by the community and the school to improving facilities and infrastructure rather than a departure from the principle of co-location.

Appendix 10

Preliminary Estimate of Costs

Health and Wellbeing Centre

Toodyay

PRELIMINARY ESTIMATE

TOODYAY HEALTH & WELLBEING CENTRE STAGED DEVELOPMENT

BOLLIG DESIGN GROUP

22 JULY 2011

Ralph Beattie Bosworth
Construction Cost Consultants
Ralph & Beattie Bosworth Pty Ltd as trustee for the Ralph & Beattie Unit Trust No. 2 ABN 58 260 502 981

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E S T I M A T E S U M M A R Y

STAGE		
1	STAGE 1 WORKS	10,150,000.00
2	STAGE 2 WORKS	3,290,000.00
3	STAGE 3 WORKS	3,670,000.00
		$ 17,110,000.00

*** END OF REPORT ***

	PROJECT	TH	TOODYAY HEALTH & WELL BEING CENTRE			
	ESTIMATE	PC	PRELIMINARY COST ESTIMATE			
	STAGE	1	STAGE 1 WORKS			
	SCOPE					
1	Bollig Design Drawing No.01 July 2011 Allowances provided for earthworks and external works and carparks as no details provided.					
					SCOPE	0.00
	POOL CONSTRUCTION - OUTDOOR					
2	25m pool and plant	Item				1,200,000.00
3	Surround and shade	m2	600	500.00		300,000.00
4	Plant space allowance	m2	51	1,500.00		76,500.00
5	FF&E (furniture, fitout & equipment)	Item				100,000.00
6	Professional fees 8%	Item				134,000.00
7	Contingency 5%	Item				91,000.00
8	Area loading 10%	Item				188,500.00
					POOL CONSTRUCTION - OUTDOOR	2,090,000.00
	SPLASH PLAYGROUND CONSTRUCTION - OUTDOOR					
9	Splash park and plant	Item				500,000.00
10	Surround and shade	m2	300	400.00		120,000.00
11	Plant space allowance	m2	12	1,500.00		18,000.00
12	FF&E	Item				75,000.00
13	Professional fees 8%	Item				57,000.00
14	Contingency 5%	Item				38,500.00
15	Area loading 10%	Item				81,500.00
					SPLASH PLAYGROUND CONSTRUCTION - OUTDOOR	890,000.00
	HYDROTHERAPY POOL CONSTRUCTION					
16	Hydro pool and plant	Item				250,000.00
17	Enclosure	m2	128	2,000.00		256,000.00

18	Plant space allowance	m2	10	1,500.00	15,000.00
19	Gas tank and solar panels	Item			50,000.00
20	FF&E incl. hoist	Item			50,000.00
21	Professional fees 8%	Item			50,000.00
22	Contingency 5%	Item			34,000.00
23	Area loading 10%	Item			70,000.00
		HYDROTHERAPY POOL CONSTRUCTION			775,000.00
	PHYSIOTHERAPY CONSTRUCTION				
24	Physio room	m2	87	1,800.00	156,600.00
25	Plant space allowance	m2	5	1,500.00	7,500.00
26	FF&E	Item			0.00
27	Professional fees 8%	Item			13,200.00
28	Contingency 5%	Item			8,900.00
29	Area loading 10%	Item			18,800.00
		PHYSIOTHERAPY CONSTRUCTION			205,000.00
	ALLIED HEALTH CONSTRUCTION				
30	Allied health	m2	128	1,800.00	230,400.00
31	Plant space allowance	m2	7	1,500.00	10,500.00
32	FF&E	Item			100,000.00
33	Professional fees 8%	Item			27,300.00
34	Contingency 5%	Item			18,400.00
35	Area loading 10%	Item			38,400.00
		ALLIED HEALTH CONSTRUCTION			425,000.00
	COMMUNITY CONSTRUCTION				
36	Meeting room	m2	43	1,800.00	77,400.00
37	Plant space allowance	m2	2	1,500.00	3,000.00
38	FF&E	Item			50,000.00

39	Professional fees 8%	Item			10,400.00
40	Contingency 5%	Item			7,000.00
41	Area loading 10%	Item			15,200.00
		COMMUNITY CONSTRUCTION			163,000.00
	CRECHE CONSTRUCTION				
42	Creche	m2	149	1,800.00	268,200.00
43	External play	m2	99	500.00	49,500.00
44	Plant space allowance	m2	6	1,500.00	9,000.00
45	FF&E	Item			75,000.00
46	Professional fees 8%	Item			32,200.00
47	Contingency 5%	Item			21,700.00
48	Area loading 10%	Item			45,400.00
		CRECHE CONSTRUCTION			501,000.00
	ADMIN/CIRCULATION CONSTRUCTION				
49	Admin/circulation	m2	479	2,000.00	958,000.00
50	Plant space allowance	m2	27	1,500.00	40,500.00
51	FF&E	Item			200,000.00
52	Professional fees 8%	Item			96,000.00
53	Contingency 5%	Item			64,700.00
54	Area loading 10%	Item			135,800.00
		ADMIN/CIRCULATION CONSTRUCTION			1,495,000.00
	GYM CONSTRUCTION				
55	Gym	m2	418	1,700.00	710,600.00
56	Plant space allowance	m2	23	1,500.00	34,500.00
57	FF&E	Item			0.00
58	Professional fees 8%	Item			60,000.00
59	Contingency 5%	Item			40,000.00

60	Area loading 10%	Item			84,900.00
			GYM CONSTRUCTION		930,000.00
	DRY CHANGE CONSTRUCTION				
61	Change and WC	m2	105	2,500.00	262,500.00
62	Plant space allowance	m2	0		
63	FF&E	Item			0.00
64	Professional fees 8%	Item			21,000.00
65	Contingency 5%	Item			14,000.00
66	Area loading 10%	Item			29,500.00
		DRY CHANGE CONSTRUCTION			327,000.00
	WET CHANGE CONSTRUCTION				
67	Change and WC	m2	118	2,500.00	295,000.00
68	Plant space allowance	m2	0		
69	FF&E	Item			0.00
70	Professional fees 8%	Item			23,600.00
71	Contingency 5%	Item			16,000.00
72	Area loading 10%	Item			33,400.00
		WET CHANGE CONSTRUCTION			368,000.00
	EXTERNAL BUILDING CONSTRUCTION				
73	Canopy entry	m2	79	1,000.00	79,000.00
74	Verandah/roof overhang	m2	379	300.00	113,700.00
75	Professional fees 8%	Item			15,400.00
76	Contingency 5%	Item			10,400.00
77	Area loading 10%	Item			21,500.00
		EXTERNAL BUILDING CONSTRUCTION			240,000.00
	EXTERNAL WORKS & SERVICES				
78	Earthworks - allowance	Item			500,000.00

79	Feature wall		m	13	1,500.00	19,500.00
80	Paving and carparking - allow 50 cars		No.	50	2,500.00	125,000.00
81	Landscaping		Item			100,000.00
82	External services		Item			650,000.00
83	Professional fees 8%		Item			110,000.00
84	Contingency 5%		Item			76,000.00
85	Area loading 10%		Item			160,500.00
			EXTERNAL WORKS & SERVICES			1,741,000.00

EXCLUSIONS

86 .GST
.Escalation
.FF&E to gym
.FF&E to physiotherapy
.Boundry wall

EXCLUSIONS	0.00
Total for STAGE 1 WORKS	10,150,000.00

	PROJECT	TH	TOODYAY HEALTH & WELL BEING CENTRE		
	ESTIMATE	PC	PRELIMINARY COST ESTIMATE		
	STAGE	2	STAGE 2 WORKS		
	SCOPE				
87	Bollig Design Drawing No.01 July 2011 Allowances provided for earthworks and external works and carparks as no details provided.				
				SCOPE	0.00
	BASKETBALL CONSTRUCTION				
88	Courts and stores	m2	1735	1,200.00	2,082,000.00
89	Plant space allowance	m2	0		
90	FF&E	Item			50,000.00
91	Professional fees 8%	Item			170,000.00
92	Contingency 5%	Item			115,000.00
93	Area loading 10%	Item			245,000.00
				BASKETBALL CONSTRUCTION	2,662,000.00
	EXTERNAL BUILDING CONSTRUCTION				
94	Verandah/roof overhang	m2	169	300.00	50,700.00
95	Professional fees 8%	Item			4,700.00
96	Contingency 5%	Item			2,800.00
97	Area loading 10%	Item			6,800.00
				EXTERNAL BUILDING CONSTRUCTION	65,000.00
	EXTERNAL WORKS & SERVICES				
98	Earthworks - allowance	Item			200,000.00
99	Paving and carparking - allow 50 cars	No.	50	2,500.00	125,000.00
100	Landscaping	Item			75,000.00
101	External services	Item			50,000.00
102	Professional fees 8%	Item			36,000.00
103	Contingency 5%	Item			24,500.00

104	Area loading 10%	Item	52,500.00
		EXTERNAL WORKS & SERVICES	563,000.00
	EXCLUSIONS		
105	.GST .Escalation .Boundry wall		
		EXCLUSIONS	0.00
		Total for STAGE 2 WORKS	3,290,000.00

	PROJECT	TH	TOODYAY HEALTH & WELL BEING CENTRE			
	ESTIMATE	PC	PRELIMINARY COST ESTIMATE			
	STAGE	3	STAGE 3 WORKS			
	SCOPE					
106	Bollig Design Drawing No.01 July 2011 Allowances provided for earthworks and external works and carparks as no details provided.					
					SCOPE	0.00
	POOL CONSTRUCTION - ENCLOSURE					
107	25m pool heater		Item			120,000.00
108	Enclosure		m2	915	2,000.00	1,830,000.00
109	Professional fees 8%		Item			156,000.00
110	Contingency 5%		Item			105,000.00
111	Area loading 10%		Item			224,000.00
					POOL CONSTRUCTION - ENCLOSURE	2,435,000.00
	SPLASH PLAYGROUND CONSTRUCTION - ENCLOSURE					
112	Enclosure		m2	445	2,000.00	890,000.00
113	Professional fees 8%		Item			71,000.00
114	Contingency 5%		Item			48,000.00
115	Area loading 10%		Item			101,000.00
					SPLASH PLAYGROUND CONSTRUCTION - ENCLOSURE	1,110,000.00
	EXTERNAL WORKS & SERVICES					
116	Landscaping and make good		Item			100,000.00
117	Professional fees 8%		Item			8,000.00
118	Contingency 5%		Item			5,400.00
119	Area loading 10%		Item			11,600.00
					EXTERNAL WORKS & SERVICES	125,000.00

EXCLUSIONS

120 .GST
.Escalation
.Boundry wall

EXCLUSIONS	0.00
Total for STAGE 3 WORKS	3,670,000.00

Toodyay Health & Wellbeing Centre

OPERATIONAL PROJECTIONS
Staged Facility

JULY 2011

A Balanced View (ABV)
Leisure Consultancy Services

Toodyay Health and Wellbeing Centre
Operational Impact - Staged Option

This operational budget has been prepared based on a series of assumptions. This budget is considered to be a realistic third year operating budget once programs and sporting groups have developed their operations to a greater capacity.

The Shire will operate the facility, although there is a strong desire for local sporting and community groups to develop their own programming operations from the centre on a hire basis.

The budget has been developed based on consultation with the Toodyay Pool Action Committee, local community, schools and businesses. An analysis of similar size facilities with similar population base located regionally in Western Australia has been undertaken in the development of the fees and charges and attendance projections.

1. Budget Assumptions

Proposed Aquatic Centre Opening Hours

Open: November to Easter each Year

Day	Opening Hours	Hours per day
Monday	10:30am – 6:30pm	8
Tuesday	10:30am – 6:30pm	8
Wednesday	10:30am – 6:30pm	8
Thursday	10:30am – 6:30pm	8
Friday	10:30am – 6:30pm	8
Saturday	10:00am – 5:00pm	7
Sunday	10:00am – 5:00pm	7
	Total Operating Hours	**46**

Operational Requirements

Aquatics

The aquatic centre will be open 7 days per week to the community during the months of November to April each year. The outdoor pool will be closed for the remainder of the year. The pool will be staffed by qualified pool operations staff. The budget has been based on 1 Full Time Manager and one part time employee qualified in Pool Operations employed by the Shire, with additional assistance with staffing levels afforded by the Toodyay Pool Action Committee.

School Aged swim lessons will be provided through the Department of Education in Terms 1 and 4 based on 100 children attending 10 lessons per term.

Hydrotherapy Pool

It is envisaged the hydrotherapy pool will operate 12 months of the year. Throughout the Outdoor pool opening season, the hydrotherapy pool will be available for bookings and general public to access.

During the pool closure period, the facility will be available for bookings only and will operate as a Class 2 Facility.

One morning per week of swimming lessons will be conducted within this facility with one infant class and 3 pre-school classes. The budget also includes private hire of the pool for sessions such as physiotherapy classes and seniors water exercise classes, at a minimum of 4 hire's per week.

Kiosk and Creche

The Kiosk and crèche will be operated by the Shire, with the kiosk operation predominantly a pre-packaged drinks and food operation that can be operated by the on duty staff.

The crèche is likely to be operated minimally. The budget includes 1 day of 2 – 3 hours per week with 8 children per session. One staff member has been allocated to operate the crèche during these times. There is also an allocation of room hire income for the crèche room. It is feasible that a dance or similar type community group could operate from the crèche room after school hours. An allocation of 2 x 2 hour hire per week has been included.

Sports Halls

The facility will predominantly operate with community and sporting groups conducting their programs within the centre on a hire basis. Allocation of an evening per week for each of the following sports has been included; Basketball, Netball, Volleyball and Badminton.

The local District High School has indicated a desire to utilise one court on a regular basis to operate their physical education programs and school activities. An allocation of 4 hours per day on one court has been factored in to the sports hall budget at a reduced school hire rate.

Additional general community hire at 4 hours per week has also been included.

Gymnasium

It is envisaged that a private operator will manage the gymnasium component of the facility on a commercial lease arrangement.

Allied Health Offices and Physiotherapist Suite

It is intended that these office spaces will be rented by varied health services.

The physiotherapist suite will be leased on a commercial arrangement. The facility design is such that the physiotherapy suite is located next to the hydrotherapy pool. Access to the hydrotherapy pool will be paid for separately by the lessee and is accounted for in the budget.

2. Proposed Fees and Charges and Attendance

The table below outlines the proposed fees and charges for the facility and the projected attendance and usage figures.

Activity	Fee & Charge	F & C (Exc GST)	Usage Sessions/hrs per wk	Usage # weeks	Usage Participants	Total
Aquatics						
Adults	$ 4.00	$ 3.64			3200	$ 11,636.36
Child	$ 3.00	$ 2.73			9000	$ 24,545.45
Spectator	$ 1.00	$ 0.91			300	$ 272.73
Concession	$ 2.50	$ 2.27			190	$ 431.82
Family	$ 12.50	$ 11.36			100	$ 1,136.36
Passes						$ 9,000.00
School Use - Ed Dept Lessons	$ 2.50	$ 2.27	2	10	100	$ 4,545.45
School Use General	$ 2.50	$ 2.27		5	20	$ 227.27
						$ 51,795.45
Hydrotherapy						
LTS Infant	$ 11.00	$ 11.00	1	40	6	$ 2,640.00
LTS Pre School	$ 11.00	$ 11.00	3	40	5	$ 6,600.00
Adult	$ 7.00	$ 6.36		20	5	$ 636.36
Concession	$ 5.00	$ 4.55		20	8	$ 727.27
Hire/hr (Community)	$ 25.00	$ 22.73	2	48		$ 2,181.82
Hire/hr (Commercial)	$ 30.00	$ 27.27	2	48		$ 2,618.18
						$ 15,403.64
Sports Court						
Sports Hall Crt Hire per hour	$ 35.00	$ 31.82	20	48		$ 30,545.45
Casual single entry	$ 5.00	$ 4.55		50	5	$ 1,136.36
Casual concession	$ 4.00	$ 3.64		50	5	$ 909.09
School Hire	$ 18.00	$ 16.36	5	40	4	$ 13,090.91
Other Hire	$ 35.00	$ 31.82	4	48		$ 6,109.09
						$ 51,790.91
Meeting Hire						
Per Hour	$ 22.00	$ 20.00	4	48		$ 3,840.00
	$ 22.00	$ 20.00			20	$ 400.00
						$ 4,240.00
Creche						
Entry per hour	$ 3.50	$ 3.18	1	40	8	**$ 1,018.18**
Room Hire	$ 22.00	$ 20.00	4	40		**$ 3,200.00**
Total						**$ 124,248.18**

Table 1: Fees and Charges and facility usage

3. Income and Expenditure Projection Summaries

The following tables summarises the projected expenditure and income for the facility based on population forecasts, similar facilities in size located regionally and consultation with the community, businesses, schools and the Toodyay Pool Action Committee.

PROJECTED EXPENDITURE PER ANNUM	
Employee Expenses	
• Pool Manager and Supervisors ($55,000 + on costs)	$68,750
• Supervisors (1 x PT of $50,000 + on costs)	$31,250
• Swim Instructors (Casual)	$1,600
• Lifeguards (Casual)	$6,160
• Creche Staff	$7,000
• Cleaning Staff	$19,000
• Other staff costs: training, uniforms, attendance at PD conferences	$5,000
Office Expenses	
• Advertising	$2,000
• EFTPOS transaction and Phone fees	$3,500
• Stationery and postage	$300
• Miscellaneous	$500
• Licence Fees: Software, Music, Subscriptions	$3,000
Equipment Repairs and Replacement	
• General equipment for sports programs, swim and crèche equipment etc.	$5,000
• First Aid Purchases	$500
Building Operation costs	
• Cleaning Materials	$1,500
• Materials and maintenance contracts	$20,000
• Electricity Usage	$40,000
• Water Usage	$16,000
• Chemicals and gas purchases	$15,000
• Freight on Gas Purchases	$1,000
• Annual Water Rates	$2,000
• Property Insurance	$12,000
Kiosk	
• Stock Purchases	$15,000
TOTAL	**$280,060**

Table 2: Projected Expenditure per annum

PROJECTED INCOME PER ANNUM	
Aquatics	
• General entry and passes	$47,020
• Education Department Lessons	$4,545
• School Use	$230
Hydrotherapy	
• Infant Swim Lessons	$2,640
• Preschool Swim Lessons	$6,600
• Hire	$4,800
• General Entry	$1,360
Sports Courts and Meeting Room Hire	
• Sporting Group Hire	$30,545
• Other Hire	$6,110
• School Hire	$13,090
• Casual Use	$2,045
• Meeting Room Hire	$4,240
Creche	
• Creche Entries	$1,020
• Room Hire	$3,200
Kiosk	
• Sales	$30,000
Leases	
• Gymnasium	$40,000
• Physiotherapy Suite	$20,000
• Allied Health Services Suite	$8,000
Total Income	**$225,445**
NET OPERATING RESULT	**-$54,615**
Capital Replacement/Lifecycle	
Aquatic Pool Shell Surface (15 years)	
Concourse Surface (15 years)	
Aquatic Plant (20 years)	
Lights (15 years)	
Building (20 years)	
Fencing (15 years)	

Table 3: Projected Income per annum and net operating result

Administration Centre
15 Fiennes Street
PO Box 96
TOODYAY WA 6566
T (08) 9574 2258
F (08) 9574 2158
E records@toodyay.wa.gov.au
W www.toodyay.wa.gov.au

Form 23 Results of Poll or Referendum

Local Government Act 1995, s. 4.99

Results of Referendum

Local Government District:	Shire of Toodyay
Referendum:	On 20 October 2007 the electors in the district voted on the following question - Do you support the Shire of Toodyay developing recreation and aquatic facilities and paying for this by a combination of rates and borrowings plus the imposition of a $150 levy per rate assessment for five years?
The results of the referendum were:	Number of Yes votes: 618 Number of No votes: 751 Number of Informal votes: 10
Therefore the result of the referendum is:	No

Graham Leslie Merrick
RETURNING OFFICER

1 November 2007

Mansfield Aquatic Facility Community Engagement

Final Report

October 16, 2011

ABSTRACT

Conway Alliance was commissioned by the Mansfield Shire Council to undertake a community engagement process to provide Council with a quantifiable indication of ratepayers' preference (and willingness or not to pay) for a new indoor versus retaining the current outdoor aquatic facility in Mansfield. This report outlines the process undertaken and the results of that process.

ConwayAlliance

Table of Contents

Mansfield Aquatic Facility
Community Engagement

Project brief (as amended)

Following the Project Control Group meeting on Tuesday 7 June, Mansfield Aquatic Facility Community Engagement brief was varied, as follows:

To develop, facilitate and implement a Community Engagement process in order to provide Council with a quantifiable indication of ratepayers' preference (and willingness or not to pay) for an indoor versus outdoor aquatic facility in Mansfield (two options only) with the Future Improved Aquatic Facility Options Assessment Summary, April 2011 report to be used as reference for the concept of an indoor aquatic facility and basis for budget assumptions.

The community engagement outcomes will feed directly into Council's decision-making process with regard to the provision of future aquatic facilities. Ratepayers and other community members will be informed as to how their input influenced the final decision.

Objective

To provide ratepayers (primary stakeholders) and the wider community with adequate information and opportunity to ensure that there is a high level of understanding regarding both the lifestyle and economic impacts of both options and that consideration of all factors will be reflected in the final decision regarding the future of aquatic facilities within the Mansfield Shire.

Community engagement will seek to provide:

1. Clear mandate from ratepayers regarding the Mansfield aquatic facility (either indoor or outdoor) and willingness or not to pay via rates increases.
2. Community preferences and attitudes towards the future of aquatics in Mansfield.

Executive Summary

The purpose of this report is to present the findings of the four-month Mansfield Aquatic Facility Community Engagement Project. In making its decision about the future aquatic facilities in Mansfield, Council will consider this report in conjunction with previous reports, research and community submissions.

The Mansfield Aquatic Facility Community Engagement Project included:

- Ratepayer letter, information flyer and survey sent to 7136 ratepayers
- 2 x Public forums held in Mansfield
- Invitation to community groups and individuals to make a submission sent to 369 email addresses
- Invitation to the general public to make a submission publicised in the Mansfield Courier
- General public information in the Mansfield Courier via media releases and Mansfield Matters notices
- 1-page Frequently Asked Questions (FAQ) published in the Mansfield Courier twice
- All public information available on the Council website throughout the consultation process
- 5 x $200 Shop Local Buy Local draw prizes were offered to encourage participation in the survey.

The widely publicised consultation program ran for over four months (July to October 2011) and generated significant community interest, including:

- 182 people attended two public forums, and 29 apologies received
- Feedback re the Facilitation of the forum was overwhelmingly positive, including anecdotal evidence with 34 forum feedback forms completed at the evening public forum (37% response rate)
- Ratepayer survey response rate 42% (2975 of 7136 surveys)
- 117 Submissions received, including 7 from community groups
- 15 Mansfield Courier articles
- 17 Letters to the Editor
- 5 YAFM advertisements
- 2 Private Pool advertisements
- 1 advertisement from residents against the development
- 5 winners of the survey lucky draw – 3 from the Mansfield area, 2 from Melbourne.

Survey Results

This executive summary highlights the major findings of the ratepayer survey. Please refer to the full report for the complete range findings and graphs.

Validity

The survey response rate of 42% means the survey results are **statistically robust**. The standard rate of return for surveys is 7-10%.

Every effort was made to ensure as many responses as possible were counted towards the end result. **Surveys were only deemed invalid when no questions were answered**. There were 7 invalid surveys.

Other inconsistencies are reported as follows:

- No Answer: Respondents did not answer the question
- Other: Respondents wrote their own answer on the survey form
- Undecided: Respondents ticked conflicting answers

Summary

With regard to respondents' property in Mansfield, 63.7% were **full-time residents**, 28.6% were part-time residents, 5.3% were absentee landlords and 1.8% were landlords residing in Mansfield either full-time or part-time.

73.31% of respondents had been part of the Mansfield community for **more than 10 years**.

Of the part-time residents and landlords, **45.69% visit Mansfield once a month**, 36.12% visit most weekends.

Thinking about their visits, 89.2% part-time residents and landlords **most often visit year round**.

Of the part-time residents and landlords, **35.71% are not considering relocating to the Mansfield Shire**. A further 34.46% answered Maybe to this question.

83.8% of respondents were aware that if a new indoor facility were built the existing outdoor pool would close.

If respondents had access to an indoor heating aquatic facility, **48.5% said they/their family would never use the pool**, 23% would use it a few times a year, 6.2% once a month, 14.3% once a week and 6% most days. The total of **49.5% of respondents/their families would use the pool.**

Regarding their preferred option for the future of aquatics in Mansfield, **54.02% opted to refurbish and retain the outdoor pool,** while 29.68% preferred the new indoor aquatic facility, and 12.77% respondents did not mind either way.

In principle, **70.73% respondents would not be prepared to pay** the levy and increased rates necessary to finance a new indoor heated aquatic facility. 28.23% respondents would be prepared to pay.

77.21% of respondents would not consider making a donation towards construction of a new indoor aquatic facility, in addition to the levy and rate increase. 21.48% would be willing to consider making a donation.

A comparison between Q1 respondent's relationship to Mansfield and Q8 preferred option for the future of aquatics in Mansfield, revealed that:

- **55.1% of full-time residents preferred to retain the outdoor pool**, 32.95% preferred a new indoor aquatic facility and 8.17% had no preference either way
- **53.23% part-time residents preferred to retain the outdoor pool**, 22.41% preferred a new indoor aquatic facility and 21.37% had no preference either way.
- **48.1% of landlords preferred to retain the outdoor pool**, 31.01% preferred a new indoor aquatic facility, and 18.36% had no preference either way.

A comparison between Q1 respondent's relationship to Mansfield and Q9 willingness to pay the levy and increased rates necessary to finance a new indoor heated aquatic facility, revealed the following:

- **Full-time residents: 69% were not willing to pay** and 30% were willing.
- **Part-time residents: 76% were not willing to pay** and 23% were willing.
- **Landlords: 69% were not willing to pay** and 30% were willing.

Submissions

Council received 117 submissions, largely from Mansfield residents. Of these, 12 were unsigned and therefore invalid, and 10 submissions provided no clear preference for one option or the other.

Of the remaining 95 submissions, **57 were in favour of building a new indoor pool,** including 51 individuals and 6 community groups, including:

- YAFM
- Mansfield Support Group for Children with Special Needs
- Bonnie Doon Football-Netball Club
- Mansfield Swim Club
- Mansfield Secondary College
- Mansfield Rudolf Steiner School

Common themes across these submissions were:

- Indoor pool more inclusive/benefit to all
- Prefer alternative location (Malcolm St) and/or bigger pool
- Questioning the funding model
- Cost of travel to Benalla

38 submissions were in favour of retaining the outdoor pool, including 37 individuals and 1 community group, being:

- Victorian Farmers Federation, Mansfield Branch

Common themes across in favour of retaining the outdoor pool were:

- High cost/unable to afford
- Dissatisfied with Council services in small towns
- Prefer outdoor pools in general
- Private pool will fill need for indoor pool in Mansfield

Report

Project Control Group

The support of the Project Control Group, including Kaaren Smethurst, Sue Arndt and Amanda Reed (Mansfield Shire Council), Colleen Reynolds (YAFM) and Leon Newton (YMCA) is acknowledged for providing balanced input into the development of project collateral.

Community Engagement Strategy

A key feature of the community consultation process was to develop a creative framework that helped people to engage with the process in a positive way.

The community engagement strategy was implemented in four stages:

Stages	Activity	Methodology and Level of Engagement
Stage 1	Planning	
Stage 2	Concept Design, Printing and Distribution	Ratepayers letter, flyer and survey mailed to 7136 ratepayers 117 Written submissions received 369 Community Directory members e-mailed Media: Mansfield Courier media releases, Mansfield Matters and advertising, distribution 3600
Stage 3	Public Forums	182 People attended public meetings 29 Apologies
Stage 4	Evaluation, reporting & debrief	Media: Mansfield Courier distribution 3600 and direct mail to 7136 ratepayers

Creative Concept

The consultation process was couched in a jigsaw theme, i.e. the picture is almost complete – all we need is one last piece (ratepayer willingness or not to pay for an indoor aquatic centre) to complete the puzzle. The tag line for the consultation process was Mansfield Aquatics, *your future, your say.*

This theme was successfully sustained throughout the consultation process, including:

- Ratepayer letter
- Information flyer, survey
- Public forum posters
- PowerPoint presentation
- 1 - page Frequently Asked Questions (FAQ)
- Media

Collateral development

Ratepayer letter

A formal letter to ratepayers was developed to accompany the flyer and survey. This letter was designed to encourage high survey response rate. It appealed to ratepayers sense of responsibility regarding significant Shire decisions and also offered a cash incentive. See Appendix A.

Information flyer

The flyer was designed to provide clear, concise, balanced information about the two options and the process of consultation, providing a neutral platform for ratepayers to make an informed choice. See Appendix B.

The flyer accompanied the ratepayer survey and was also made available to community members attending the public forums.

Ratepayer survey

Based on independent expert advice and testing, a 10-question survey was developed that engaged people in a thought process around their relationship with Mansfield, questions relating to pool use and the future of aquatics in Mansfield. The survey was designed to provide quantitative data re ratepayer preference and willingness to accept the associated rate rise and encourage the highest possible response rate. See Appendix C.

The ratepayer survey, together with letter and flyer, was distributed to 7136 ratepayers – one per ratepayer per property.

Around 150 surveys were returned undelivered. These were manually matched to the individual ratepayers and re-sent. The original closing date of August 30 was consequently extended to September 9 to allow adequate time for all ratepayers to respond.

Incentives

5 x $200 Shop Local Buy Local draw prizes were offered to encourage participation in the survey. These were won by three Mansfield Shire residents and two Melbourne based ratepayers.

Frequently Asked Questions (FAQ)

The 1-page FAQ document was developed to provide additional detail and balance to the information available to ratepayers and other community members. The FAQ was based on more than 70 questions asked by residents and ratepayers during the development phase of the consultation process. See Appendix D.

The FAQ was made available to the public on the Council website and printed in the Mansfield Courier twice (17 and 31 August). Anecdotal feedback suggests community members were particularly appreciative of the plain English style of the FAQ.

Submissions Template

In line with a commitment to providing opportunity for people to engage with the consultation process in a positive way, Conway Alliance developed a template for community submission to Council. This was made available on the Council website.

Posters

Posters highlighting the pieces of the puzzle were developed to help create an engaging environment for the pubic forums.

Community Engagement

Council website

The community consultation process was mirrored on the Council website throughout the project. The webpage was regularly updated with media releases and included downloadable information, as follows:

- Assessment Summary Final Report
- Council Report
- Information Flyer
- 1-page FAQ
- Submission Form
- Public Forum presentation

Media

The widely publicised consultation program ran for over four months (July to October 2011) and generated community interest. See Appendix E.

Through proactive media management, a balanced presentation of facts in the Mansfield Courier was achieved. Media releases (and variations for Mansfield Matters) were developed to inform and motivate the community to get involved, as follows:

1. The community engagement process and its objectives, and;
2. Reminders/encouragement to return surveys. In addition several public notices and classifieds were placed.

We note the following additional media generated by the project:

- 15 Mansfield Courier articles
- 17 Letters to the Editor, Mansfield Courier
- 5 YAFM advertisements
- 1 Anonymous advertisement opposed to the new indoor aquatic facility
- 2 Advertisements promoting the private pool (Mansfield Aquatics)

- 1 Full page advertisement opposed to the new indoor aquatic facility
- Mansfield Shire media release clarifying issues raised in previous media material

Public forums

Two public forums were facilitated at the Council Chambers on Tuesday 4 August one at midday and one after work to provide the greatest possible opportunity for participation. The jigsaw theme, including posters and handouts, as well as furniture arrangements, candles and food/light refreshments created an engaging environment for discussion.

Conway Alliance facilitated the forums with presentations from Mike King (SGL) and David Roff and extended question time. Forum feedback included praise for the presentations as well structured, informative and simply presented. Presentation material was later made available on the Council website.

182 people attended the meetings and feedback regarding logistics and information presented was overwhelmingly positive, including anecdotal evidence and 34 forum feedback forms from 90 participants at the evening session (37% response rate). Some criticism was leveled at the financial model and dissatisfaction with question time. See Appendix F

Ratepayer survey

The standard rate of return for surveys is 7-10%. A 42% rate of return (2975 of 7136 surveys) was achieved, which provides statistically robust survey results.

A further 59 surveys were returned after the closing date of September 9. Results of these surveys were not formally counted. Summary assessment indicates the impact of these responses would be +/- 0.02%.

Raw data

A CD with containing the raw survey data (Excel spreadsheets) will be provided to Council with the final report.

Email to community groups

An email was sent to 369 names on the Council's Community Directory inviting participation in the consultation process by way of making a submission to Council.

Submissions

Via local media and Council's Community Directory, the broader community was invited to make submissions to Council indicating their preference.

Council received 117 submissions, largely from Mansfield residents, including 88 submissions from individuals, 7 from community groups, a further 10 stating no clear preference and 12 unsigned (and therefore invalid).

Next Steps

Council will now formally accept this report and using these and other findings from previous studies, make a formal decision on the future of aquatics in Mansfield. This decision will be made before the end of the year.

Survey Results

Overview

The survey was divided into three sections:

- Q1-5 dealt with the respondent's relationship to Mansfield.
- Q6-7 asked about visitation habits and pool usage.
- Q8-10 focused on the respondent's preferred aquatic option, willingness to pay a levy fee, rate rise and support for community fundraising.

7136 surveys were distributed in the week commencing 4 August. A total of 2975 surveys were returned by the closing date of September 9, representing a statistically robust 42% rate of return.

Data entry & analysis

Data entry and analysis of the survey results was undertaken by Conway Alliance. Excel was used to analyze the survey data.

Validity

Every effort was made to ensure all responses counted towards the end results. Surveys were only deemed invalid when no questions were answered. There were 7 invalid surveys.

Other respondent inconsistencies were qualified, as follows:

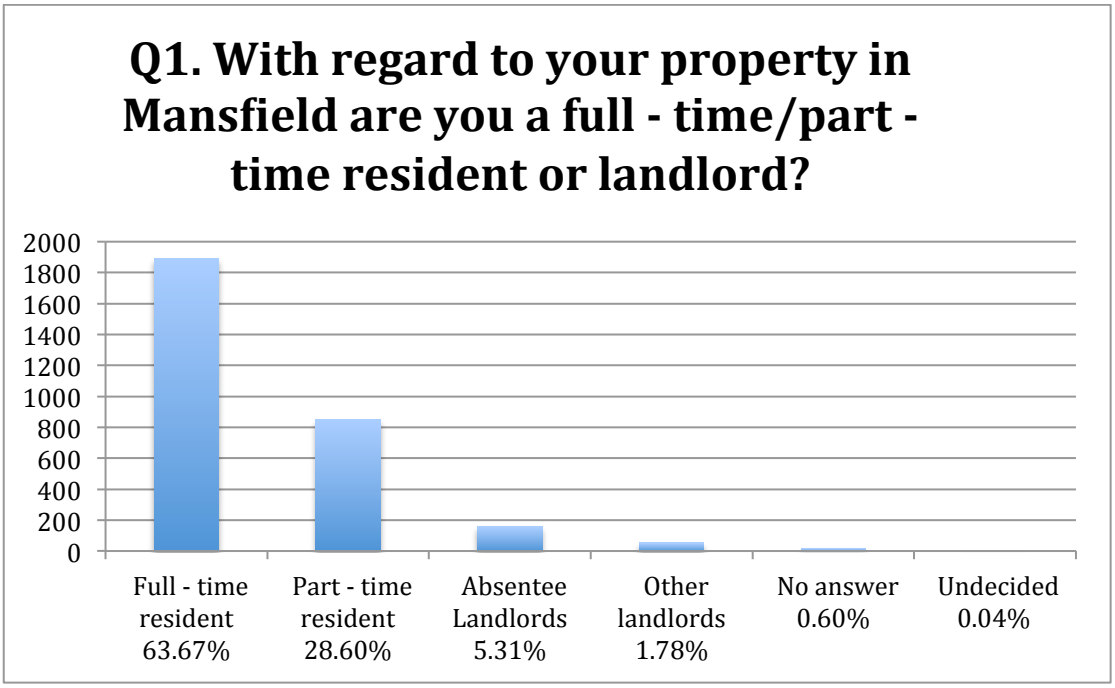
- **No Answer:** Respondents did not answer the question
- **Other:** Respondents wrote their own answer on the survey form
- **Undecided:** Respondents ticked conflicting answers

Respondents' comments

The ratepayer survey did not provide for comments, however many respondents added negative comments to their survey. The most common themes were:

- 75 comments against the indoor pool proposal
- 41 comments that Council rates are already too high

Findings

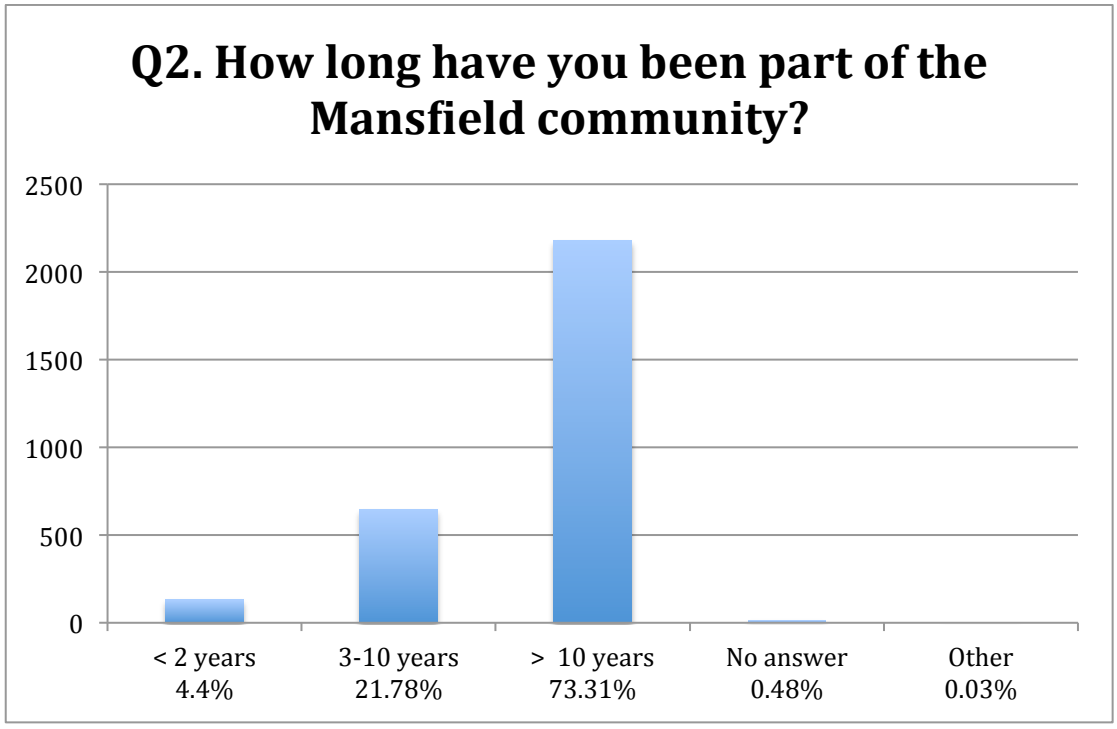


Q1.Results

	Full-time	Part-time	Absentee Landlord	Other Landlords	No answer	Total
Number	1894	851	158	54	18	2975
%	63.7	28.6	5.3	1.8	0.6	100%

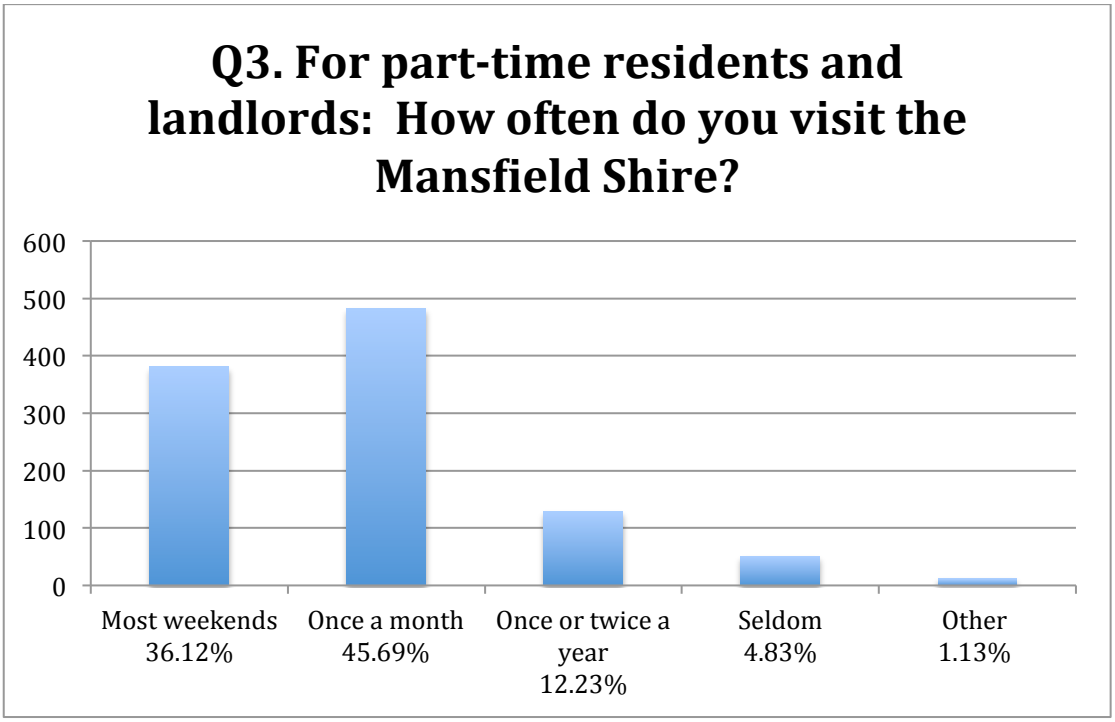
Note:

- A total of 211 Landlords responded to Q1
- 54 Other Landlords included 38 full-time, 15 part-time residents and 1 no answer (respondent ticked both full-time resident and part-time resident).



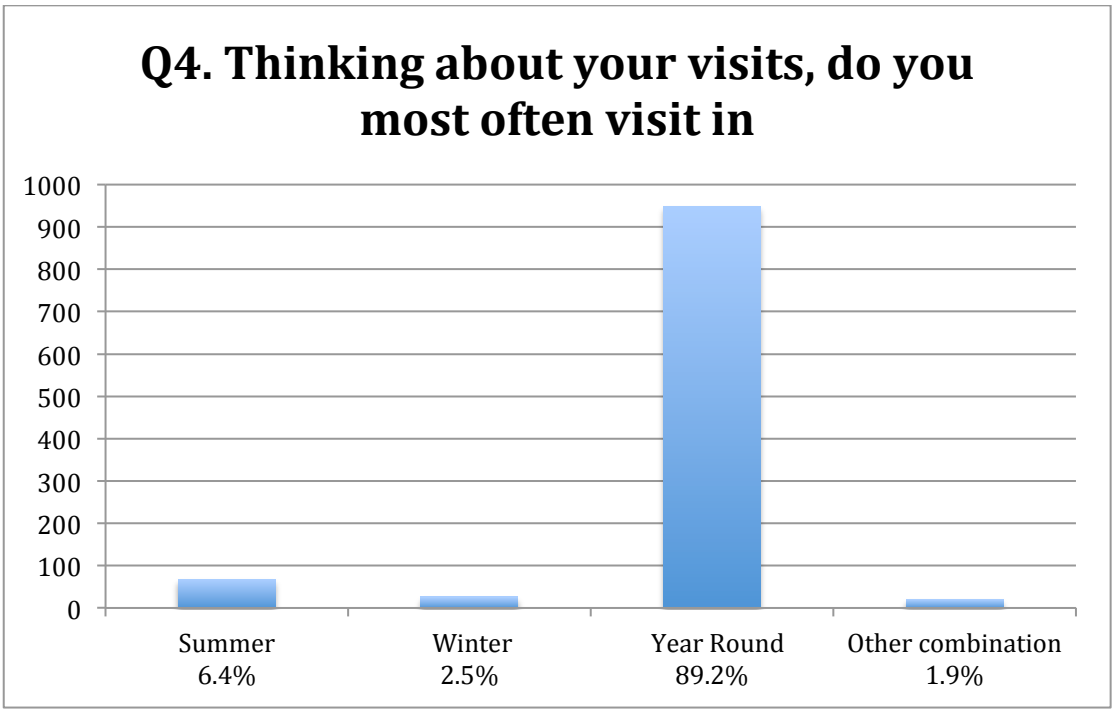
Q2. Results

	< 2 years	3 -10 years	> 10 years	No answer	Other	Total
Number	131	648	2181	14	1	2975
%	4.4	21.78	73.31	0.48	0.03	100%



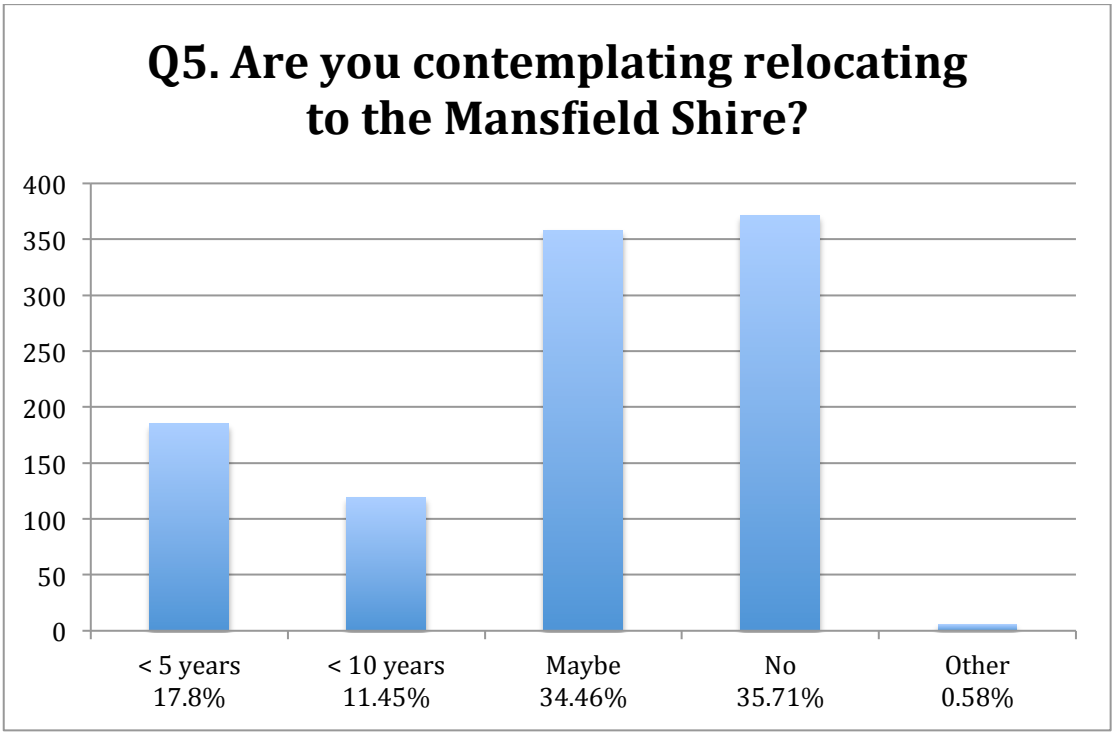
Q3. Results

	Other	Seldom	1-2 times a year	Once a month	Most weekends	Total
Number	12	51	129	482	381	1055
%	1.13	4.83	12.23	45.69	36.12	100%



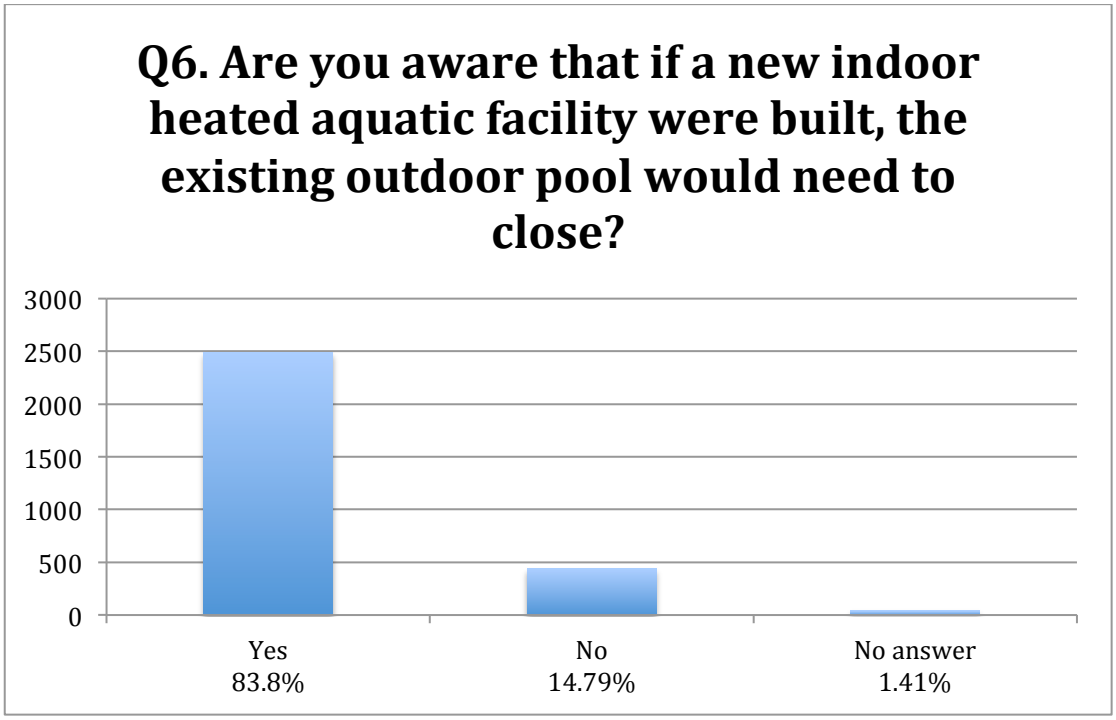
Q4. Results

	Summer	Winter	Year round	Other	Total
Number	68	26	948	21	1063
%	6.4	2.5	89.2	1.9	100%



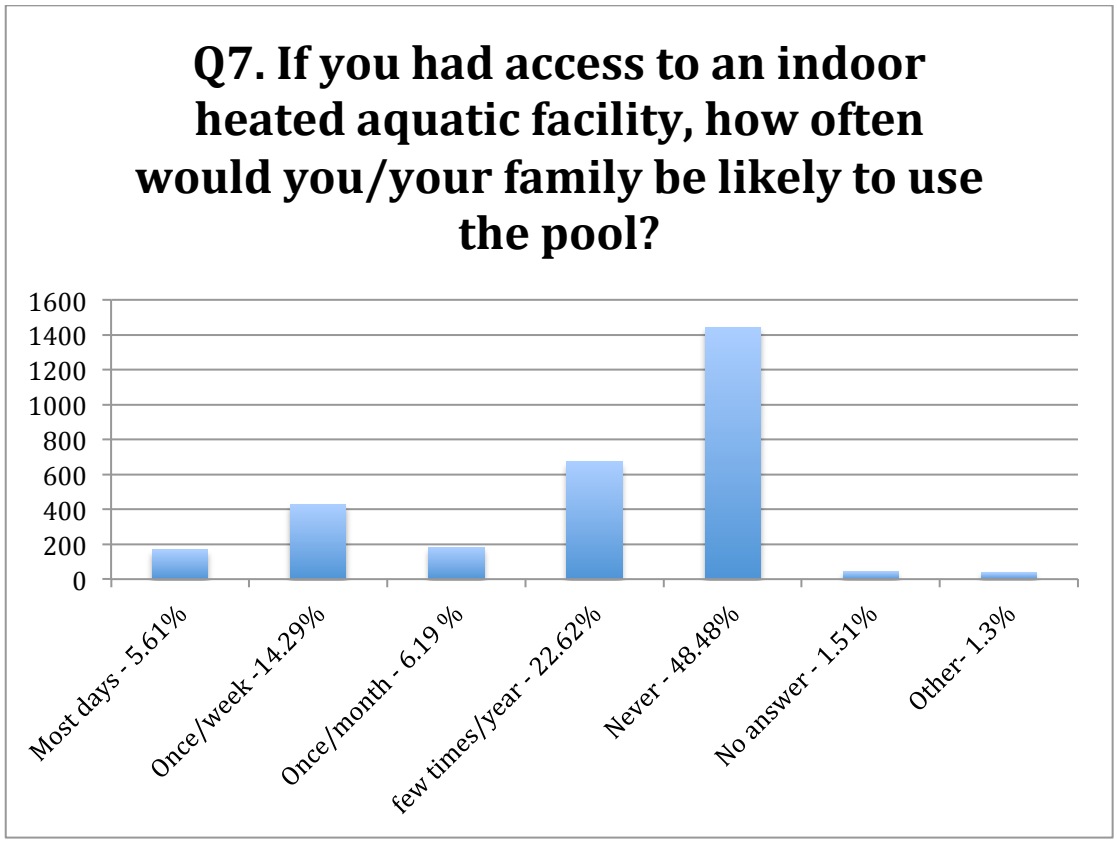
Q5. Results

	< 5 years	< 10 years	Maybe	No	Other	Total
Number	185	119	358	371	6	1039
%	17.8	11.45	34.46	35.71	0.58	100%



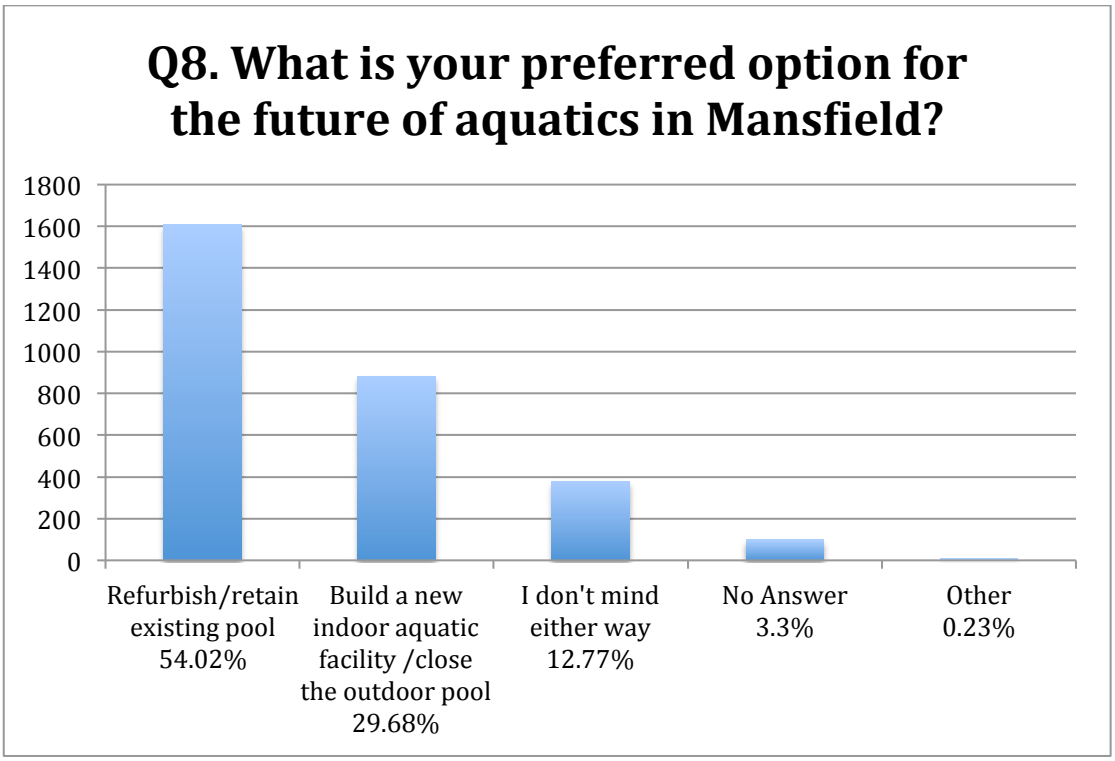
Q6. Results

	No	Yes	No answer	Total
Number	440	2493	42	2975
%	14.79	83.80	1.41	100%



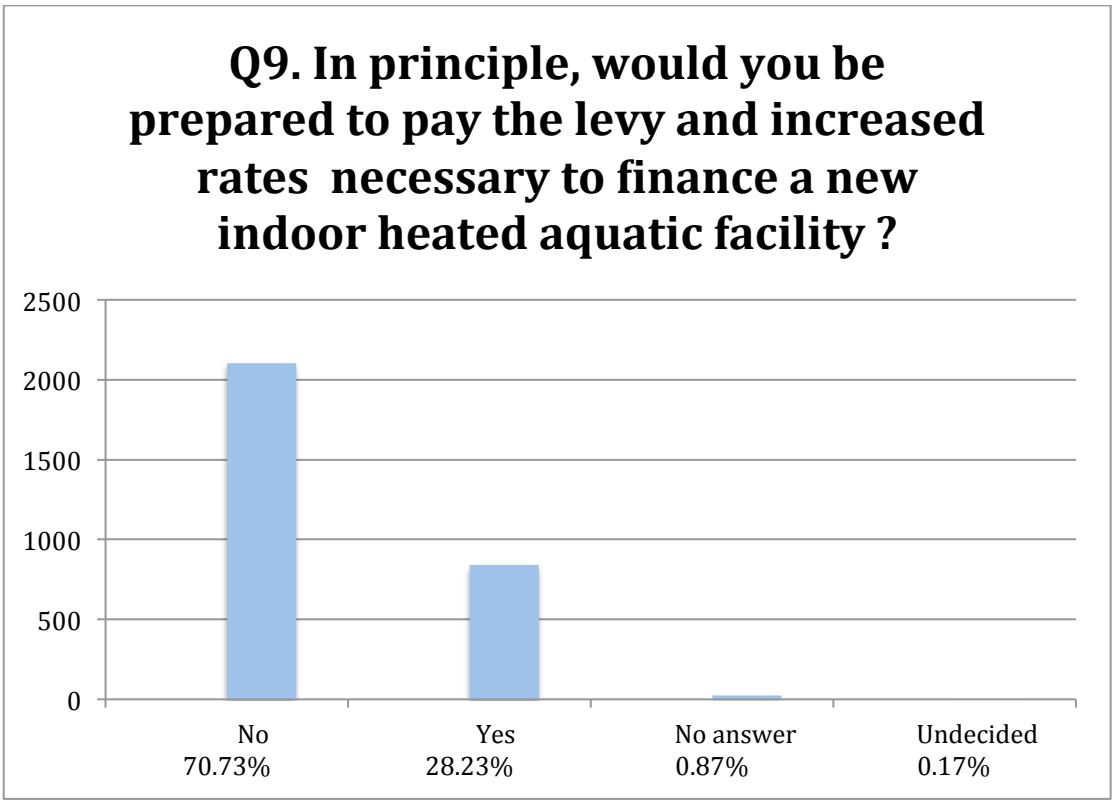
Q7. Results

	Most Days	Once/ week	Once/ month	Few times/ year	Never	No answer	Other	Total
Num.	167	425	184	673	1441	45	40	2975
%	5.61	14.29	6.19	22.62	48.48	1.51	1.3	100%



Q8. Results

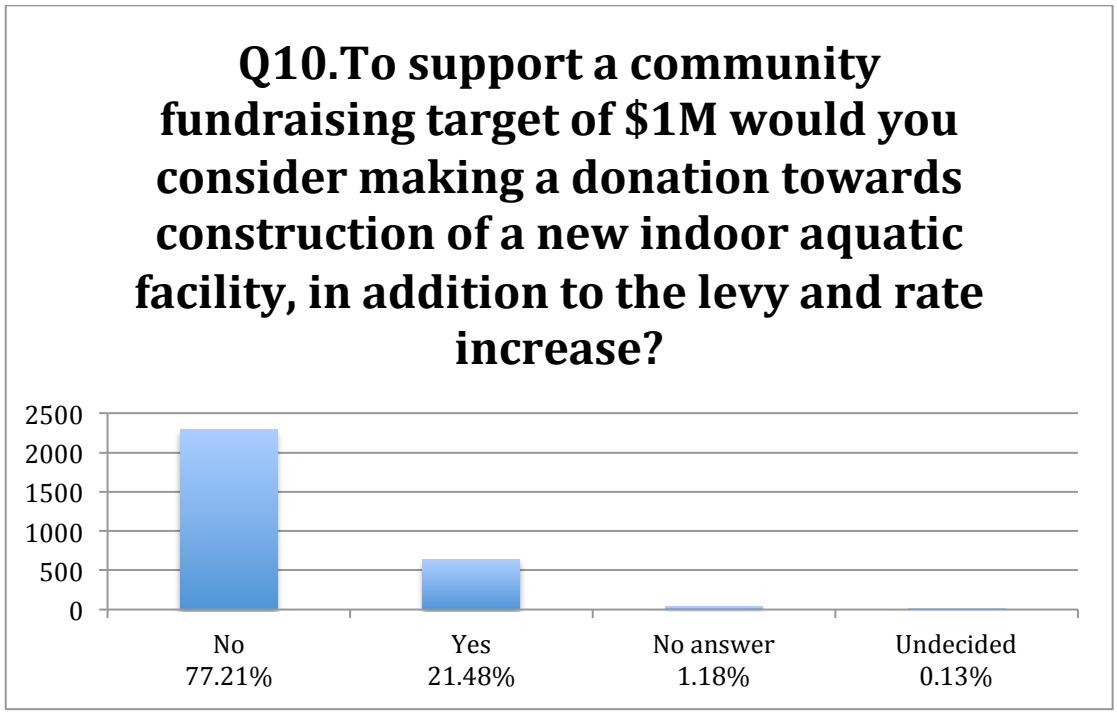
	Refurbish retain existing pool	New indoor aquatic facility	I don't mind either way	No Answer	Other	Total
Number	1607	883	380	98	7	2975
%	54.02	29.68	12.77	3.3	0.23	100%



Q9. Results

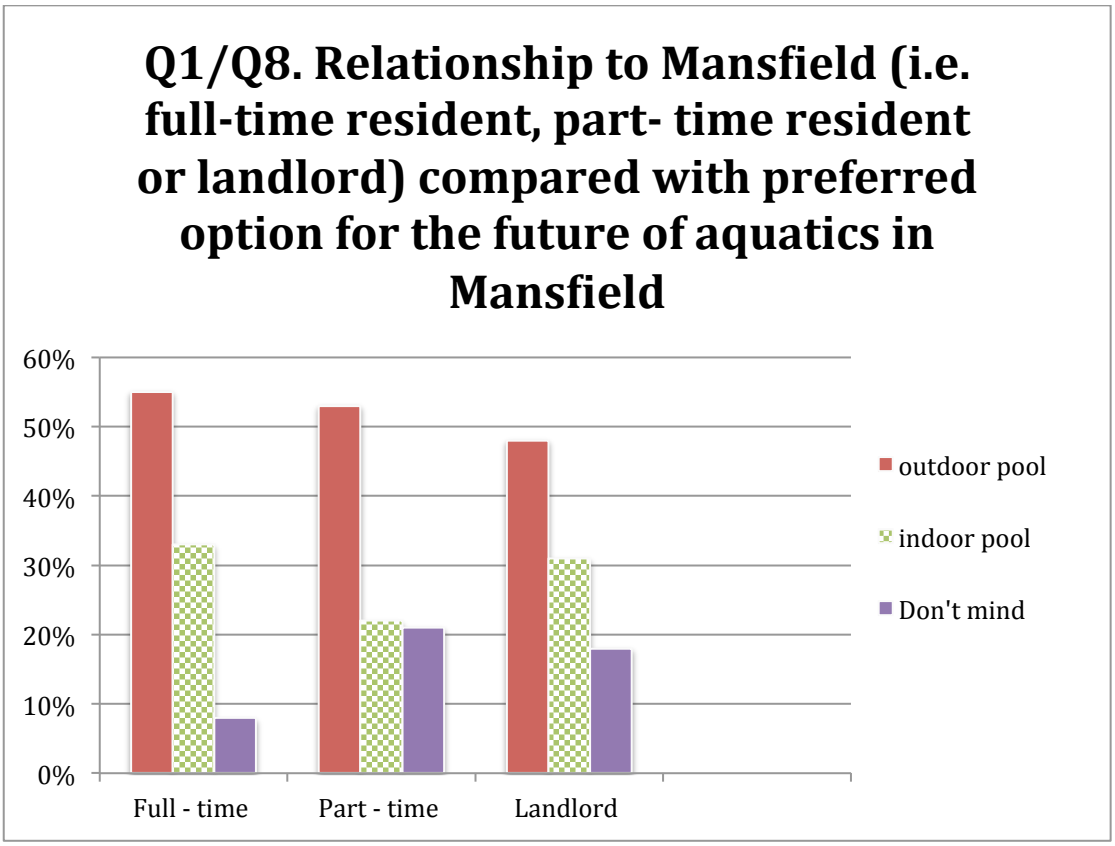
	No	Yes	Undecided	No answer	Total
Number	2104	840	5	26	2975
%	70.73	28.23	0.17	0.87	100%

Note:
5 x Undecided results were full-time residents who ticked both Yes and No



Q10. Results

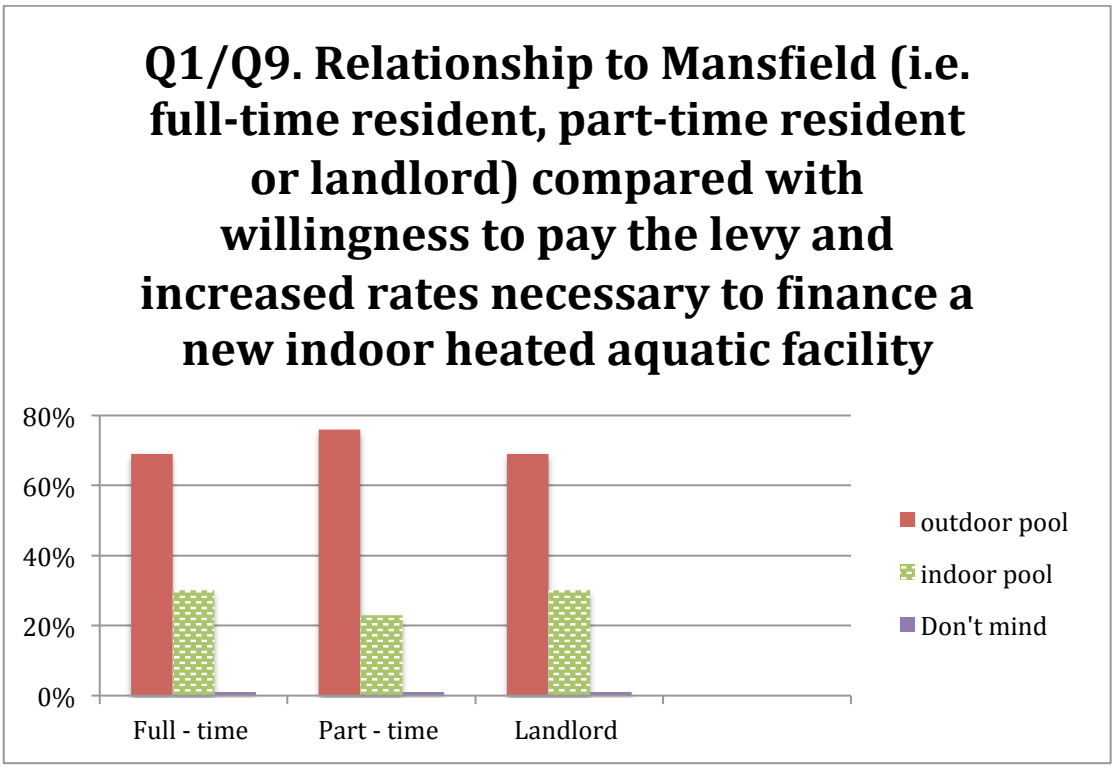
	No	Yes	Undecided	No answer	Total
Number	2297	639	4	35	2975
%	77.21	21.48	0.13	1.18	100%



Q1/Q8. Results

	F/T	P/T	LL	IV	NA	Total
Outdoor	1065 (55.1%)	461 (53.2%)	76 (48.1%)			1602 (53.84%)
Indoor	637 (32.95%)	194 (22.4%)	49 (31.01%)			880 (29.58%)
Don't mind	158 (8.17%)	185 (21.37%)	29 (18.36%)			372 (12.55%)
Invalid	8 (0.42%)	4 (0.45%)		11 (100%)		23 (0.78%)
No answer	65 (3.36%)	22 (2.54%)	4 (2.53%)		7 (100%)	98 (3.3%)
Total	1933 (100%)	866 (100%)	158 (100%)	11 (100%)	7 (100%)	2975 (100%)

F/T- Full-time; P/T-Part-time; LL- Landlord; IV-Invalid; NA-No answer



Q1/Q9. Results

	F/T	P/T	LL	U*	U	NA	Total
Outdoor	1305 (69%)	645 (76%)	146 (69%)				2096 (70.45%)
Indoor	569 (30%)	202 (23%)	62 (30%)				833 (28%)
U* (willingness to pay)				5 (100%)			5 (0.17%)
U (resident status)	15 (1%)	4 (1%)	2 (1%)		15 (100%)		36 (1.21%)
No answer						5 (100%)	5 (0.17%)
Total	1889 (100%)	851 (100%)	210 (100%)	5 (100%)	15 (100%)	5 (100%)	2975 (100%)

F/T- Full-time; P/T-Part-time; LL- Landlord; U-Undecided; NA-No answer

Submissions

Council received 117 submissions, the majority of which were from Mansfield residents. These included emails, letters, submission forms and notes. Of these, 12 were unsigned and therefore invalid, and 10 submissions provided no clear preference for one option or the other, as follows:

- 1 with no attachment
- 1 requesting further info
- 8 providing commentary, with no clear preference

Of the remaining 95 submissions, **57 were in favour of building a new indoor pool,** including 51 individuals and 6 community groups, including:

- YAFM
- Mansfield Support Group for Children with Special Needs
- Bonnie Doon Football-Netball Club
- Mansfield Swim Club
- Mansfield Secondary College
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Common themes across these submissions were:

- Indoor pool more inclusive/benefit to all
- Prefer alternative location (Malcolm St) and/or bigger pool
- Questioning the funding model
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Common themes across these submissions were:

- High cost/unable to afford
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- Prefer outdoor pools in general
- Private pool will fill need for indoor pool in Mansfield

MANSFIELD AQUATIC FACILITIES

Frequently Asked Questions

CHOICE

Indoor or outdoor pool

1. What are my choices?

The community is being asked to decide between two options:

Refurbish and maintain the existing outdoor pool

OR

Build a new indoor aquatic facility and close the outdoor pool.

2. What components would be included in a new aquatic facility?

The proposed indoor aquatic facility would include the following minimum requirements:

- Main lap pool 25m x 4 lanes (2.5m wide lanes can become 5 lane)
- Main pool seating area
- Leisure and learn to swim pool with separated toddlers pool
- Warm water program pool with attached accessible spa
- Pool plant and store areas
- Entry, foyer offices, reception, café/ merchandising areas
- Toilets and change areas
- Car and bus parking and access roads and service connections

This model represents a compromise between what the Mansfield community may be able to afford and meeting the needs of as many different user groups as possible.

3. Why can't Council provide two pools, indoor and outdoor?

As a small municipality we simply can't afford two competing publicly owned aquatic facilities.

4. Which is Council's preferred site for a new indoor aquatic facility?

Various sites have been considered in order to develop a base financial model for consultation purposes. At this stage, Council is seeking a clear indication from ratepayers as to their willingness to pay for a new indoor aquatic facility – it's the missing piece of the puzzle. Further investigation of possible sites will commence if Council decides to proceed with the development.

5. Is there an option for more lanes in a new indoor pool?

Council has decided to cap ratepayer investment for an indoor aquatic facility at $3M (based on the minimum requirements). The model under discussion includes a variety of pools to cater for a broad range of lifestyles, needs and age groups (see Q2). Additional lanes or features would increase construction costs, which would require additional grants and/or community fundraising. Additional operating costs (if not balanced by additional usage) would impact directly on the Council budget.

6. Is covering the outdoor pool with a removable bubble cover still an option?

To cover and heat the existing pool complex would cost around $2.8M and increase operating costs to $350,000 (net) pa. This would extend the season but not increase user numbers significantly, and is therefore is not a viable option (*refer SGL Final Report).

7. What is the lifespan of the outdoor pool?

The existing outdoor pool is 55 years old. The pools and supporting infrastructure require ongoing maintenance as outlined in the *SGL Final Report. With $1.3M refurbishment the existing outdoor pool will be brought up to minimum operating standards with an expected average life span of 18.5 years. Refurbishment is unlikely to increase current usage or extend the operating season. If this work were not undertaken, the pool would need to be closed within 3-5 years.

8. If the new indoor pool development goes ahead, when would the outdoor pool close?

As any proposed indoor pool would be built on an alternate site, the outdoor pool will remain open until construction is complete.

FINANCIAL

Specific purpose levy and rate increase

9. How would Council fund a new indoor aquatic facility?

Council would raise $7M Capital required for construction through:

- $3 million Council ratepayers ($150 specific purpose levy pa for 3 years)
- $3 million State Government 'Better Pools' funding
- $1 million community fund raising

Any amount over that would require additional community fundraising or government grants.

The anticipated operational costs would be an additional $150,000-$230,000 pa based on current power costs and estimated visitation. This would be funded via a rate increase of 4% in the first year of operation.

10. What will be the impact on ratepayers of each option?

Option 1 - No significant impact on rates. The proposed $1.3M refurbishment has been factored into the existing budget over a number of years.

Option 2 - Would incur a specific purpose levy of $150 per property per annum for 3 years to fund construction, followed by a 4% rate increase for operation and maintenance from Year 4. For someone paying $1000 in rates today, a 4% rate increase in Year 4 equates to $48.

11. I have more than one property, do I have to pay the specific purpose levy and rate increase on each property?

The specific purpose levy would be imposed on each property that incurs a municipal charge. People with a single enterprise on multiple titles (e.g. farmers who hold several titles in a single farming enterprise) would be charged per enterprise, not per property. The 4% rate rise in Year 4 would be imposed on each rateable property.

12. If more people use the pool would rates decrease?

Any change in usage will have a direct impact on rates – positive or negative. For this reason community support and use of an indoor facility would be vital.

13. If the indoor pool goes ahead, when would the first specific purpose levy be applied?

This would be dependent on community fundraising of $1M. Council is required to demonstrate adequate funds to cover the whole cost of construction prior to procuring any government grants. Once the community has raised $1M, Council would apply for government funding and begin to apply the specific purpose levy.

14. Why is this project singled out for a special levy and rate increase?

Council's normal capital works program is $4M per annum. At $7M the new indoor aquatic facility would have a greater impact on Council resources than other projects such as:

- Family and Children's Centre – 40% Government funded, no increased operational costs;
- Rail Trail - fully funded, ongoing operation costs approx $50,000 pa;
- Recreation Reserve redevelopment – Government funding to be sought, staged development, no significant additional ongoing operation costs; and
- Third Oval - estimated cost $500,000 – Government funding to be sought, ongoing operation costs substantially lower than an indoor pool.

15. How confident is Council that it will be able to procure $3M in government grants?

The Department of Planning and Community Development 'Better Pools' grant is available to Councils annually, providing grants up to $3M for new indoor aquatic centres. This level of funding is not available for refurbishment of outdoor pools. The Mansfield Shire Council is eligible to apply for a 'Better Pools' grant and would be hopeful of success, however this may take more than one application.

16. If the indoor pool is built, what will the entry fees be?

Pricing would need to be developed as part of an overall business and marketing plan for the pool, however it would be expected that prices would be in line with other aquatic centres, e.g. $4.50 adult swim and $3 child, with memberships, programs, classes, etc also available. Current entry fees are $3.60 adult and $2.30 child. All pricing is affected by annual CPI increases.

17. How can non-ratepayers contribute to fundraising?

The community will be required to raise a minimum of $1M before government funding is sought. There will be ample opportunity to participate.

COMMUNITY

Your future your say

18. How would an indoor aquatic facility benefit the whole community?

The current outdoor pool caters to a small proportion of the community in warmer months. By comparison, the proposed new indoor aquatic facility would provide year round access for people of all ages, abilities, interests and skills, including older people, people with a disability, rehabilitation and fitness, children learning to swim and toddlers.

19. In making their decision, what weight will Council give the ratepayer survey compared to community benefit?

In addition to the ratepayer survey, Council welcomes submissions from community members and groups. Research and user data (including the recent survey of 150 pool users and 16 stakeholder groups) has also been collated in the *SGL Final Report. Council will make a balanced decision based on all available information.

20. How can I have my say?

Mansfield ratepayers will be sent a survey asking them to nominate their preferred option. **Surveys must be returned by August 30.**

Community members are invited to make a submission to Council by August 30 stating their preferred option by post: Private Bag 1000, Mansfield Vic 3724 or email: feedback@mansfield.vic.gov.au

21. When will Council make its decision?

Outcomes of community consultation will feed directly into Council's decision-making with regard to the future of aquatics in Mansfield. A decision will be made this year.

For more information and for a copy of the *SGL Report referred here, please go to the Mansfield Shire Council website at www.mansfield.vic.gov.au/aquatics.aspx

MANSFIELD SHIRE