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Chief Executive Officer  
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Denmark WA 6333

10 MAY 2016

COUNCILLORS	
CEO	<input checked="" type="checkbox"/>
MANAGER	
TWO	
STRUCTURE	

*[Handwritten signature]*

Dear Sir/Madam

**UPDATE TO A CLASSIFICATION OF A KNOWN OR SUSPECTED CONTAMINATED SITE  
UNDER THE *CONTAMINATED SITES ACT 2003***

The site detailed below, consisting of 1 parcel(s) of land, was classified by the Department of Environment Regulation (DER) under the *Contaminated Sites Act 2003* (the Act) on 29 August 2011 as '*Contaminated - remediation required*':

- LOT 3002 ON PLAN 45104 as shown on certificate of title LR3151/703 known as 26 Hardy St, Denmark WA 6333

Following the submission of further information, the classification of the site has been reviewed.

The classification of the site remains unchanged; however the reasons for this classification have been updated. These changes are reflected in the Basic Summary of Records (BSR), of which a copy is attached for your information.

Please contact Chek Wui Cher, Contaminated Sites Officer at Contaminated Sites, on 1300 762 982 if you have any queries or require further information.

Yours sincerely

**Paul Newell, Manager**

CONTAMINATED SITES  
Delegated Officer under section 91  
of the *Contaminated Sites Act 2003*

05/05/2016



## Contaminated Sites Act 2003 Basic Summary of Records Search Response

Report generated at 11:49:55AM, 05/05/2016

Receipt No: -

ID No: 36791

### Search Results

This response relates to a search request received for:

26 Hardy St  
Denmark, WA, 6333

This parcel belongs to a site that contains 1 parcel(s).

According to Department of Environment Regulation records, this land has been reported as a known or suspected contaminated site.

<b>Address</b>	26 Hardy St Denmark, WA, 6333
<b>Lot on Plan Address</b>	Lot 3002 On Plan 45104
<b>Parcel Status</b>	<p><b>Classification:</b> 05/05/2016 - Contaminated - remediation required</p> <p><b>Nature and Extent of Contamination:</b></p> <p>Buried waste, including granite boulders, building rubble, wire rope, car number plates, drums, tree stumps and logs, are buried beneath the site. Additionally, soil beneath the site is impacted by zinc and hydrocarbons (such as from diesel and oil).</p> <p><b>Restrictions on Use:</b></p> <p>Further investigations and remedial works are required before the site is redeveloped for residential land use.</p> <p><b>Reason for Classification:</b></p> <p>This site was reported to the Department of Environment Regulation (DER) as per reporting obligations under section 11 of the 'Contaminated Sites Act 2003' (the Act), which commenced on 1 December 2006. The site was classified under section 13 of the Act based on information submitted to DER by August 2011. These reasons for classification have been updated to reflect additional technical information submitted to DER by March 2016.</p> <p>The site was reported because residential redevelopment earthworks in December 2010 found waste buried beneath the site. Materials found included granite boulders, building rubble, wire rope, car number plates, drums, tree stumps and logs.</p> <p>This site was used as a depot, for approximately 20 years, from circa 1964 to 1984. Depot activities included automotive repair, chemical (pesticide) storage and bulk fuel storage, land uses that have the potential to cause contamination, as specified in the guideline 'Assessment and management of contaminated sites' (DER, 2014).</p> <p>Contamination assessments were carried out in 1997, 2011 and 2015 to determine the quality of soil beneath the site and to characterise the nature and extent of uncontrolled fill material buried.</p>

#### Disclaimer

This Summary of Records has been prepared by Department of Environment Regulation (DER) as a requirement of the Contaminated Sites Act 2003. DER makes every effort to ensure the accuracy, currency and reliability of this information at the time it was prepared, however advises that due to the ability of contamination to potentially change in nature and extent over time, circumstances may have changed since the information was originally provided. Users must exercise their own skill and care when interpreting the information contained within this Summary of Records and, where applicable, obtain independent professional advice appropriate to their circumstances. In no event will DER, its agents or employees be held responsible for any loss or damage arising from any use of or reliance on this information. Additionally, the Summary of Records must not be reproduced or supplied to third parties except in full and unabridged form.





## Contaminated Sites Act 2003 Basic Summary of Records Search Response

Report generated at 11:49:56AM, 05/05/2016

A soil investigation, carried out in April 2011, found that hydrocarbons (such as from diesel and oil) were present in soil at concentrations potentially exceeding Health-based Investigation Levels for residential with accessible soils, as published in 'Assessment Levels for Soil, Sediment and Water' (Department of Environment and Conservation, 2010), which were the relevant assessment criteria at the time.

Further soil investigations, carried out in July 2015, found that hydrocarbons (such as from diesel and oil) remain present in soil at concentrations exceeding Ecological Screening Levels for urban residential land and public open space and the relevant soil Health Screening Levels for vapour intrusion on residential land, as published in Schedule B1 of the 'National Environment Protection (Assessment of Site Contamination) Measure 1999' (the NEPM). Zinc was also present in soil within the fill material at concentrations exceeding the relevant Ecological Investigation Levels for urban residential land and public open space, as specified in the NEPM. These impacted soils were found in the central, northern and eastern portion of the site.

A groundwater investigation, carried out in April 2011, found no potential contaminants were detected above Australian Drinking Water Guidelines or Aquatic Ecosystems - Freshwater guidelines, as published in 'Assessment Levels for Soil, Sediment and Water' (Department of Environment and Conservation, 2010), which were the relevant assessment criteria at the time. The groundwater investigation was limited and did not meet the required DER standards at the time of the investigation.

The site is not suitable for residential redevelopment until further investigations and remedial measures have been undertaken.

As the site has been shown to be contaminated, and remediation is required to reduce unacceptable risks to human health, the environment or any environmental value to acceptable levels, the site is classified as 'contaminated - remediation required'.

DER, in consultation with the Department of Health, has classified this site based on the information available to DER at the time of classification. It is acknowledged that the contamination status of the site may have changed since the information was collated and/or submitted to DER, and as such, the usefulness of this information may be limited.

In accordance with Department of Health advice, if groundwater is being, or is proposed to be abstracted, DER recommends that analytical testing should be carried out to determine whether the groundwater is suitable for its intended use.

### Other Relevant Information:

Where the land is part of a transaction - sale, mortgagee or lease agreement, the land owners MUST PROVIDE WRITTEN DISCLOSURE (on the prescribed Form 6) of the site's status to any potential owner, mortgagee (e.g financial institutions) or lessee at least 14 days before the completion of the transaction. A copy of the disclosure must also be forwarded to DER.

### Action Required:

As soil remediation of the site is required, remedial options must be assessed and a remediation action plan developed for the site.

Further soil investigations are required beneath the existing soil stockpile in the centre of the site to

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## **Contaminated Sites Act 2003**

### **Basic Summary of Records Search Response**

Report generated at 11:49:56AM, 05/05/2016

	<p>determine the soil quality in this area. Additionally, further groundwater investigations are required to adequately determine the quality of groundwater beneath the site.</p> <p>Investigations and remedial works should be carried out prior to residential development and should meet the standards outlined in DER's 'Contaminated Sites Guidelines' (2014) and the NEPM.</p>
<b>Certificate of Title Memorial</b>	<p>Under the Contaminated Sites Act 2003, this site has been classified as "contaminated - remediation required". For further information on the contamination status of this site, please contact the Contaminated Sites Branch of the Department of Environment &amp; Conservation.</p>
<b>Current Regulatory Notice Issued</b>	<p><b>Type of Regulatory Notice:</b> <i>Nil</i></p> <p><b>Date Issued:</b> <i>Nil</i></p>
<b>General</b>	<p>No other information relating to this parcel.</p>

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# 26 Hardy St, Denmark



## LEGEND

- Road Centrelines
- Local Government Authorities
- Railways**
  - Mainline
  - Siding
  - Other types of rail
  - Closed - Abandoned
  - Closed - Dismantled

- > Image Index
- Recently added Coverage
- Acid Sulfate Soils Field Points
- Perth Metropolitan Area**  
Central 15cm Orthomosaic - Landgate 2014
- Perth Metropolitan Area**  
North 15cm Orthomosaic - Landgate 2014

- Cadastre**
- Perth Metropolitan Area**  
South 15cm Orthomosaic - Landgate 2014
- Port Gregory Facilities**  
And Beaches 20cm Orthomosaic - Landgate 2004
- Kalbarri 80cm Orthomosaic**  
- Landgate 2002
- Parry Inlet 50cm Orthomosaic**  
- Landgate

**Scale 1:1418**  
*(Approximate when reproduced at A4)*  
**Geocentric Datum Australia 1994**  
*Note: the data in this map have not been projected. This may result in geometric distortion or measurement inaccuracies.*  
 Prepared by:  
 Prepared for:  
 Date: 5/05/2016 11:53:17 AM

Information derived from this map should be confirmed with the data custodian acknowledged by the agency acronym in the legend.

**11. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**

<b>COUNCIL RESOLUTION</b>	ITEM 11.1
MOVED: CR SYME	SECONDED: CR HINDS
That an item of New Business be accepted.	
CARRIED: 11/0	Res: 280211

<b>COUNCIL RESOLUTION</b>	ITEM 11.1
MOVED: CR HINDS	SECONDED: CR THORNTON
That Standing Orders be suspended to allow discussion on item 11.1.	
CARRIED: 11/0	Res: 290211

<b>COUNCIL RESOLUTION</b>	ITEM 11.1
MOVED: CR RICHARDSON-NEWTON	SECONDED: CR HINDS
That the meeting be adjourned for a short break, the time being 7.05pm.	
CARRIED: 7/4	Res: 300211

7.17pm – The meeting resumed with all Councillors and Staff who were present prior to the adjournment.

**11.1 LIONSVILLE SITE CONTAMINATION FORMER SHIRE DEPOT**

<b>File Ref:</b>	ORG29, A3157
<b>Applicant / Proponent:</b>	Lionsville Denmark (& Amaroo)
<b>Subject Land / Locality:</b>	Former Shire Depot, Cnr Mount Shadforth & Hardy St, Reserve 34209
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	19 February 2011
<b>Author:</b>	Gregg Harwood, Director of Community & Regulatory Services
<b>Authorising Officer:</b>	Gregg Harwood, Director of Community & Regulatory Services
<b>Attachments:</b>	Yes

**Summary:**

This report considers a request from Lionsville Denmark (& Amaroo) for assistance with the estimated \$30,000 cost of determining the extent of the contamination and what will be required to decontaminate/ remediate (clean up) the former Shire Depot site in Hardy Rd to the satisfaction of the Department of Environment's contaminated sites branch and to achieve sufficient site stability to allow the proposed aged persons accommodation units to be built using standard construction methods. The remediation process will involve process removal items such as tree stumps, logs, number plates and old vehicles that were buried at the site during its usage as a shire depot and the testing of soil for hydro carbons and other contaminants.

The report provides four possible scenarios for dealing with the issue.

The first is that the estimated \$30,000 cost of determining the extent of the contamination be split between Council, Amaroo Village, Lionsville, the Department of Housing and the State Land Service. Once this study is complete and the extent of the contamination has been established the report recommends that Council follow the approach that was adopted in East Perth where a community housing group project encountered contamination part way through a project. The cost of remediating this site was significant and the East Perth Development Corporation



which is a State Government agency eventually came up with the necessary funding for the site's remediation. In the Lionsville case it is suggested that the Department of Housing and the State Land Service be approached for a contribution.

The second is that that Council cover the cost of Lionsville's interest payments for a period of 3 months while they redesign the project to relocate the six units that are due to be constructed onto the Hardy Rd frontage of the site where contamination is not likely.

The third is that Council cover the cost of Lionsville's interest payments for a period of 3 months while Council's Chief Executive Officer negotiates Council's acquisition of the site Reserve 34209 as a free hold site.

The fourth is that State Land Services be approached regarding the usage of the estimated \$420,000 windfall that they will receive from the sale of the front portion of the property to Amaroo Village and that this money be used to investigate and remediate the entire site.

**Background:**

Prior to the middle 1980s the Hardy Rd site was used as a Shire Depot for many years. During this time while the rear of the site was never actually used as a municipal or community landfill it was however used for the burial of logs and stumps, drums, old number plates, at least two small trucks, old sanitary pans, oil and filters from serving trucks, cars and earthmoving equipment and the disposal of rocks and various types of fill. In considering these activities Councillors should note that at the time they were both legal and typical of council and privately operated transport depots both in country towns and the Perth metropolitan area.

When the new depot was constructed at Zimmerman St the Hardy Rd site was no longer needed and in 1996 Wood & Grieve Consulting Engineers were engaged to conduct an investigation and prepare a report on contamination levels at the site. This report was also followed up by a full environmental assessment of the site by the Environmental Protection Authority. On the basis of these reports land was then handed back to State Land Services and rezoned by Council and the Planning Commission for usage as senior's accommodation. This process occurred prior to the introduction of the Contaminated Sites Act 2003 which set the current guidelines for the assessment and remediation of contaminated sites.

The vesting of the site was subsequently transferred by State Land Services to Lionsville who have constructed and managed a number of senior's accommodation units on the Mount Shadforth Rd side the block while they built up sufficient funds from rents they received to commence the main development on the site which consists of 16 units followed by a further 10 units. They are currently at the stage where in late 2010 they substantially commenced the site works and retaining walls for all 26 units only to stop work in December 2010 when they started to encounter some of the items that have been buried at the site.

The front portion of the site (Hardy Rd) is in the process of being converted by the State Land Service to freehold land and will be sold to Amaroo Village who intend to use the land to build a seniors recreation facility as well as a further 4 free hold aged accommodation units. These units will then be sold to seniors as part of Amaroo Village's commercial processes.

The Lionsville project is being funded via a substantial contribution from the Department of Housing as community housing project with the remainder of the funds required coming from \$600,000 in loans that Lionsville have raised through Council and money that they have accumulated in rents from their other units. Lionsville have advised that they have spent \$325,000 to get the site up to its present state of development.

The Department of Housing have advised that they have out sourced the project management of the entire construction process to Amaroo Village who will build the units and then hand them onto Lionsville when they are complete. They have also advised that the contract assigns responsibility for conducting due diligence regarding possible site contamination and the project generally to Amaroo Village and that this assignment includes checking the site and its associated services for issues that are likely to frustrate the project such as site contamination, suspect fill, drainage and reactive soils ect. Council staff have not yet been able to obtain a copy of the development contract for the units as Council is not a party to that contract. Staff have however sourced a copy of the 2003 contract for the Peace St/ Mount Shadforth Rd units from Council's files and the annexure on the final page of this contract clearly assigns responsibility for removal of debris to the developer. It is unlikely that the current contract varies from this document.

On receipt of the management and construction contract it appears that Amaroo Village have then sub let the site and retaining works to Lionsville who commenced the work only to find once they had completed the majority of the retaining walls and had carted substantial volumes of fill onto the site that the back two thirds of the site had been filled with number plates, logs and stumps and in isolated spots had a hydrocarbon odour. Lionsville estimate that approximately 30,000m3 of material will need to be removed and replaced with clean compaction sand in order for the site to be suitable for standard slab on ground construction and are seeking an estimated \$30,000 to engage Opus International (Albany Office) to provide a report detailing options and estimates for remediating the site.

As the land owner (reserve vested) Lionsville also incurred a responsibility under the Contaminated Acts 2003 to report the site to the DEC which they have done and the site has recently been declared a contaminated site by that agency. As result of this reporting and the subsequent declaration of the land as a contaminated site the cost bringing the site up to an acceptable standard has increased and is potentially in the region of \$100,000 to \$300,000 dollars.

These expenses were from Lionsville's perspective unexpected and they have approached Council seeking an estimated \$30,000 to engage Opus International (Albany Office) to provide a report detailing options and estimates for remediating the site followed by 100% of the funds required to decontaminate the site.



Note: This map was produced using a 2006 data set



**Comment:**

In discussing this issue the most appropriate place to start is to consider where the various players stand in regards to the development, who will benefit and to look at how the Department of Housing has approached similar issues in the past.

**Shire of Denmark as a former land owner:**

Investigations indicate that as the former landholder apart from a moral responsibility to clean up what it has left behind Council has no direct legal responsibility in regards to the site. The reasons for this are that the activities that took place at the site were both legal and socially acceptable practices at the time that they occurred and the activities took place prior to the introduction of the Contaminated Sites Act 2003. In addition to this a report on the site was conducted by a competent person and the site was subject to a full environmental assessment and cleared by that agency prior to it being rezoned and handed back to State Land Services.

In considering Council's "moral responsibility" Councillors should note that Lionsville had an interest in acquiring the site at the time of its rezoning and that at this time a shire councillor and Bob Woods, Council's former long term Environmental Health Officer/ Building surveyor were involved with the Lionsville Board so Lionsville had access to as much information as anyone in relation to the site. It appears however that as an organisation they have not managed to pass that information onto their current members.

**Shire of Denmark as a planning agency:**

One of the primary outcomes of a land rezoning process is that the resultant documentation should address all of the land capability issues associated with the intensification of a land use. While the history of the rezoning process is yet to be fully researched it appears that the preparation of the documentation was outsourced to Ayton Taylor & Burrell who engaged Wood & Grieve to investigate the site contamination aspects. While the resulting documents do clearly discuss the past land use and mention possible site contamination issues they have to be read pragmatically to deduce that further site investigations should be undertaken prior to undertaking a development of the site.

In 2009/10 Council issued a planning scheme consent and building licence for the construction in response to a planning application that was lodged by TME. Possible site contamination issues were not discussed on any of these three documents.

**Shire of Denmark as a rating agency:**

The Amaroo Village and Lionsville both enjoy community housing rating exemptions. This means that even though 30 units are being constructed Council will not enjoy a future rate income from the development of these units. This means that any contribution towards the sites remediation cannot be considered as "loan" that will be paid off by the rates from the 30 units.

**Shire of Denmark as a community facilitator:**

The ongoing provision of quality, affordable aged accommodation is important part of maintaining Denmark as a socially balanced community and the ongoing participation of Amaroo Village and Lionsville in this market is essential if the supply of these units to continue.

While it is likely that Amaroo Village will survive as a community service group and most likely complete the project without either Council or State Government contributions Lionsville will be significantly impacted and if it survives will not be

able to build further units for a very long time. Similarly other aged accommodation providers who hear about the Lionsville/Amaroo Village experience with this project and will be dissuaded from building in Denmark due to the “word” in the industry that another group was “burnt” leading to a chronic shortage of aged accommodation.

Against this back drop is the fact that the \$4,000 – \$12,000 per unit that is required to remediate the site so that ultimately a further 30 units and a seniors recreation facility can be built is a worthwhile community investment and overall represents very good value for money.

Shire of Denmark as a contributing party:

While Shire of Denmark has a strong interest in facilitating the provision of quality, affordable seniors accommodation in Denmark the prime beneficiaries of this project are Lionsville, Amaroo Village, Dept of Housing and the State Land Service and as a result they should be the primary contributors to towards the cost of the remediation of the site.

The current scenario being presented by Lionsville and Amaroo exposes the Shire of Denmark to all of the downsides (expenses and risks) and the majority of the costs of rehabilitating the site with all of the upsides going to Amaroo, Lionsville, the Department of Housing and the State Land Service. The only other contributing party is Lionsville whose contributions are limited to their holding costs during the length of time that the remediation takes whereas Amaroo will achieve its goal of obtaining a contamination free piece of freehold piece of land and be able to collect the management fees that it has factored into the project without any costs other than those related to project delays.

On this basis it is recommended that if Council resolves to do so that any contribution be limited to:

- 1) In terms of the estimated \$30,000 cost of the preliminary investigation of the site Council being one of five equal contributors with Lionsville, Amaroo, the Department of Housing and the State Land Service.
- 2) In terms of the remediation of the site Council providing opportunities for the disposal of the waste materials and contaminated soil where it is able to do so without incurring significant costs.

Department of Housing as a housing provider:

The Department of Housing has quite clearly stated that they have outsourced responsibility for due diligence and the site investigations to Amaroo Village when they awarded them the management contract.

In terms of making a contribution to the remediation of the site they have also commented that the project has been funded from an area that has already been over allocated (over budget). Notwithstanding this they have indicated that they are not a closed door in terms of funding requests.

When asked what has been done with similar cases they advised that they have only had one similar case and it was with a community housing project in East Perth and that the East Perth Development Authority (a state government QUANGO) had contributed the necessary funds to cover the rehabilitation of the site so that the project could continue.



## State Land Service

Unlike Council, the State Land Service have profited by accepting the land back on the basis of the Wood & Grieve report and a full Environmental Protection Authority assessment, vesting it in Lionsville and then subsequently selling the front portion to Amaroo as free hold land.

The estimated \$420,000 windfall that they will receive from the sale of the front portion of the property to Amaroo Village would be sufficient to investigate and remediate the entire site.

### Lionsville:

Lionsville are in the position where they have already borrowed and expended significant funds on the retaining and filling of the site. The uncertainty and delays surrounding the contamination and instability of the site is costing them significant sums in terms of interest payments on drawn funds and they are keen to get the project back under way so that they can get the initial six units completed and start receiving a rental income.

Lionsville have communicated that in their opinion the Shire of Denmark was the agency that put the material there in the first place therefore they should pay all of the costs associated with removing and rehabilitating the site.

### Amaroo Village:

It seems from conversations with Amaroo's project manager and correspondence from them that their investigation of the site was limited to a physical inspection and the engagement of Structuree who are a structural and civil engineering company to drill 6 core holes to test the site for compaction and stability. When these test holes produced acceptable results it appears that Amaroo did not investigate the site further.

Apart from their responsibilities to successfully complete the development under their contract with the Department of Housing Amaroo are also keen to see the development move forward as their plans to acquire the front portion of the property and to build the senior's recreation centre and their own units revolve around the successful completion of the Lionsville units.

Amaroo communicated in a recent briefing session that they were not aware of the soil stability issues at the site and would not have proceeded with if they had known about them. They have also stated that they were not advised of these issues by Council and that they were of the opinion that Council was at best irresponsible and at the worst negligent for allowing land to be zoned for development with these soil conditions.

In stating this opinion Amaroo have omitted reference to their own due diligence responsibilities under their project management contract with the Department of Housing which if discharged properly requires them to ask both Lionsville (their client), Council and potentially State Land Services for whatever history they regarding the property.

### Officer response to the briefing session comments:

An officer response to the briefing session comments is that both Lionsville and Amaroo had sufficient opportunities to take notice of the site's former usage as a Shire Depot and potential for poor stability for construction by the following means.

- a) In the 1990s when this project was first visualised the Lionsville Board had long standing a shire councillor and Bob Woods who was Council's former long term Environmental Health Officer/ Building surveyor as members. This means that Lionsville as organisation had access to as much information as anyone in relation to the site but in a business continuity oversight failed to in place a procedure to ensure that it was passed onto their current members.
- b) Lionsville were interested and involved in 1996 rezoning of the site and as a result of this involvement aware of the previous land use, the contaminated sites investigation undertaken by Wood and Grieve (Trevor Mckell) and the subsequent formal assessment by the Environmental Protection Authority.
- c) In 1999 Lionsville engaged Wood and Grieve (Trevor Mckell) to prepare a site works and retaining wall design. This design included a reference to the removal trees which presumably means buried trees as the site has been clear for many years in the location where the tree removal was noted.
- d) Site plans for a previous development (circa 2000) drawn up by Paul Tulloch who at the time was a local architect also showed the notation from Wood and Grieve (Trevor Mckell) in the same location.
- e) Amaroo have been seeking to get involved in the Hardy Rd aged persons precinct since at least as early as 2005 and have had plenty of time to undertake due diligence regarding the area.

Other options for dealing with the site and constructing the units:

Council several has several options open to it in dealing with the site.

- i) To do nothing and advise Lionsville and Amaroo that they should have their own due diligence before acquiring the site and deciding to build on the property.

Such an approach is reasonable given that Council engaged Wood Grieve who at the time were one of the recognised experts in contaminated sites to assess site and make recommendations. In addition to this the site was also subject to a formal assessment by the Environmental Protection Authority and provisions relating to these assessments were written into the rezoning documentation meaning that anyone who chose to research the history of the site would be aware of the site's former use.

The main disadvantage of this approach is that while it is legally correct it has the potential to cause serious damage to Lionsville's future capacity as a local aged care accommodation provider.

- ii) To allow Lionsville and Amaroo to build on the site as is.

While it is technically and legally possible to not remediate the site and build the units using either stumped floors or piled and keeled construction. This is in reality unacceptable as site would have future settlement issues, the increased floor heights of the units would create universal access issues for their occupants and Council, the Dept of Housing, Lionsville and Amaroo would be seen to be allowing seniors to live on a sinking contaminated site.

- iii) That the development not be built and that Lionsville either retain the site as parkland or that it be acquired by Council and used as parkland until such time as there are sufficient funds or a sufficiently important use to warrant remediating it.



The drawback with this approach is that Lionsville have already spent \$325,000 on site works and retaining at the site and this would be difficult for them to service without a rental income and Council would need to reimburse them for the cost of these works which would equate to a one off rate increase of approximately 8%.

- iv) That the development be redesigned so that the six units that Lionsville currently propose to build can be located the Hardy Rd frontage of block which is most likely to be free from contamination.

While this approach would satisfy Lionsville's current needs it would mean that Amaroo would not be able to acquire the front portion of the land and as a result would have to acquire part of the definitely contaminated rear section of the site from State Land Services and clean it up at their own cost if they chose to proceed.

The advantage of this approach is that while it is not the highest and best use of the land and may mean that the seniors centre never gets built it at least allow Lionsville to build the six units that they are currently seeking.

The disadvantage of this proposal to Lionsville is that they will not get the full benefit of the \$325,000 they have invested in site works and retaining walls as they will only be able to build the remaining units when they have accumulated enough funds to remediate the rear of the site.

- v) That Council seek to acquire the whole of Reserve 34209 from State Land Services at no cost as freehold property on the basis that it will pay Lionsville for its improvements (\$325,000) and then remediate the site so that it is suitable for standard building construction if in the future it is to be used for a purpose other than a park land.

While this approach will be capital intensive for Council it has the following benefits that make it a preferred option:

- a) It puts Council staff firmly control of both the process and costs of the remediation process.
  - b) It provides Council with the opportunity benefit from the upside of the risks that it is being asked to take on.
  - c) By acquiring the land freehold Council will then be in the position to deal with Lionsville in a manner that is advantageous for both Lionsville and the community. Acquiring the land will also place Council in the position where it will be able to negotiate with Amaroo if it chooses to do so in a manner that is advantageous for Lionsville.
  - d) The 2000m<sup>2</sup> parcel of land on the Hardy Rd frontage of the property that Amaroo are planning to purchase is rumoured to be valued at \$420,000. If Council is able to acquire the site and successfully remediate it the proceeds from the sale of this block would go a long way towards covering Council's costs in acquiring and remediating the property.
  - e) Acquiring the land freehold will enable Council to negotiate with Amaroo as to the nature of the senior's facility that will built there ie; bowling club/ tennis ect or possibly a medical centre.
- vi) Payment of Lionsville's interest payments for an interim period (ie 3 months)

The payment of Lionsville's interest on the \$325,000 that they have invested in the development to date for three months by Council would give the group sufficient breathing space consider its options in terms of either redesigning or possibly relinquishing the site.

The cost of Lionsville's current interest bill is in the region of \$2500 per month.

- vii) Payment of Lionsville's interest payments for an interim period (ie 3 months) and authorise the Chief Executive Officer to approach State Land Services regarding the using of the estimated \$420,000 windfall that they will receive from the sale of the front portion of the property Amaroo Village to investigate and remediate the entire site.

**Conclusion:**

As has been previously discussed the prime beneficiaries of this project are Lionsville, Amaroo and the Dept of Housing and State Land Services and therefore they should be the primary contributors to towards the cost of investigating and remediating the site.

If Council's preference is for the project to proceed in its current design then given the precedent that is inferred by the East Perth Development Commission's contribution to the East Perth community housing development it is recommended that Council express its preference for a five way split of the investigation and remediation costs with the majority of funding being sourced from the Dept of Housing or State Land Services, with Council's contribution being limited to a \$6000 contribution towards the preliminary investigation costs followed by providing opportunities for the disposal of the waste materials and contaminated soil where it is able to do so without incurring significant costs and Lionsville and Amaroo contributing the balance.

If however Council intends to go down the acquisition or redesign path it is recommended that Council offer pay to Lionsville's interest bill for three months to give them sufficient space to properly consider their options.

**Consultation:**

A briefing session was organised to enable discussion with Loinsville and Amaroo Village representatives.

**Statutory Obligations:**

The Contaminated Sites Act 2003 places notification requirements on land owners, developers and local governments.

**Policy Implications:**

The issues associated with remediation of this site will have significant policy implications for Council as they will set a precedent for future community housing projects both on former Council land and in Denmark generally.

**Budget / Financial Implications:**

The cost of the site remediation will range between \$100,000 - \$300,000. If Council contributes to the remediation of the site it will have an impact on Council's 2010/2011 and 2011/2012 Budgets.

If Council resolves to fund Lionsville's interest payments or to contribute to the site investigation report an absolute majority vote will be requires as it is unauthorised expenditure.

**Strategic Implications:**

There are no known significant strategic implications relating to the report or the officer recommendation.



**Sustainability Implications:**➤ **Environmental:**

While the site has been classed as being contaminated by the DEC this classification does not mean that it is having an impact on surrounding land and water ways in its current state.

➤ **Economic:**

The successful completion of this project will contribute the Denmark's base level of economic demand for goods and services.

➤ **Social:**

The successful completion of this project will provide quality affordable housing for Denmark's seniors for many years come which will in turn will contribute to the diversity and social balance of Denmark.

Conversely if the project is not completed the Denmark Community will most likely loose Lionsville as a Community housing provider and Amaroo Village be reluctant to take on further projects in Denmark resulting in a shortage of suitable aged accommodation.

**Voting Requirements:**

An absolute majority vote will be required as this item authorises expenditure that has not been budgeted for.

Alternative recommendations that Council could consider include;

That with respect to the request by Lionsville Denmark Inc. and Amaroo Cottages For Senior Citizens Inc., to assist them fund their liabilities and obligations in respect to site investigation and remediation of portion of Reserve 34209 Hardy St, Denmark, arising out of their senior's accommodation joint venture with the Department of Housing, Council advise that;

- 1) Lionsville, Amaroo, Dept of Housing and State Land Services as the prime beneficiaries of the Hardy Rd senior's housing project should be the primary contributors to towards the costs of investigating and remediating the Reserve 34920.
- 2) Council not make any contributions to either the investigation or the remediation of the site until such time as the Chief Executive Officer has viewed the project management contracts between the Department of Housing, Lionsville and Amaroo Village and is satisfied regarding the allocation of responsibilities in these contracts.
- 3) Once the Chief Executive Officer has viewed the project management between contracts the Department of Housing, Lionsville and Amaroo Village and is satisfied regarding the allocation of responsibilities in these contracts that Council make an out of budget contribution of \$6,000 towards the estimated \$30,000 cost of a preliminary investigation of the site based on Council one of five contributors with Lionsville, Amaroo, the Department of Housing and the State Land Service all making contributions.
- 4) Given the trend that has been established by East Perth Development Commission's contribution to the East Perth community housing project that Council express its preference for a five way split of the remediation expenses with the majority of funding being sourced from the Dept of Housing or the Great Southern Development Corporation, with Council's contribution being limited to providing opportunities such as disposal of the waste materials and contaminated soil where it is able to do so without incurring significant costs with Lionsville and Amaroo contributing the balance the cost of the remediating the site.

Or

That with respect to the request by Lionsville Denmark Inc. and Amaroo Cottages For Senior Citizens Inc., to assist them fund their liabilities and obligations in respect to site investigation and remediation of portion of Reserve 34209 Hardy St, Denmark, arising out of their senior's accommodation joint venture with the Department of Housing, Council advise;

That once the Chief Executive Officer has viewed the project management between contracts the Department of Housing, Lionsville and Amaroo Village and is satisfied regarding the allocation of responsibilities in these contracts, Council;

- 1) Delegates authority to the Chief Executive Officer to enter into discussions regarding the reconfiguration development so that the six units that Lionsville currently propose to build can be relocated to the Hardy Rd frontage of block which is most likely to be free from contamination.
- 2) Offers to pay Lionsville's interest bill for the site works and retaining walls on the project to date for three months to give them sufficient space to properly consider their options.

Or

That with respect to the request by Lionsville Denmark Inc. and Amaroo Cottages For Senior Citizens Inc., to assist them fund their liabilities and obligations in respect to site investigation and remediation of portion of Reserve 34209 Hardy St, Denmark, arising out of their senior's accommodation joint venture with the Department of Housing, Council advise;

That once the Chief Executive Officer has viewed the project management between contracts the Department of Housing, Lionsville and Amaroo Village and is satisfied regarding the allocation of responsibilities in these contracts, Council;

- 1) Authorises the Chief Executive Officer to seek to acquire the whole of Reserve 34209 from State Land Services at no cost as a freehold property on the basis that Council will pay Lionsville for its improvements which are estimated to be \$325,000 and will remediate the site so that it is suitable for standard building construction if in the future it is to be used for a purpose other than a park land.
- 2) Offers to pay Lionsville's interest bill for the site works and retaining walls on the project to date for three months to give them sufficient space to properly consider their options.

Or

That with respect to the request by Lionsville Denmark Inc. and Amaroo Cottages For Senior Citizens Inc., to assist them fund their liabilities and obligations in respect to site investigation and remediation of portion of Reserve 34209 Hardy St, Denmark, arising out of their senior's accommodation joint venture with the Department of Housing, Council advise;

1. That once the Chief Executive Officer has viewed the project management between contracts the Department of Housing, Lionsville and Amaroo Village and is satisfied regarding the allocation of responsibilities in these contracts, Council;
  - a) Authorises the Chief Executive Officer to negotiate with State Land Services regarding the using of the estimated \$420,000 windfall that they will receive from the sale of the front portion of the property Amaroo Village to investigate and remediate Reserve 34290 in its entirety.
  - b) Offers to pay Lionsville's interest bill for the site works and retaining walls on the project to date for three months to give them sufficient space to properly consider their options.
2. That once a suitable arrangement with State Land Services has been has been negotiated by the Chief Executive Officer that the remediation of the site be managed by Council staff.

Or

That with respect to the request by Lionsville Denmark Inc. and Amaroo Cottages For Senior Citizens Inc., to assist them fund their liabilities and obligations in respect to site investigation and remediation of portion of Reserve 34209 Hardy St, Denmark, arising out of their senior’s accommodation joint venture with the Department of Housing, Council advise;

1. That once the Chief Executive Officer has viewed the project management between contracts the Department of Housing, Lionsville and Amaroo Village and is satisfied regarding the allocation of responsibilities in these contracts, Council;
  - a) Authorises the Chief Executive Officer to negotiate with State Land Services regarding the using of the estimated \$420,000 windfall that they will receive from the sale of the front portion of the property Amaroo Village to investigate and remediate Reserve 34290 in its entirety.
  - b) Offers to pay Lionsville’s interest bill for the site works and retaining walls on the project to date for three months to give them sufficient space to properly consider their options.
2. That once a suitable arrangement with State Land Services has been has been negotiated by the Chief Executive Officer that the remediation of the site be managed by Council staff.

*Discussion ensued.*

*7.22pm – The Director of Finance & Administration left the meeting.*

*7.23pm – Cr Richardson-Newton left the meeting.*

*7.25pm – The Director of Finance & Administration returned the meeting.*

<b>COUNCIL RESOLUTION</b>	ITEM 11.1
MOVED: CR HINDS	SECONDED: CR PHAIR
That Standing Orders be resumed.	
CARRIED: 11/0	Res: 310211

**OFFICER RECOMMENDATION** ITEM 11.1

That with respect to the request by Lionsville Denmark Inc. and Amaroo Cottages For Senior Citizens Inc., to assist them fund their liabilities and obligations in respect to site investigation and remediation of portion of Reserve 34209 Hardy St, Denmark, arising out of their senior’s accommodation joint venture with the Department of Housing, Council;

1. Authorise the Shire President and Chief Executive Officer to urgently seek meetings with the Department of Housing, State Land Services, the Minister for Housing, the Minister for Lands and the Honourable Terry Redman MLA with a view to the State Government recognising that;
  - a. the liabilities and obligations are unexpected and unreasonable for these not for profit community groups to bear and;
  - b. the Shire of Denmark in agreeing to transfer the land free of charge from its management to the State in approximately 1996, did everything reasonable and expected of it as ‘vendor’ at the time and;
  - c. the State via State Lands Services transferred the management of the land free of charge to the Denmark Lions Club Inc. on the basis that it was suitable for Aged Housing and that accordingly;
  - d. the State should now accept financial responsibility for investigation and remediation of the Reserve 34290 in its entirety to enable completion of its current joint venture to build subsidised aged housing on behalf of the State and allow for future activities including the construction of additional seniors units together with a planned Seniors Recreation Centre.



2. Request that the CEO report back to Council on the outcomes of the meetings in part 1 by no later than 30 April 2011.
3. Offer to pay the Lionsville Denmark Inc. existing self supporting loan (with Council) interest bill for the site works and retaining walls on the project for a period up to six months to allow for adequate time for site remediation and give them sufficient time to properly consider all options.
4. Subject to the outcome of Part 1 being that the State Government agrees to fund all of the costs associated with site investigation and remediation and subject to the support of Lionsville Denmark Inc. and Amaroo Cottages For Senior Citizens Inc (as the land 'owners'), the CEO be authorised to instruct Council staff to manage and supervise the remediation process on behalf of the landowners and the State.

**COUNCIL RESOLUTION**

ITEM 11.1

MOVED: CR SYME

SECONDED: CR RICHARDSON-NEWTON

That with respect to the request by Lionsville Denmark Inc. and Amaroo Cottages For Senior Citizens Inc., to assist them fund their liabilities and obligations in respect to site investigation and remediation of portion of Reserve 34209 Hardy St, Denmark, arising out of their senior's accommodation joint venture with the Department of Housing, Council;

1. Authorise the Shire President and Chief Executive Officer to urgently seek meetings with the Department of Housing, State Land Services, the Minister for Housing, the Minister for Lands , Minister for Environment and the Honourable Terry Redman MLA with a view to the State Government recognising that;
  - a. the liabilities and obligations are unexpected and unreasonable for these not for profit community groups to bear and;
  - b. the Shire of Denmark in agreeing to transfer the land free of charge from its management to the State in 1997, did everything reasonable and expected of it as 'vendor' at the time and;
  - c. the State via State Lands Services transferred the management of the land free of charge to the Lionsville Denmark Inc. on the basis that it was suitable for Aged Housing and that accordingly;
  - d. the State should now accept financial responsibility for investigation and remediation of the Reserve 34290 in its entirety to enable completion of its current joint venture to build subsidised aged housing on behalf of the State and allow for future activities including the construction of additional seniors units together with a planned Seniors Recreation Centre.
2. Request that the CEO report back to Council on the outcomes of the meetings in part 1 by no later than 30 April 2011.
3. Offer to pay the Lionsville Denmark Inc. existing self supporting loan interest (with Council) with respect to Loan No. 142 less any investment interest for the project for a period up to six months (up to \$22,000) to allow for adequate time for site remediation and give them sufficient time to properly consider all options.
4. Subject to the outcome of Part 1 being that the State Government agrees to fund all of the costs associated with site investigation and remediation and subject to the support of Lionsville Denmark Inc. and Amaroo Cottages For Senior Citizens Inc (as the land 'owners') and the State Government, the CEO be authorised to instruct Council staff to manage and supervise the remediation process on behalf of the landowners and the State.

CARRIED: 11/0

Res: 320211

REASONS FOR CHANGE

Council made minor administrative amendments that also included reference to the Minister for Environment.

## Hardy Rd Contamination Photos



Bitumen Drum in plastic lined containment area



Concrete



## Hardy Rd Contamination Photos



Dozer parts





## Hardy Rd Contamination Photos



Clay soil that is unsuitable for foundation material



Ground Water/ Leachate



## Hardy Rd Contamination Photos



Rocks that have been excavated





## **BUSINESS PLAN FOR MAJOR LAND TRANSACTION**

**PROPOSED DEVELOPMENT OF AN  
INDEPENDENT AGED ACCOMODATION  
FACILITY ON LAND, MANAGED BY THE SHIRE  
OF BOYUP BROOK, AT THE CORNER OF BRIDGE  
STREET AND HOSPITAL ROAD BOYUP BROOK**



## **TABLE OF CONTENTS**

1. EXECUTIVE SUMMARY	3
2. INTRODUCTION	4
3. BACKGROUND	4
4. LEGISLATIVE REQUIREMENTS	7
5. ASSESSMENT OF MAJOR LAND TRANSACTION	7
5.1 EFFECT ON THE PROVISION OF FACILITIES AND SERVICES BY THE SHIRE DISTRICT	7
5.2 EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES IN THE DISTRICT	8
5.3 EXPECTED FINANCIAL EFFECT ON THE SHIRE OF BOYUP BROOK	8
5.4 EFFECT ON MATTERS REFERRED TO IN THE PLAN FOR THE FUTURE	8
5.5 ABILITY OF THE SHIRE TO MANAGE THE UNDERTAKING	8
6. BUSINESS PLAN ADVERTISING AND SUBMISSIONS	9

## 1. EXECUTIVE SUMMARY

This business plan deals with the proposed development of the following land which is managed by the Shire of Boyup Brook:

**50 Bridge Street Boyup Brook**

Lot 371 on plan number 191230, Reserve 43226

**58 Bridge Street Boyup Brook**

Lot 347 on plan number 175823, Crown Grant

**70 Bridge Street Boyup Brook**

Lot 367 on plan number 185691, Crown Grant

And a portion of the following land which is managed by the Boyup Brook Hospital Board (Western Australian Health Department):

**12 Hospital Road Boyup Brook**

Lot 187 on plan number 159594, Reserve 18008

The Council has been, for a number of years now, in the process of reviewing options and opportunities for a retirement village style of development, to cater for the well aged, in Boyup Brook. This culminated in Council identifying the area around the Boyup Brook Citizens Lodge as being the preferred site.

The Shire is now seeking feedback from the community on the proposed Aged Accommodation Development before submitting this matter to the Council for determination in April 2015. Submissions close 4.00pm, 6<sup>th</sup> April 2015.

ALAN LAMB  
CHIEF EXECUTIVE OFFICER

## 2. INTRODUCTION

The purpose of this Business Plan is to:

- a) Advise the community that the Shire proposes to undertake a Major Land Transaction in respect to the development of land to meet the communities aged accommodation needs.
- b) Provide the opportunity for the community to make submissions on the Business Plan; and
- c) Satisfy the requirements of Section 3.58 and 3.59 of the *Local Government Act 1995*.

## 3. BACKGROUND AND DESCRIPTION

In 2012, Council commissioned preliminary costs indications for a number of significant projects that would be considered as part of long term planning. This included a number of aged accommodation options and was used by Council as part of the determination process that, in August 2014, led to the decision to opt for utilising Shire managed land in Bridge Street Boyup Brook (at the corner of Hospital Road). This option avoided the need to purchase land and so offered a lower project cost than others. Council considered a town lot, now owned by the Shire (having been purchased some time ago for an aged accommodation option), but the lack of a sewerage system limited the development to 3 or 4 units. This lot is in the area that is expected to be in stage one of a sewerage system and so offers future opportunities for perhaps a different sort of development to the one being planned now.

In 2013, and with South West Development Commission (SWDC) funding, Council commissioned the Boyup Brook Aged Friendly Report to be used, along with similar reports produced by other South West Councils, as the basis for an Aging Strategy for the region. This met the requirement of Action 1.1.7 in the Shire's Corporate Business Plan 2014-2017. This report highlighted the community desire for independent living units designed for seniors (a common desire in the region).

Also in 2013, and again with SWDC funding, Council commissioned an Aged Housing Plan. This report pointed to the SWDC's 2011 Active Aging Research report that acknowledged (page 35) that *The ability to age in place is now recognized as a Major factor in relation to the overall wellbeing of older people. Staying in the community they know and are known by local people is important to many older people in terms of maintaining the key social connections and continuing to participate in community life.* The report identified the development of affordable independent living units as a way to enable Boyup Brook Residents to age in place. The report was supported by community engagement that included a survey that revealed 50% of respondents were prepared to pay an up front cost of \$221,000 to \$250,000 for relevant housing.

In 2014, Council looked at the operation of three aged accommodation developments and each included a lease arrangement with an up front cost and a periodic charge. The up front costs ranged up to \$260,000 and the periodic costs ranged from less than \$20 per week to more than \$50. The lease terms varied but a lease for life appeared to work well. This research indicated that an operation in a nearby town was self funding without the need for loan funds for expansions, the demand was regular and reasonably strong (even at an upfront cost of \$260,000), the lease for life arrangement worked well. That relying on existing town facilities rather than duplicating these within the development was workable and reduced the periodic charge significantly. This operation offered Council an ideal benchmarking opportunity for planning and operating the proposed development.

The land at numbers 50, 58 and 70 Bridge Street Boyup Brook, is managed by the Shire. The use and size of each parcels of land are as follows:

**50 Bridge Street Boyup Brook**

Reserve Purpose – Recreation. Land size -

**58 Bridge Street Boyup Brook**

Crown Grant conditions – land held in trust for Home for Fail Aged. Land size -

**70 Bridge Street Boyup Brook**

Crown Grant conditions – land held in trust for Home for Fail Aged. Land size -

The project includes the transfer of a portion of the Reserve that the Hospital stands on, to Shire management. The Reserve is made up of three Lots and the Shire will seek to manage a portion of the following Lot:

**Lot 187 Hospital Road Boyup, portion of Reserve 18008, 12 Hospital Road**

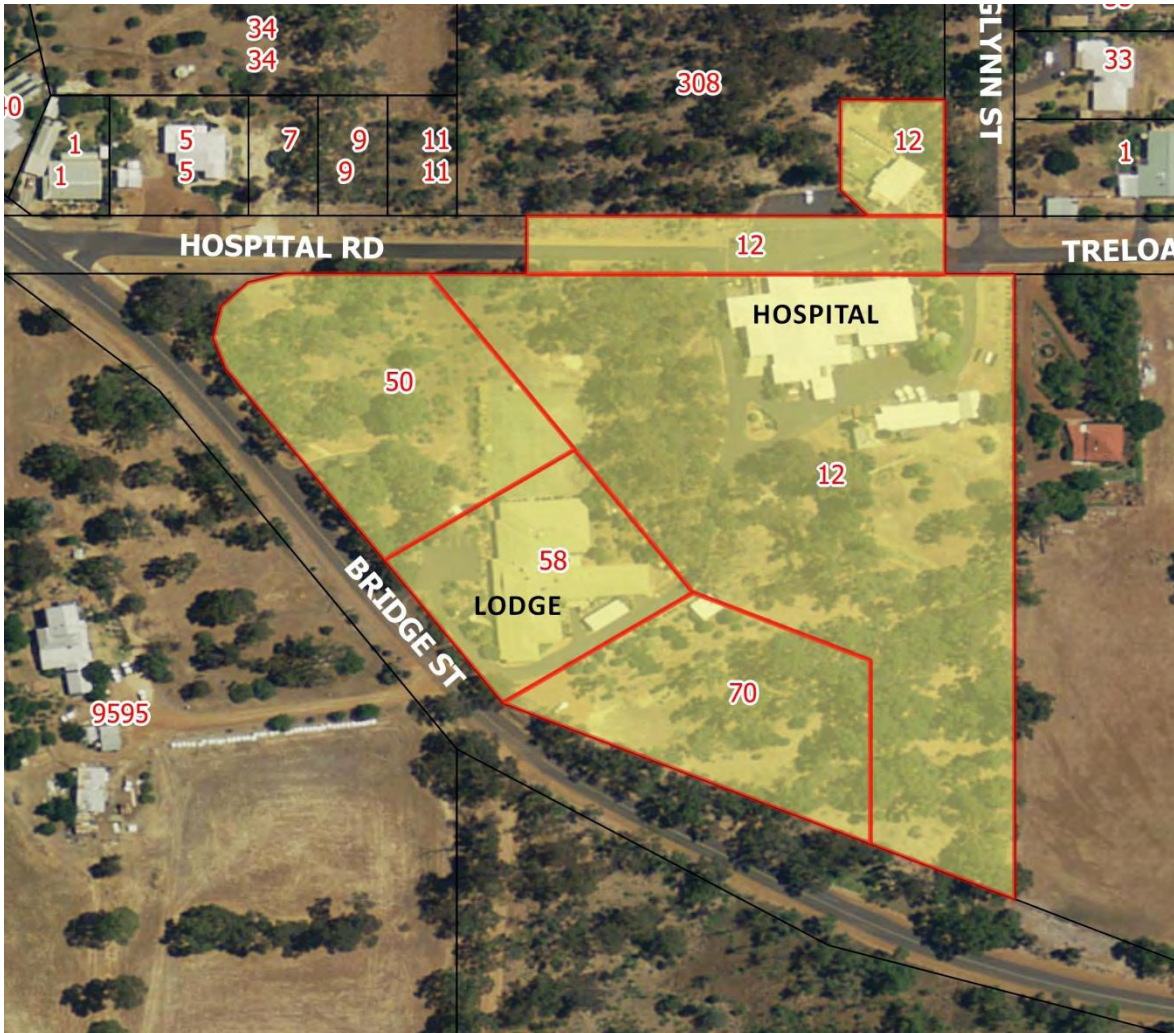
Currently, the Shire managed land is partly developed as aged accommodation. Numbers 58 and 70 Bridge Street are leased to the Health Department of Western Australia who operate the Shire owned Citizens Lodge facility. A grassed playing field (croquet) has been established on a portion of 50 Bridge Street and a portion of 12 Hospital Road. There appears to be no agreement in place for the Shire to occupy a portion of the Heath Department managed Reserve. The proposed boundary adjustment will resolve this anomaly and provide more land for the Shire development.

The plan is for the three lots managed by the Shire, and the portion of the lot managed by the Health Department, that is to be transferred, to be made into one land holding with a Purpose (if it's a Reserve) or condition (if it's a Crown Grant), conducive to the planned development (Aged Accommodation).

The proposal is to prepare a plan for the full development, to provide for future expansion, and to stage construction in accordance with demand. Stage one may consist of 5 or 6 independent living accommodation units. The intention is to fund the construction with loan funding and to pay the loan off with revenue from the activity.



The Shire is now proposing to advertise the proposed major land transaction in accordance with the *Local Government Act 1995* and then report to Council for determination on the proposed development in April 2015.



## **4. LEGISLATIVE REQUIREMENTS**

### **4.1 PREPARATION OF A BUSINESS PLAN**

Section 3.59 of the Local Government Act 1995 details the process governing commercial enterprises' by local governments, including Major Land Transactions. This Section defines the development of land as being a land transaction. A Major Land Transaction is a land transaction that is not exempt under the Act, and where the total value of:

- (a) the consideration under the transaction; and
- (b) anything done by the local government for achieving the purpose of transaction, is more, or is worth more, than either \$2M or 10% of the operating revenue of the local government in the last completed financial year.

Ten percent of the Shire's operating revenue for 2013/14 is \$452,052. Council has capped the cost of stage one of the development at \$2m, through its 2014/15 budget process. However the total project, if further stages are developed, will exceed this value.

Before entering into a Major Land Transaction the Shire is required to prepare a Business Plan that includes an overall assessment of the land transaction including:

- Expected effect on the provision of services and facilities by the Shire;
- Expected effect on other persons providing services and facilities in the district;
- Expected financial effect on the Shire;
- Expected effect on the Shires Plan for the Future;
- The ability of the Shire to manage the performance of the transaction; and

This Business Plan complies with the requirements of Section 3.59 Commercial Enterprises by Local Governments of the Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996.

## **5. ASSESSMENT OF MAJOR LAND TRANSACTION**

### **5.1 EFFECT ON THE PROVISION OF FACILITIES AND SERVICES BY THE SHIRE**

If Council develops the proposed aged accommodation facility, it will provide residents and others the opportunity to move to a smaller home in Boyup Brook. There are no small lot developments in Boyup Brook at this time, due to constraints brought about by the lack of a sewerage scheme, and so limited options for well aged people who want to down size. The proposed development would be staged such that the early stages rely on an on site disposal system, and that full development would be pending a sewerage scheme.

This initiative will provide an option, which currently does not exist, for aged persons to remain in Boyup Brook. The plan is for the units to be constructed such that residents will be able to age in place and so may not have to contemplate moving, to more suitable accommodation, as they get older.

The development will rely on the existing facilities in Boyup Brook and not duplicate these as part of the development. This will reduce up front and ongoing costs for its residents and encourage their participation community activities. Residents of the development may also be able to utilise Citizen Lodge facilities and services.

The development should increase the town's population. The flow on effect would be reflected in an increase in demand for goods and services, employment opportunities, increased community organisation membership and better utilisation of community facilities.

## **5.2 EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES IN THE DISTRICT**

The proposed development will be different to any other accommodation option currently available in Boyup Brook, and so should have no impact on other entities providing accommodation in the district.

## **5.3 EXPECTED FINANCIAL EFFECT ON THE SHIRE OF BOYUP BROOK**

The proposal is to keep up front costs down by utilising Crown Land that the Shire manages and to avoid the need to purchase land. Also to utilise existing facilities, some provided by the Citizens Lodge and others already available in town, in preference to duplicating facilities as part of the development.

The project relies on 100% loan funding, the application of loan funds currently held (\$400,000) and new borrowings of up to \$1.6m. Current interest rates available to Council range from 2.46% for 1 year and 3.45% for 20 years.

The favoured business model, for the development, includes residents paying an up front sum (\$260,000 in a nearby town) and a weekly amount. This model has proved to be sustainable at other locations (the not for profit group operating a facility in a nearby town has been able to expand its operation without the need to raise loan funds).

The proposal is for more detailed planning to be done over the next few months, to better assess potential costs and risks, and then to market the opportunity prior to development. Council is looking to a self funding model and is unlikely to progress the development if the detailed planning shows a significant shortfall. Council will have to borrow funds to complete the project but hopes to reduce the amount by any "off the plan" sales that can be garnered prior to construction.

It is expected therefore that, if the project goes ahead, it will have limited financial affect on the Shire.

## **5.4 EFFECT ON MATTERS REFERRED TO IN THE PLAN FOR THE FUTURE**

The proposed development aligns with the Shire's Strategic Plan 2013-2023 Objective to *Facilitate affordable and diverse housing options* and the Priority *Develop a range of aged accommodation opportunities*.

## **5.5 ABILITY OF THE SHIRE TO MANAGE THE UNDERTAKING**

The Shire of Boyup Brook is sufficiently resourced, skilled and experienced to manage the proposed development project. The Shire has also provided sufficient budgeted funding to utilise the professional services of Shire's Planning Consultant, who will spearhead the design stage of the project, and other professionals such as an Architect and Engineer to provide specialist services.



## **6. BUSINESS PLAN ADVERTISING AND SUBMISSIONS**

Section 3.59 of the *Local Government Act 1995* requires the Shire to give state-wide and local public notice of the major land transaction under consideration inviting public submissions for a minimum period of six weeks.

A notice will be placed in the West Australian on Saturday 21<sup>st</sup> February 2015 and in the Manjimup Bridgetown Times on Wednesday 25<sup>th</sup> February 2015. Notices will also be placed on the Shire's public notice board. This notice and business plan will also be available to view at [www.boyupbrook.wa.gov.au](http://www.boyupbrook.wa.gov.au) and available for inspection at the Shire's Administration Centre.

Submissions are to be made in writing to the Chief Executive Officer and received no later than 4:00 pm, 6<sup>th</sup> April 2015.

Submissions are to be addressed to:

Chief Executive Officer

Shire of Boyup Brook

PO Box 2

BOYUP BROOK WA 6244