



DENMARK SLSC TRANSFORMATION PROJECT

Concept Design Report

March 2018

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1. Executive Summary

Early in 2017 PTX Architects were engaged to prepare a Concept Design for a new clubhouse as part of the Denmark Surf Life Saving Club Transformation Project.

In July 2017 a design workshop was held with members of the Club's Building Subcommittee, life members, the business case consultant Keston Technologies, representatives from key stakeholders, the Shire of Denmark and Regional Development Australia. Key outcomes from the workshop included the confirmation of the location of the new facility to the south west of the existing facilities. Further member and stakeholder surveys undertaken by Keston Technologies indicated a high level of support for the proposal.

In December 2017 the Shire of Denmark released a draft Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) and draft Ocean Beach Foreshore Concept Plan. The Concept Design by PTX Architects aligns with the key points identified in both plans.

As part of the Concept Design process a detailed site analysis was undertaken. The local climate, broad locality, site, geotechnical conditions and materials were investigated. The results identified a number of opportunities and constraints that are addressed in the Concept Design.

The Concept Design was developed in consultation with the Club's Building Subcommittee in order to meet the Club's functional requirements. It's soft forms and raw materials reference the natural environment embedding the facilities in place. It contains functional and accessible facilities for the public and club members that enhance beach safety whilst creating a vibrant beach experience. Environmentally Sustainable Design elements feature throughout the design. The artist's impressions give an indication of what the building and activated spaces will look like.

An Opinion of Probable Cost report has been prepared by a quantity surveyor. It identifies a Total Construction Cost of \$3,654,000 which includes a \$609,000 locality factor. The estimated gross project commitment is \$4,711,000. A governance structure using qualified professionals has been identified to implement the project with high quality outcomes.

The Denmark Surf Life Saving Club Transformation Project is an exciting project that will transform an iconic Western Australian location. It will enhance the natural environment through accessible connections, considered functionality and harmonic form creating a safe & vibrant beach experience.

2. Vision & Approach

2.1 THE CLUB

Established in 1958 after a tragic double drowning the Denmark Surf Life Saving Club (The Club) is a not-for-profit organisation that provides essential educational and emergency rescue services for beach patrons of Ocean Beach, Denmark, Western Australia. Ocean Beach is recognised as one of the most dangerous patrolled beaches in WA.

Late in 1959 several volunteers gathered at Ocean Beach to prepare a site for the first clubhouse. The construction of the clubhouse was undertaken by local volunteers with donations from the local community. Its completion in 1960 prompted the WA Road Board to upgrade the track leading to Ocean Beach.

In 1968 the Club hosted the W.A State Surf Life Saving Championships and over the years it has continued to host state life saving carnivals. As a popular surfing spot The Club has also been host to WA State Longboard and Stand Up Surf events. Part of Bruce Browns seminal 1966 documentary surf movie, *The Endless Summer*, was filmed at Ocean Beach. Recently Ocean Beach was the backdrop to scenes from the upcoming film adaption of Tim Wintons coming of age surfing novel *Breath*.

The Surf Life Saving movement is a part of the history, fabric and future of Australia. It represents the lifestyle, values and beliefs of the Australian culture. Surf Life Saving seeks to protect life, save lives, and promote healthy lifestyles. Surf Life Saving in WA creates a safe environment in and around the State's beaches, through patrols on, in and above the water and through education and training programs, both at the beach, in club facilities and in the wider community at schools and workplaces.



Surf Life Saving is the largest volunteer organisation of its kind in Australia. As a not-for-profit movement, Surf Life Saving exists only through community donations, fund raising and corporate sponsorship. Denmark SLSC currently has 290 members (2017-18) including 121 juniors participating in the nipper program. Members volunteer their time to patrol the beach on weekends and public holidays from the first weekend in December to the last weekend in March.



2.2 EXISTING FACILITIES

The Denmark SLSC buildings at Ocean Beach are key community assets with high economic and social value. These facilities allow for the local community and visitors to safely use the beach. They consist of a lower club building adjacent to the shoreline which is the original clubhouse. An upper two storey clubhouse is set back further to the west. The public amenities are located in a separate building to the south of the club facilities. A timber retaining wall, constructed in 1988, affords protection to the buildings and adjacent landscaped areas, and allows beach access either side of the wall. The Denmark Boating and Angling Club building is located further to the south west up the hill adjacent to the public carpark.

The existing club facilities have become out of date with current building standards and do not adequately protect from the risks associated with coastal erosion. The training and function spaces, amenities, craft and board storage are insufficient in size and function for current club needs and do not allow for future growth in membership. A structural and hydraulic assessment was undertaken and flagged numerous problems.

Accessibility to the building and the beach is unsuitable for current surf lifesaving and emergency services operations. Universal (disabled) access to the facilities is not compliant with current accessibility standards. Public open space, carparking and viewing areas are limited by the location of the existing facilities and do not allow for the regions population growth and expansion in tourism.

LEGEND

- 1 Lower Club Building (Original Clubhouse)
- 2 Upper Two Storey Clubhouse
- 3 Public Amenities
- 4 Boating & Angling Club
- 5 Public Car Park
- 6 Over Beach Boat Launching
- Pedestrian Beach Access
- Vehicle Beach Access





The lower club building was built in 1960. It has a concrete slab on ground and timber framed walls and roof. It is currently used as a patrol room, 1st aid room, board store and kiosk.

A timber seawall built in 1988 currently protects the buildings from coastal erosion. There are various timber steps, handrails and seating throughout the site.

The upper two storey clubhouse was built in 1987 with additions in 1992 and 2006. It consists of a concrete slab on ground, concrete block ground floor walls and a timber framed upper floor walls and roof.

The upper floor of the two storey clubhouse is currently used for training, functions and community activities. It contains a small kitchen/ servery, bar, toilets and a timber viewing deck.

To the south of the upper clubhouse is a grassed public open area partially fenced off for members. There is a timber retaining wall located between the upper and lower buildings.



Adjacent to the main buildings are the public toilet amenities. Surrounding them is a small grassed public open area. A bitumen path connects the public carpark to the beach and there is a timber viewing platform and stairs along the path giving access to the beach.





2.3 BEGINNINGS

In 2013 the club invited practices to provide architectural services for the refurbishment of the existing upper clubhouse. PTX Architects were awarded the commission and between the years 2013 and 2017 prepared a number of concept designs associated with various levels of refurbishment.

Although addressing many of the clubs needs, ultimately all of the refurbishments schemes were compromised due to the construction problems and locations of the existing buildings. It was also deemed the requirements of the WA State Planning Policy 2.6 which addresses coastal development and sea level rise would also be difficult to satisfy.

In 2017 the club appointed a new building committee and invited PTX to explore the possibility of designing a completely new facility in a location adjacent to the existing public amenities. It was envisaged this scheme would potentially free the design of the limitations of the existing club facilities and in the process address the risks associated with coastal erosion.

2.4 APPROACH

Initial feedback from the surf club community was very positive and in July 2017 a design workshop was run on site by PTX Architects and attended by members of the club's Building Subcommittee, life members, the business case consultant Keston Technologies and representatives from key stakeholders the Shire of Denmark and Regional Development Australia. Although SLSWA representatives were unable to attend, they have been closely involved in the process and provided valuable input.

The intent of the workshop was to explore the sites potential and to draw on the experience and expertise of club members and key stakeholders. Specific recent surf lifesaving club case studies from across the country were presented and discussed.

DESIGN WORKSHOP OUTCOMES

- ▷ The confirmation of the location of the new facility to the south west of the existing facilities
- ▷ Identification of key site opportunities and constraints
- ▷ Establishment of a clear project vision
- ▷ Framework of design principles to be adhered to throughout the planning and design process.

BUSINESS CASE & MEMBER/ STAKEHOLDER SURVEY

Parallel to the design process the surf club engaged Keston Technologies to prepare a business case and establish the framework for an economically sustainable future. Keston undertook a member and broader stakeholder survey of which 48 responses were recorded. The survey indicated a high level of support for the proposal of new facilities.

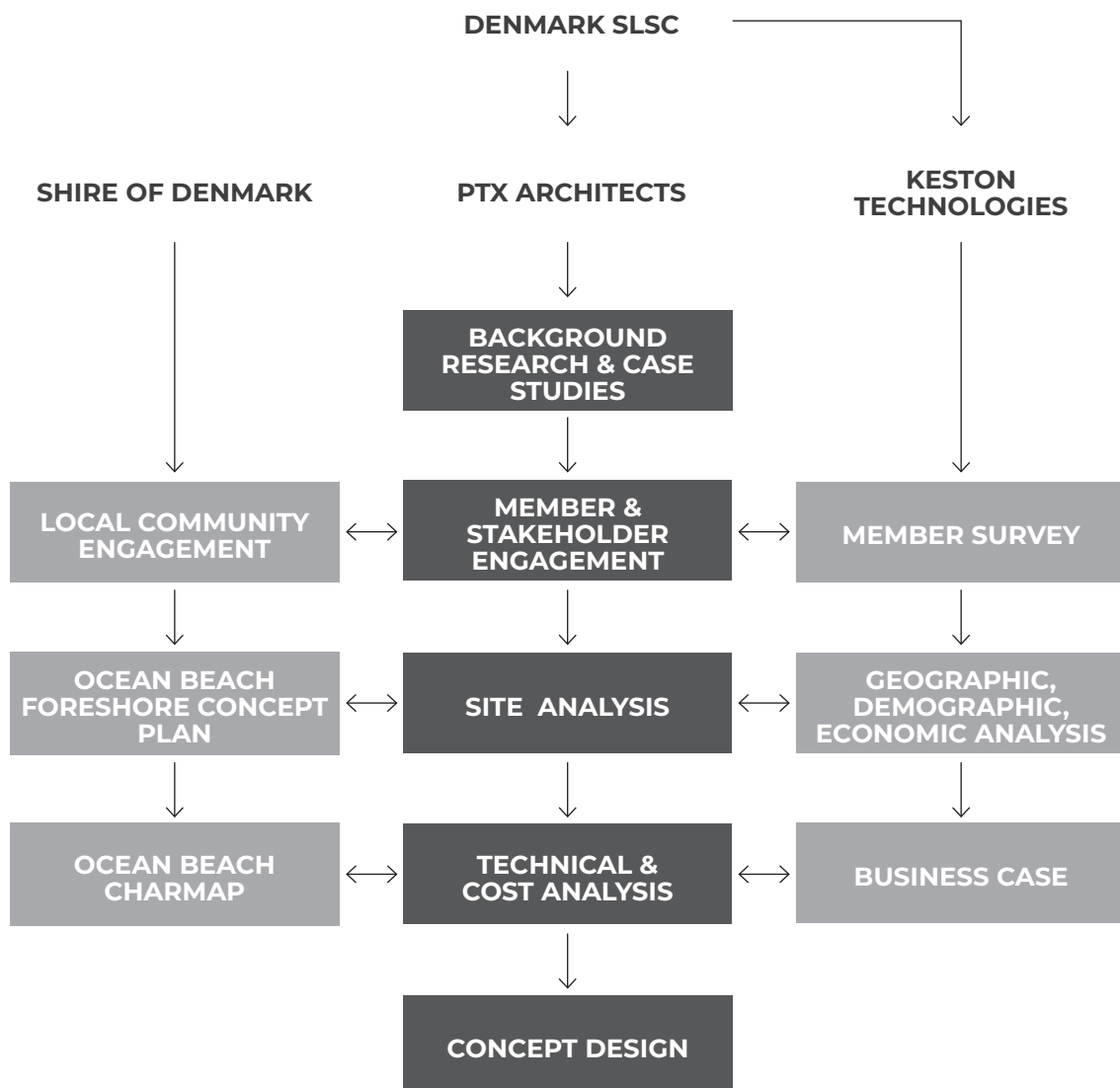
CONSULTATION & PARTNERSHIPS

The surf club has formed partnerships with a number of key organisations who have assisted in the development of the Transformation project including:

- ▷ The Shire of Denmark
- ▷ Surf Life Saving Western Australia
- ▷ Denmark Community
- ▷ Great Southern Development Commission
- ▷ Regional Development Australia - Great Southern WA
- ▷ Department of Local Government, Sport and Cultural Industries

The club has also been a key stakeholder in the development of the Ocean Beach Foreshore Concept Plan and the Coastal Hazard Risk Management and Adaptation Plan for Ocean Beach both of which have extensive local community and stakeholder engagement.

GOVERNANCE DIAGRAM



2.5 PROJECT VISION

PTX Architects and the Denmark SLSC have developed a clear vision for the new facilities at Ocean Beach. They are to aid in better Surf Club functionality resulting in increased beach safety. There is to be an increase in connectivity with the natural environment with a larger amount of public grassed spaces and the creation of a community and tourism hub. In short the vision is to

“ Enhance the iconic natural environment through accessible connections, considered functionality and harmonic form which creates a safe & vibrant beach experience. ”



2.6 DESIGN PRINCIPLES

Our vision is supported by a series of design principles which have been developed to guide the transformation of the facilities from planning and design through to operational management and governance. It will guide the kind of experience that people can expect to have from the facilities at Ocean Beach in the future.

1. Functional & Fit for Purpose

Fit for essential SLSC services

Flexibility of use

Good emergency services access

2. Robust in Nature

Built to withstand conditions

Low maintenance

Energy efficient

3. Integrated with Site

Part of larger site masterplan

Forms community hub

Connected & welcoming to public

4. Future Proof

Integrated with business case

Cost of Works achievable

Ongoing costs sustainable

Possible staging & future expansion

5. Sense of Place

Driven by the natural environment

Beautiful but not overpowering

Reflect history and local community

2.7 CASE STUDIES

A comprehensive analysis of award winning surf lifesaving club architecture was undertaken to inform the concept design. Areas covered included site use, sense of place, form, functionality, storage, structure, materials and costs. Key learnings have been reflected in the concept design.



SEAFORD

by Robert Simeoni Architects

- ▷ Completed 2007
- ▷ \$1.4M Cost of Building Works
- ▷ 2008 Australian Institute of Architects National Public Award
- ▷ Poetic, humble design with sense of place
- ▷ Timber cladding & elements beautiful reflecting the bay location but high maintenance
- ▷ Has full time cafe
- ▷ Flexible 72m² community room assists economic sustainability
- ▷ Full time commercial cafe separate from club which activates building.

NORTH BONDI

by Durbach Block Jagers

- ▷ Completed 2013
- ▷ \$6.8M Cost of Building Works
- ▷ 2014 Australian Institute of Architects NSW Public Award
- ▷ Engaging design which celebrates iconic location
- ▷ Curved rising building profile reflects the erosion of the natural surroundings
- ▷ Frames views creating surprising perspectives juxtaposed by clever placement of mirrors
- ▷ Low per square meter costs including clever use of ceramic tiles as external skin which was a cost effective and robust solution.

CITY BEACH

by Christou

- ▷ Completed 2016
- ▷ \$8.5M Cost of Building Works
- ▷ 2016 Australian Institute of Architects WA Public Award
- ▷ Urban design creates destination through a commercial street frontage and integrated public spaces that connect to the beach
- ▷ Landscaped roof reflects ecology of surrounding landscape. Facility flooded twice in first year highlighting risks associated with rooftop terraces in coastal locations
- ▷ Members not involved in process resulting in non-optimal Surf Club operation.

KEMPSEY CRESCENT HEAD

by Neeson Murcutt Architects

- ▷ Completed 2016
- ▷ \$2.6M Cost of Building Works
- ▷ 2016 Australian Institute of Architects NSW Public Award
- ▷ Small regional community with similar population size to Denmark
- ▷ Beautiful response to site with colour palette alluding to a beach narrative
- ▷ The form of the building is cleverly truncated framing the key views
- ▷ The exterior of the clubhouse is made of glistening, robust brick that is simultaneously flamboyant and humble
- ▷ Incorporates lift for universal access which costs \$5000 per year in maintenance
- ▷ Includes unisex toilets to save space
- ▷ Limited storage due to restricted site means surf boat storage is offsite even though 70% of members rowers
- ▷ Walk up style kiosk is popular and is external commercial operation with \$1700/ month rental income for club
- ▷ Multi use Function room with full commercial kitchen can seat 120 with cocktail style up to 200.
- ▷ Club operates Friday and Sunday functions with \$600-\$1000 income per event. Wedding hire is \$2000-\$3000 income per event
- ▷ Direct access to the beach from facility for rescue craft
- ▷ Public amenities are located in separate building.



OTHER PROJECTS STUDIED

- ▷ Avalon SLSC
- ▷ Bicheno SLSC
- ▷ Davenport SLSC
- ▷ Fairhaven SLSC
- ▷ Garie SLSC
- ▷ Long Reef SLSC
- ▷ Mandurah SLSC
- ▷ Murawai SLSC
- ▷ Mullaloo SLSC
- ▷ Ocean Grove SLSC
- ▷ Point Lonsdale SLSC
- ▷ Woolamai Beach SLSC

3. CONTEXT & PLANNING

3.1 REGIONAL & LOCAL CONTEXT

Denmark is a charming town, located on the banks of the beautiful Denmark River in Western Australia's Great Southern region 450km south east of Perth. The town has a growing population of just under 6000 people. The Great Southern region has a total population of just under 60,000 with Albany its largest city (37,000) located approximately 50km to the east of Denmark. With its rugged coastline, pristine white sandy beaches and towering forests the Shire of Denmark has an array of magnificent natural attractions including Ocean Beach, Greens Pool and the tree top walk.

Being part of the Great South West Edge, Denmark is a world biodiverse hotspot. It is in the top nine habitats for terrestrial (land) biodiversity, with a higher proportion of endemic species than any other equivalent region including birds and many species of marsupial. Denmark is also in the top six for marine biodiversity, containing the most southerly coral reefs in the world due to the offshore Leeuwin Current and an abundance of marine life including dolphins, seals and southern right and humpback whales.

Situated adjacent to the world famous Margaret River region, the Great Southern region is increasingly popular with international and national tourists. Traditionally the region is a popular holiday destination for Western Australians with many people from Perth flocking to its cooler climate during the summer months.

With tourism being a major local industry, many people have developed lifestyles combined with various cottage industries to cater for tourists. Other major local industries include viticulture, fishing, horticulture, aquaculture, cottage industries, agriculture, arts & culture & cheese making.

Denmark is home to a vibrant and diverse community with a great tradition in the arts. Popular local art events include the Denmark Festival of Voice, Brave New Works and the Denmark Arts Markets. The town is also a popular food and wine destination and many of its venues are part of the Taste Great Southern event.

“ The Transformation Project aims to encourage and embrace the vibrant and diverse Denmark community by providing a destination place capable of supporting a range of activities that act to bring the community together ”



3.2 CHRMAP

The Shire of Denmark commissioned Seashore Engineering to prepare a Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) for two coastal areas including Ocean Beach. A CHRMAP is a requirement under WA State Planning Policy 2.6 - State Coastal Planning Policy (SPP 2.6). The draft CHRMAP was released in December 2017. The surf club was a key stakeholder during the consultation process and the risk adoption options outlined below have been implemented into the planning and concept design of the proposed facilities.

The CHRMAP exercise had four main processes.

1. Identification and assessment of coastal hazards.
2. Establishing the context of coastal asset values and community expectations.
3. Risk assessment of the potential impact of coastal hazards upon coastal assets.
4. Adaptation planning for both short term and long term planning horizons.

Community consultation highlighted the high social value placed on coastal assets throughout the Shire and the importance of maintaining these assets through sensitive adaptation strategies.

RISK IDENTIFICATION

The risks to the Shire's coastal assets at Ocean Beach were assessed for defined coastal nodes based on exposure to coastal processes and estimates of the value of mostly public assets. Planning allowances for exposure to coastal processes have been mapped for 10, 50 and 100 years planning periods.

- ▷ The existing Ocean Beach buildings (Lower and Upper surf club buildings, public amenities) were identified as **Highly Sensitive** to coastal erosion.
- ▷ Some controls (risk management) exist including the timber retaining wall adjacent to the surf club.

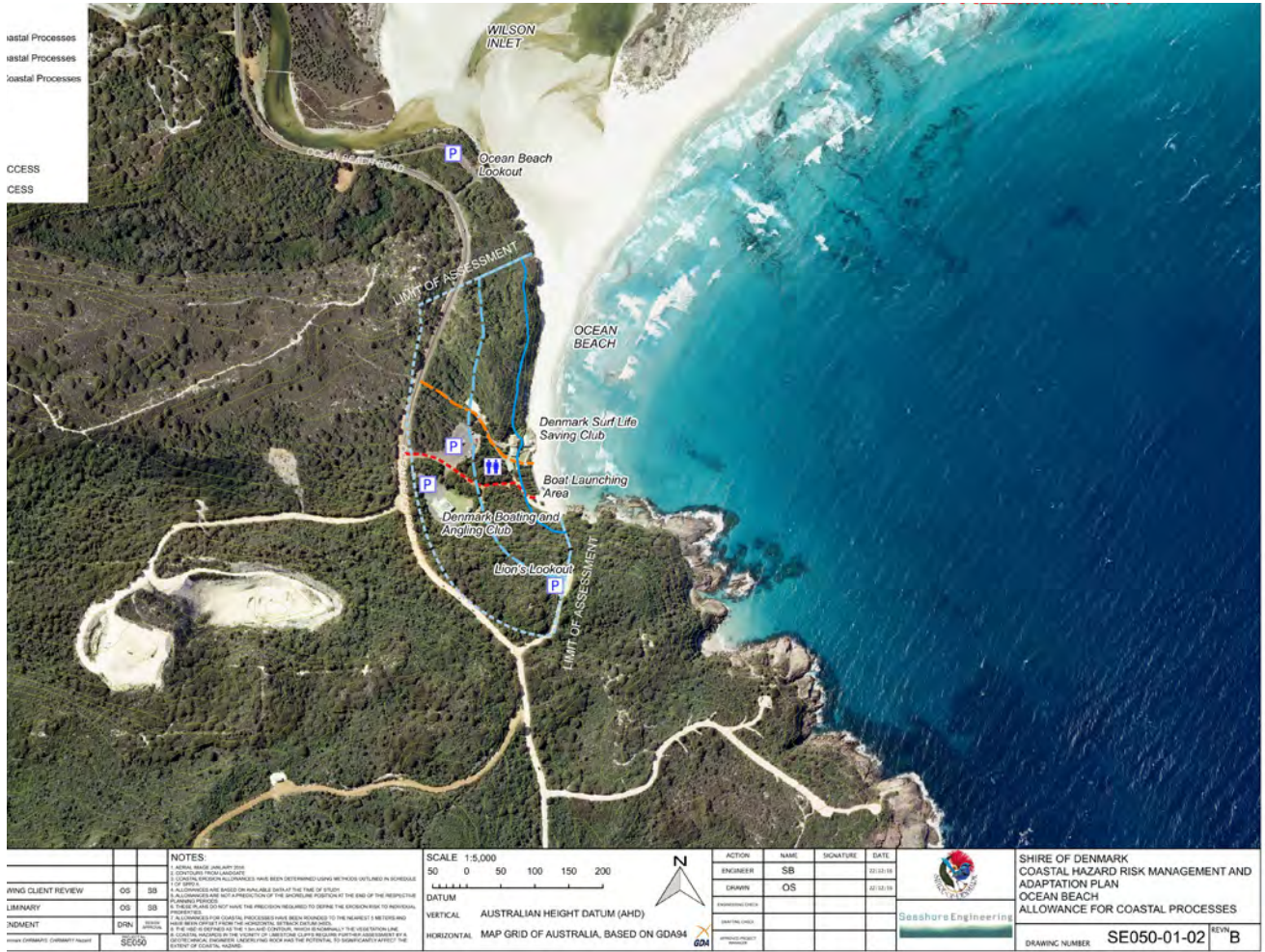
ADAPTION OPTIONS

The CHRMAP identified the preferred risk adaption options for the Ocean Beach assets.

- a. Managed Retreat:** Feasible for the two SLSC buildings at Ocean Beach. Defined as the relocation or removal of assets within the area identified as likely to be subject to intolerable risk of damage from coastal hazards over the planning time frame.
- b. Coastal Protection:** To maintain the present beach access and the future provision of landscaped areas and public amenities. Initially this would be maintenance to the existing timber seawall.

The report also noted that whilst managed retreat/protect is the preferred long term adaptation option, in the short term protection of the existing buildings is required through strategic monitoring and maintenance of the timber retaining wall. The trigger to change from protection to managed retreat may occur when the SLSC buildings are redeveloped or when it is no longer financially viable to continue to protect the buildings (either through the indirect cost of managing impacts on wider coastal area or through the direct cost associated with maintaining the retaining wall). However, the timber retaining wall may still be required to protect public open space and beach access.

The CHRMAP also provides a detailed 10-year implementation plan for the maintenance of existing assets and the provision of future assets as identified in the Shire's foreshore 10- year concept plan.



“ The Transformation Project has given full consideration to the outcomes of the CHRMAP exercise and final design concepts fully align with the risk adoption recommendations outlined in the report ”



3.3 SPP 2.6

Seashore Engineering also addressed the implications of SPP 2.6 in their CHRMAP. SPP 2.6 contains a raft of policy provisions relating to planning around the coasts. Of relevance to this project are the following policy measures:

- ▷ **Measure 5.2 – Development and Settlement:** Ensure that use of the coast, including the marine environment, for recreation, conservation, tourism, commerce, industry, housing, ocean access and other appropriate activities, is sustainable and located in suitable areas.
- ▷ **Measure 5.4 – Building Height Limits:** Maximum height limits should be specified as part of controls outlined in a local planning scheme and/or structure plan, to achieve outcomes that respond to the desired character, built form and amenity of the locality. The amenity of the coastal foreshore is not detrimentally affected by any significant overshadowing of the foreshore. There is overall visual permeability of the foreshore and ocean from nearby residential areas, roads and public spaces.
- ▷ **Measure 5.5 – Coastal Hazard Risk Management and Adaptation Planning:** Where risk assessments identify a level of risk that is unacceptable to the affected community or proposed development, adaptation measures need to be prepared to reduce those risks down to acceptable or tolerable levels. Adaptation measures should be sought from the following coastal hazard risk management and adaptation planning hierarchy on a sequential and preferential basis:
 - Avoid
 - Retreat
 - Accommodate
 - Protect

The 100-year Coastal Process Allowance for Ocean Beach encompasses the area proposed for the development of a new surf club to replace the existing facility. The facility will be developed further back from the coast, and higher in the landscape, however the preferred option for dealing with this scenario under SPP2.6 is to **Avoid** the development. The variation to this policy requirement below may apply.

Policy Clause 7.6 Surf Life Saving Clubs: Where there is a demonstrable need for coastal surf lifesaving club facilities including surf life saver lookouts in the public interest, preference should be given to clubs that are identified in a strategic plan and co-located with other facilities such as those described in sections 7.1 and 7.5.

In this instance, there is a demonstrable need for a coastal surf lifesaving club in this locality, due to the popular nature of this section of beach and the frequent use it receives for various recreational purposes. The existing club also has a strong history on this site, which should be recognised. As such, the Shire, in conjunction with the club, are adopting a managed retreat from the existing site, followed by an accommodate/protect pathway once the new building is constructed.

3.4 ENVIRONMENT

There is a requirement for Department of Environment and Regulation (DER) and Environmental Protection Agency (EPA) approvals. Pre-project dialogue will begin with these agencies, with necessary processes and approvals anticipated prior to execution of grant agreements.

3.5 OCEAN BEACH FORESHORE CONCEPT PLAN

In December 2017 the Shire of Denmark released a draft Ocean Beach Foreshore Concept Plan. The surf club was a key stakeholder in the consultation process and the concept plans key objectives are in line with our proposed concept design and project vision.

- ▷ The plan identifies the relocation of the surf club facilities to the south west of the existing facilities
- ▷ The plan shows the demolition of the existing upper two storey club facilities and public amenities resulting in increased public open 'green' space.
- ▷ The Lower club facility is identified as to be retained until managed retreat is triggered in accordance with Ocean Beach Coastal Hazard Risk Management and Adaption Plan
- ▷ The plan shows improved vehicle access to the beach
- ▷ Consideration of universal (Disabled) access to club facilities from the car park is identified.
- ▷ The plan shows a public lookout and extension of the existing carpark.



3.6 TOWN PLANNING

The Transformation Project concept design aligns with key state, regional and local planning requirements, strategies and policies as well as the CHRMAP, SPP 2.6 and the OB foreshore concept plan.

LEASE

The land is owned by the Shire of Denmark and provided to the Denmark Surf Life Saving Club through a long-term peppercorn lease arrangement. As the Shire of Denmark are key stakeholders and heavily involved in the planning and design process no issues are anticipated with regard to negotiating a lease for the proposed facility. A change to the existing lease boundary is also required, with no anticipated issues (as stated by the CEO).

SHIRE OF DENMARK TOWN PLANNING SCHEME NO.3 (TPS 3)

The proposed location of the new building is in a large A-Class Reserve designated for the purpose of Parklands and Recreation within TPS 3 in alignment with the facilities proposed. Additional carparking requirements would be provided by the proposed carparking extension shown in the OB foreshore concept plan.

SHIRE OF DENMARK CORPORATE BUSINESS PLAN 2016-2020

The Corporate Business Plan seeks to activate 'Denmark 2031' through major actions and projects in the four year period commencing July 2016. This plan guides action on prioritised strategies to achieve the Shire's vision, whilst delivering improved services and outcomes for the Shire of Denmark. Public safety features heavily in the plan and it outlines the Shire's direct intentions to "support the Denmark Surf Club redevelopment/upgrade" in section 1.10 Recreation.

SHIRE OF DENMARK STRATEGIC COMMUNITY PLAN 2031

The Shire of Denmark has undertaken an extensive community consultation process to develop a strategic community plan to develop a long term vision as a way to plan for the future prosperity of the Denmark community while retaining key values. Key considerations of the plan that align with the values of the Transformation Project include:

- ▷ Importance of Public Safety and Security for both residents and visitors.
- ▷ Prime Advantage of Denmark for Tourism and Livability is its coastal location, and its proximity to rivers and coastal inlets. The waterways are of importance to the residents and visitors both as a source of recreation but also as productive locations for maritime industries.
- ▷ Physical and outdoor recreational opportunities, both passive and organised, are important for the health and wellbeing of the community.

4. SITE ANALYSIS

4.1 CLIMATE

The site is located in Climate Zone 6 - Mild Temperate. In general the main characteristics of climate zone 6 are as follows:

- ▷ Low day–night temperature range near coast, high range inland
- ▷ Four distinct seasons: summer and winter exceed human comfort range; spring and autumn are ideal for human comfort
- ▷ Mild to cool winters
- ▷ Mild to hot summers
- ▷ Moderate humidity in areas of high rainfall.

SOLAR COLLECTION

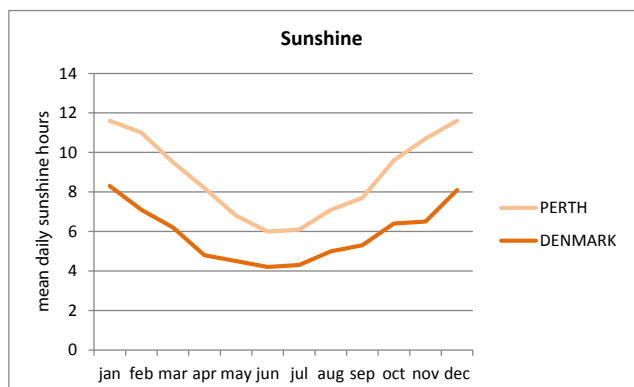
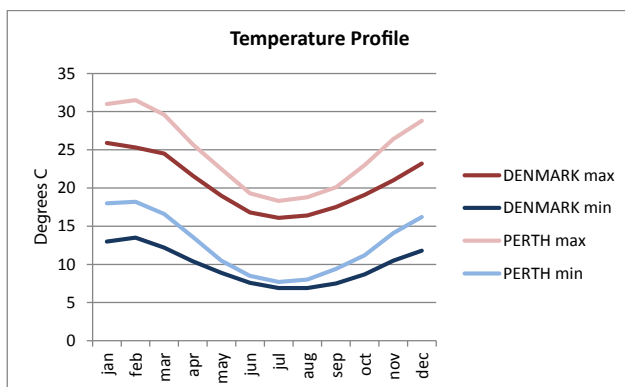
Solar access for heating is limited due to sunshine hours. The focus should be on insulation and thermal control, and minimising energy required for heating. Solar access can supplement heating in winter but cannot be the only source.

THERMAL MASS

Concentrate on maximising thermal mass use during the middle of the day in all seasons and look for opportunities to circulate the heat stored. Carpet / rugs should be used on areas where no thermal gain is likely.

VENTILATION

In summer, the wind direction is mostly from the south east giving cooling opportunities. In winter the wind direction is mostly from the west requiring areas of protection.

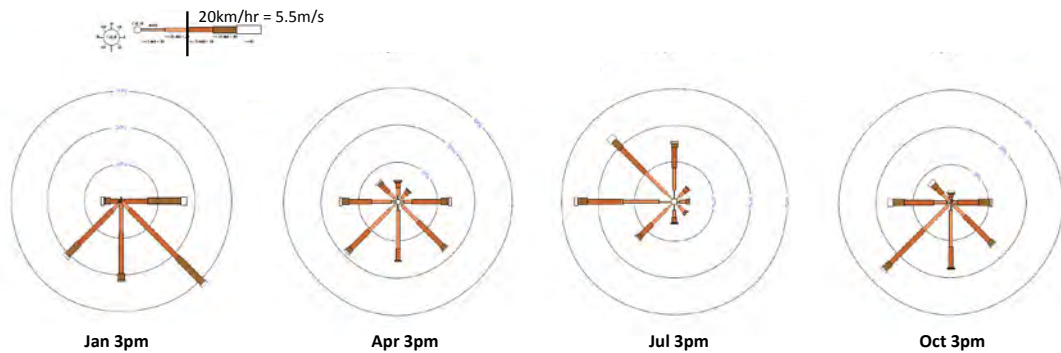


ENERGY GENERATION

Whilst optimising orientation is essential, the number of sunshine days is much less than Perth. This should not preclude solar, but will affect the efficiency of the system. An evacuated tube solar hot water system may be desired due to its solar efficiency. The location is favourable for wind generation as demonstrated by the nearby Denmark Community Windfarm.

OCCUPANT MANAGEMENT

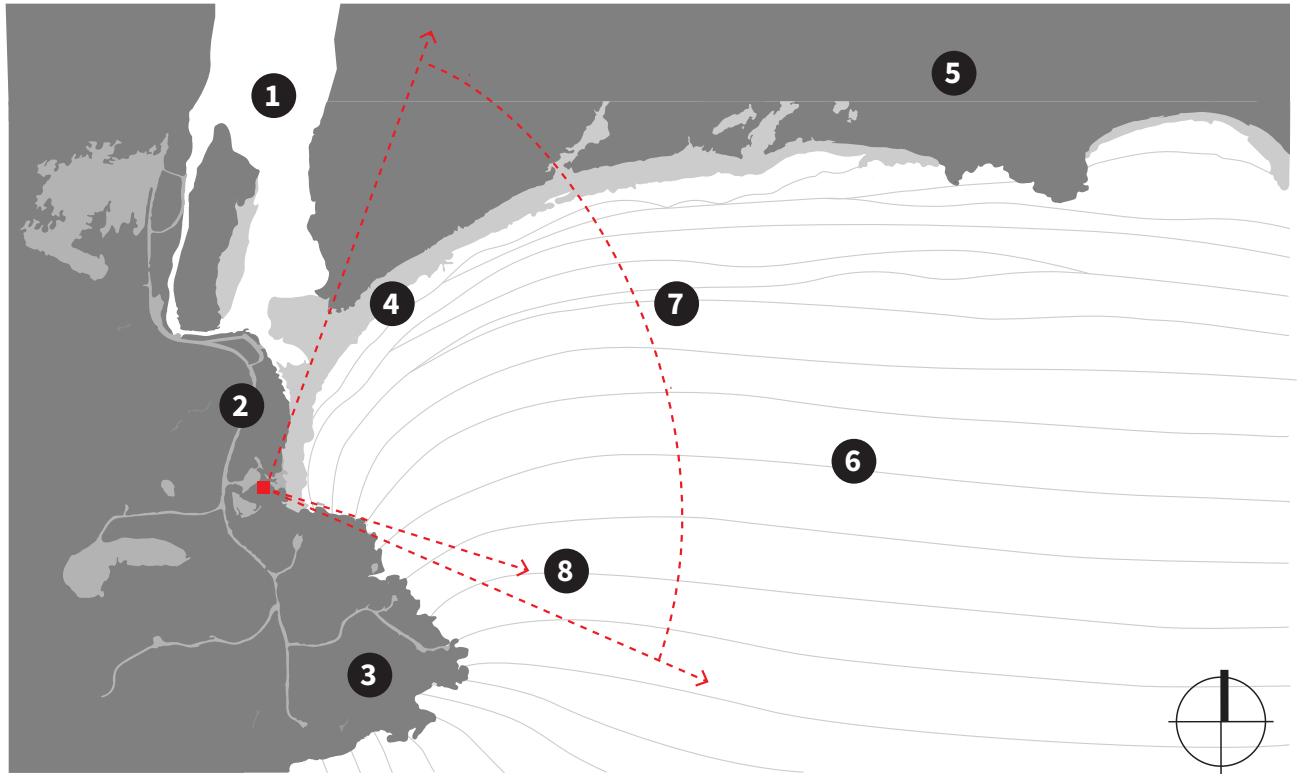
The temperature profile suggests that for most of the year the temperature during the day falls within the comfort zone. Occupants should be encouraged to manage their own comfort through the use of operable windows for breeze paths and blinds for solar gain control, etc.



In its first 12 months of commercial production the Denmark Community Windfarm located on Wilson Head generated 5.4GWh of electricity equal to 55% of the local communities annual domestic power consumption.



4.2 LOCALITY



- 1 Wilson Inlet
- 2 Ocean Beach Rd
- 3 Wilson Head
- 4 Ocean Beach
- 5 Nullaki Peninsula
- 6 Southern Ocean
- 7 Expansive View: Ocean Beach, Nullaki Peninsula, Knapp Head
- 8 Discrete View: Ocean Beach Point

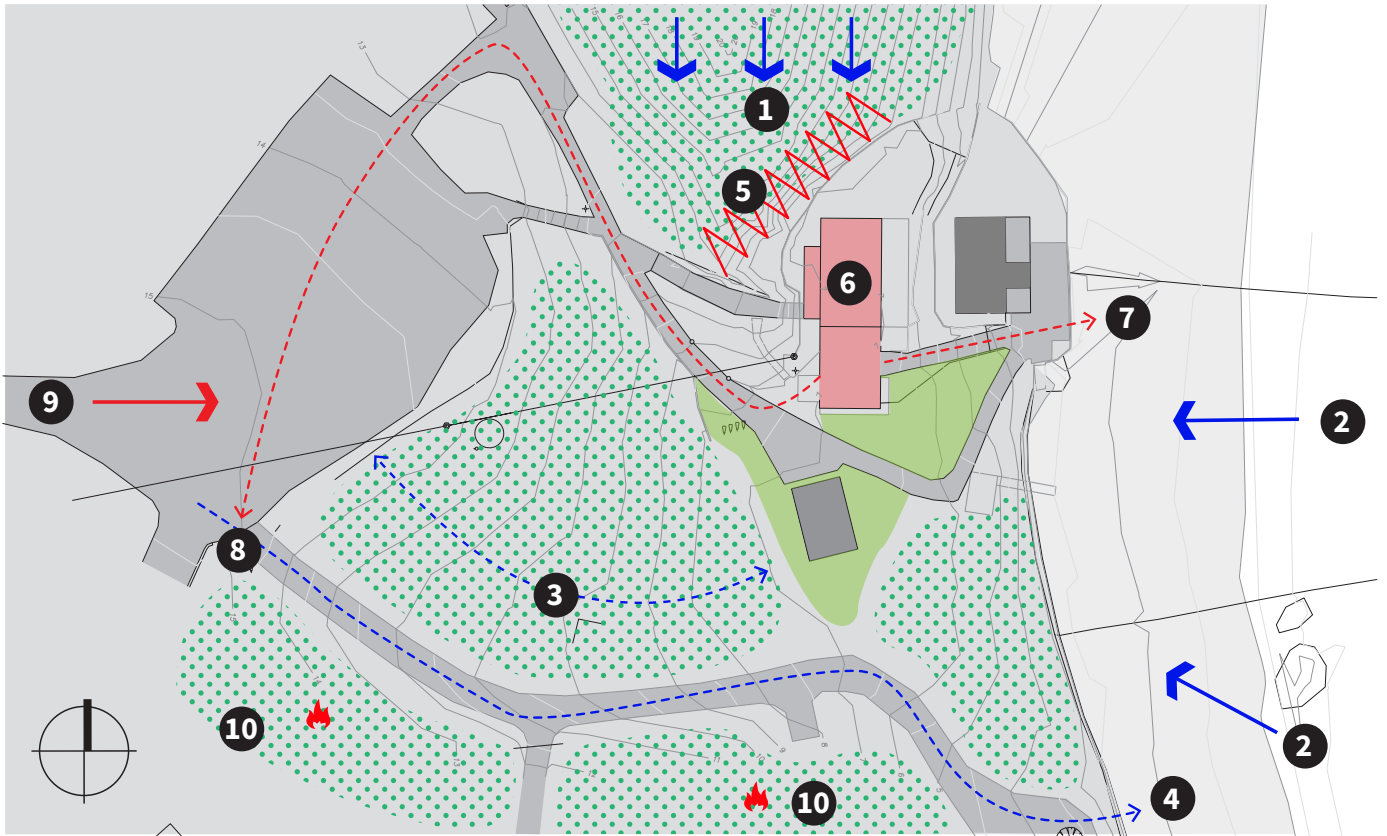


The Nullaki Peninsula situated between Ocean Beach and Wilson Inlet is a pristine natural environment of coastal sandunes.

North of Ocean Beach limestone and granite cliffs continue to Knapp Head and beyond to West Cape Howe National Park.



4.3 OPPORTUNITIES & CONSTRAINTS



Opportunities

- 1 Solar Access
- 2 Summer Sea Breeze
- 3 Level Difference
- 4 Beach Vehicle Access

Constraints

- 5 Steep Sand Dune
- 6 Two Storey Building Blocking Expansive View
- 7 No Beach Access for Club Vehicles
- 8 Beach Access for Club Vehicles through Pedestrian Access
- 9 Winter Prevailing Winds
- 10 Bushfire Risk

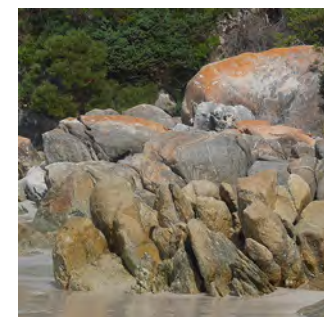
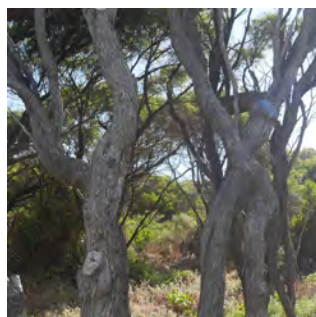
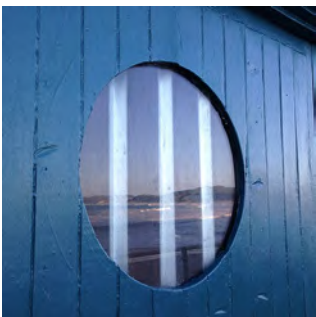
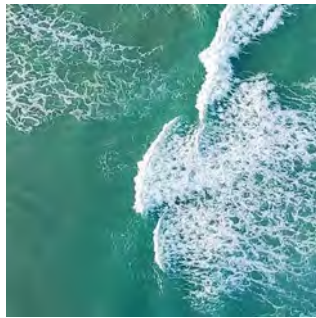
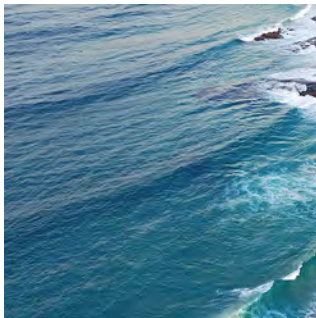
4.4 GEOTECHNICAL

A geotechnical investigation of the proposed location consisting of eight bore holes was carried out to determine the surface site conditions, subsurface soil profiles, moisture content, depth of layers encountered and water table measurements.

Non reactive soil types were encountered throughout consisting of sand with silt topsoil and sandy gravel layers underneath. The Characteristic Surface Movement (Y_s) that the site may experience due to variations in subsurface moisture conditions during normal climatic changes was calculated to be 0mm. The site was classified Class A in accordance with AS 2870.

Refusals were encountered in four bore holes. The colour of the spoil did not change indicating a more compact version of the sandy gravel layers, possibly limestone bedrock.

4.5 SITE MATERIALS & FORMS



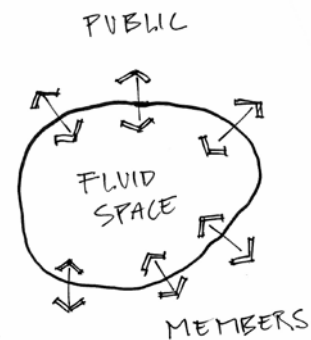


5. CONCEPT DESIGN

5.1 PART I

Drawing on the Context and Site Analysis and referencing the project vision and design principles the overarching parti, or concept, consists of a number of central ideas that define the Transformation Project.

- ▷ Fluid space and soft forms that reference the natural environment embedding the facilities in place
- ▷ Functional and accessible facilities for the public and club members that enhance beach safety
- ▷ Defined pedestrian pathways with clear lines of sight of main views creating deep sense of place
- ▷ Multiple nodes of activity creating a vibrant beach experience

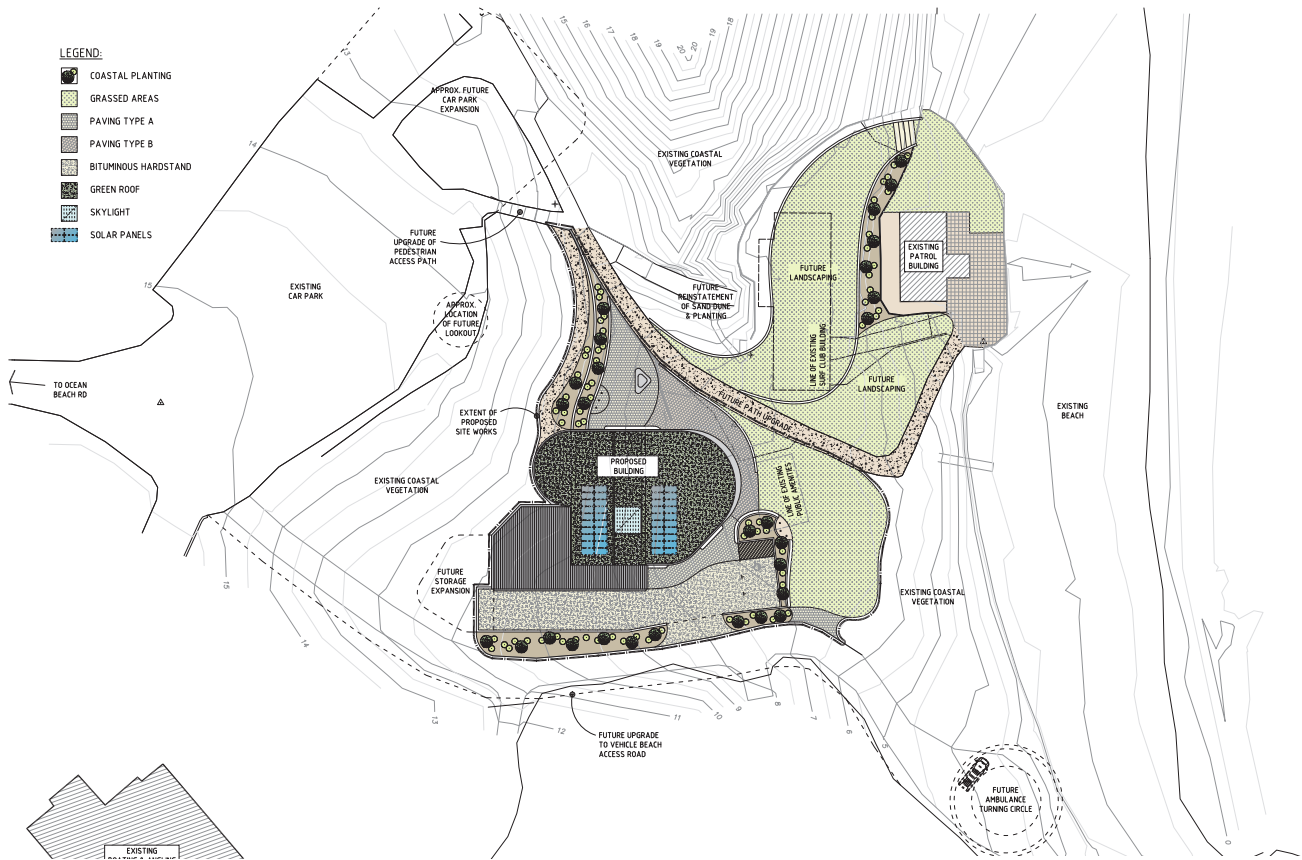


CONCEPT STRUCTURE PLAN



- | | |
|-------------------------------|---|
| 1 Public Lookout | 4 Tiered Grassed Public Open Space |
| 2 Public Activity Node | 5 Relocated Surf Club Facility |
| 3 Club Activity Node | 6 Club Vehicle & Powered Craft Accessibility |

5.2 SITE



For drawing to scale refer to appendix drawing sk.48

PEOPLE

The beach is an important part of Australian culture and activities such as boating, surfing, fishing and swimming are favourite past times of the local community. Denmark is often referred to as ‘*where the forest meets the sea*’.

The Transformation Project seeks to enhance Ocean Beach as a vibrant social environment, a ‘*third place*’ away from home and work that helps nurture community wellbeing.

The relocated surf club and tiered grassed public open space will provide an easily accessible and welcoming place where people can share safe beach experiences with family and friends, grab a cup of coffee and some food, undertake exercise and relaxation and participate in a variety of community activities and events.

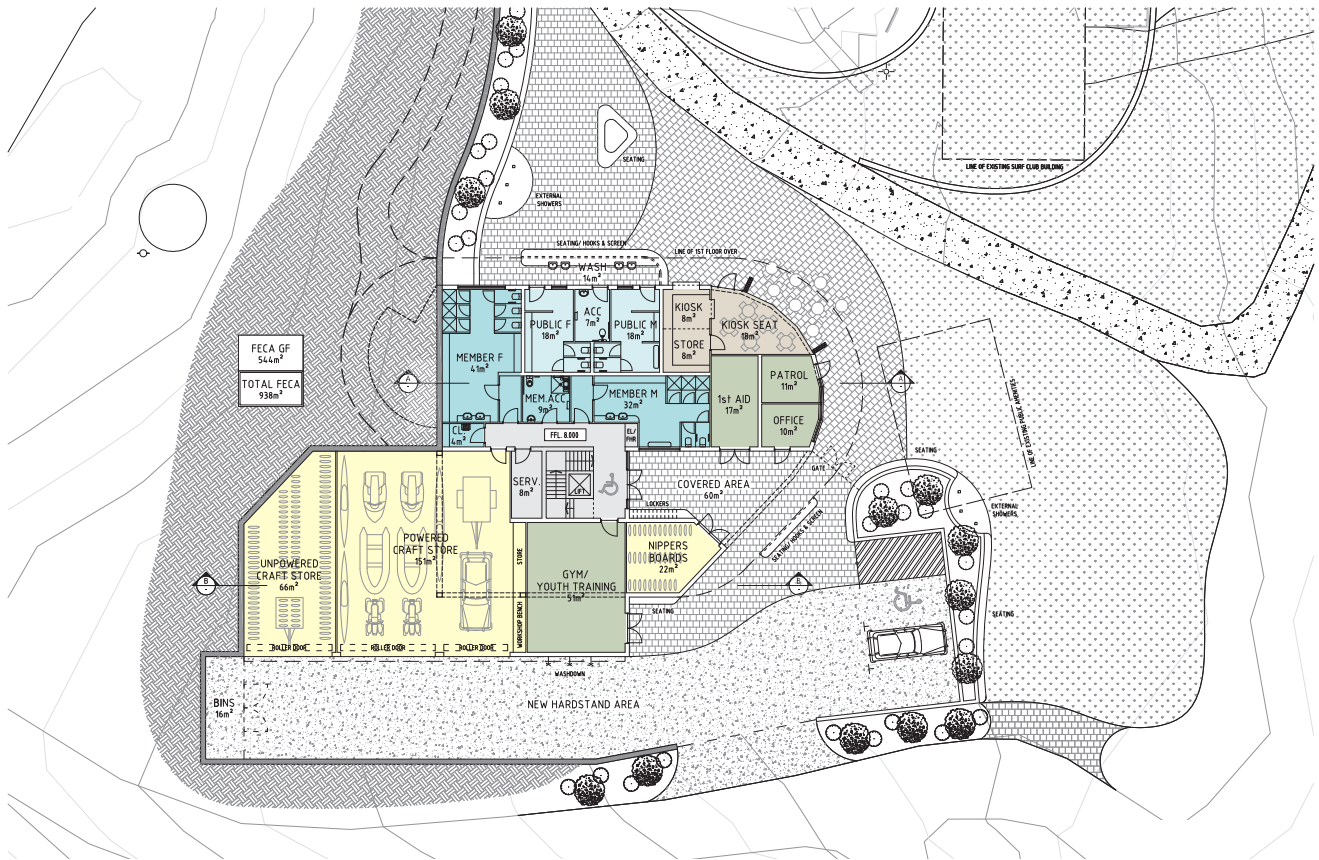
PLACE

The landscaping and facilities aim to be contextually appropriate and responsive to the natural environment. The building is nestled into the hill and surrounded by natural vegetation. Its form and mass is designed to be fluid and harmonious to not overpower its natural surroundings.

The soft shapes and curved lines reference the ocean swell lines that wrap around the weathered granite headland. The raw material palette and green roof responds to the exposed coastal environment.

The art components of the project embrace the local history of creativity and provide an opportunity for extensive community involvement.

5.3 GROUND FLOOR



For drawing to scale refer to appendix drawing sk.49

CONNECTED

The proposed facilities will be connected to public carparking and surrounding walking and bike trails through clear vehicle and pedestrian pathways. Bike racks, seating and other features will create a pedestrian and cycle friendly destination.

Relocating the surf club building out of lines of sight of the main views will increase visitors connection with the beautiful natural environment. Connection to the natural environment is important to enhance social interaction, improve social networks and increase community cohesion, safety and pride. The natural environment is highly valued by the Denmark community.

SAFETY

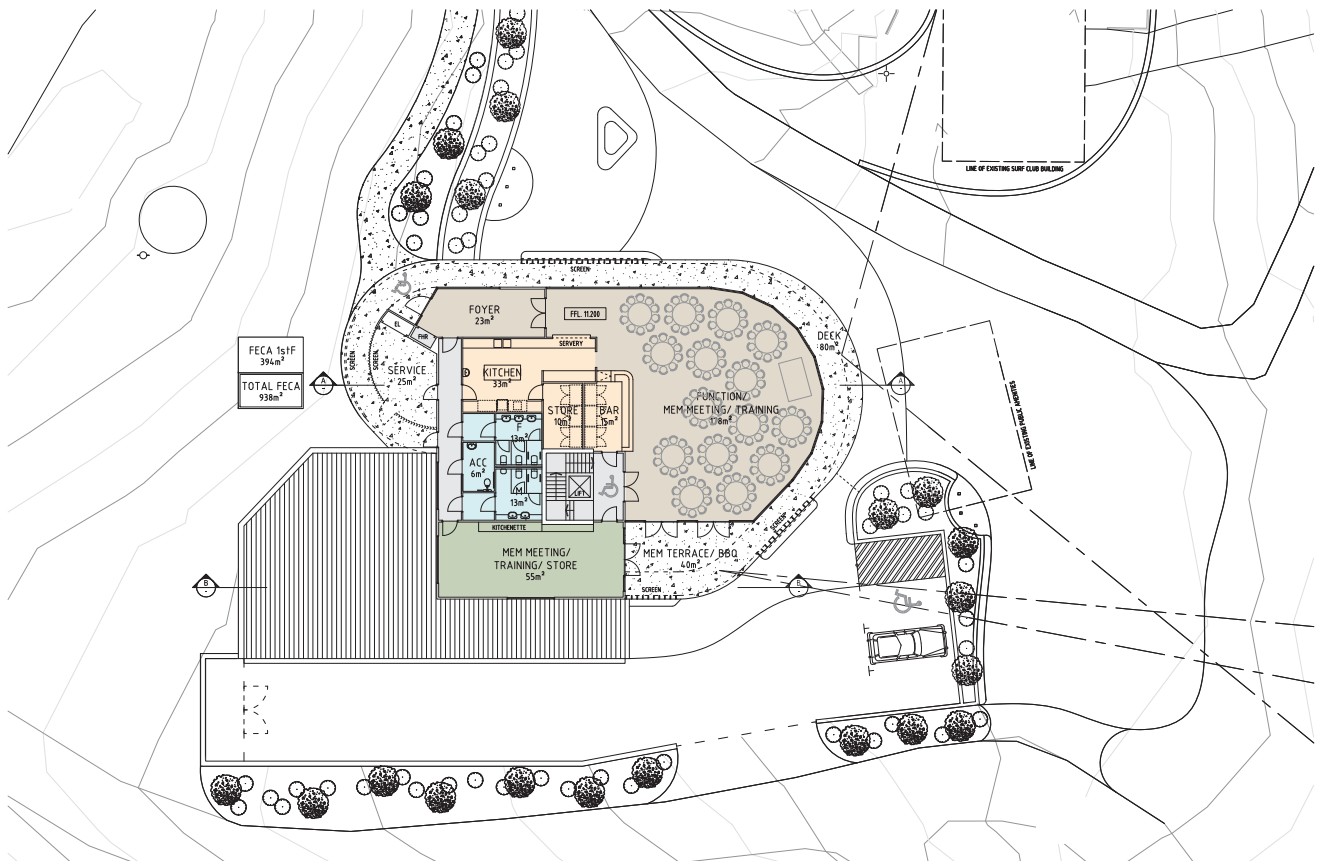
The main purpose of the Denmark Surf Life Saving Club is to create a safe beach environment for the public. The raised floor levels, the circular design and high levels of glazing combined with the tiered public open space will assist with passive beach surveillance.

The increased powered and unpowered craft storage with functional layout and direct access to the beach will increase emergency response times, public safety, and enhance the operation of the life saving services. It will also remove the interaction with public pedestrian paths that currently exist.

The large flexible wet and dry training facilities will enable better essential life saving services training.

The site will also feature wayfinding systems, public lighting and universally designed pathways that increase the overall safety of the site.

5.4 FIRST FLOOR



For drawing to scale refer to appendix drawing sk.50

UNIVERSAL DESIGN

The facilities will be readily accessible for people with disabilities and will cater for age and cultural diversity in the community.

The site will be upgraded to include universally accessible carbars, compliant pavement gradients and ramps. Pedestrian pathways will be easy to navigate and complimented by a graphic wayfinding system.

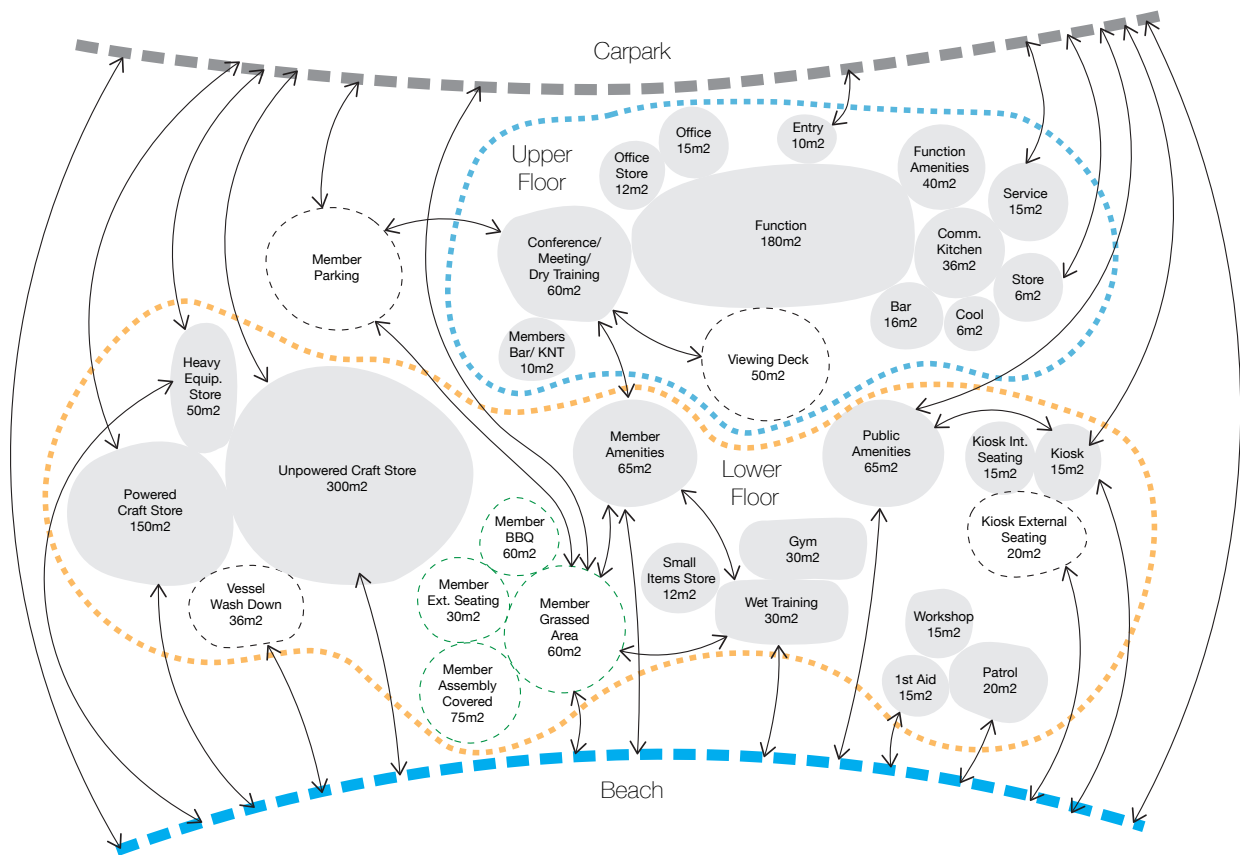
During the detailed design stages a disability consultant will be engaged to ensure maximum universal design outcomes are achieved.

HEALTHY AND ACTIVE

The large grassed public open spaces combined with enhanced surf club recreational facilities, access to surrounding cycling and walking trails and connection to the beach and surfing environment promotes an environment of physical activity. Environments that promote physical activity are proven to have many benefits to the mental and physical health of the community.

The accessibility and connectivity of the building with the surrounding open space and inviting nature of the facilities creates nodes of activity and encourages the staging of community events such as surfing and life saving competitions, art and music events, food vans and markets and much more.

5.5 FUNCTION



FUNCTIONAL RELATIONSHIPS

The functional relationships diagram is a visual representation of the areas and their relationship to each other, as well as external areas. The diagram was developed in consultation with the surf club's Building Subcommittee and reflects the user driven design approach that enhances the operation of the critical life saving services.

Key functional relationships of the concept design which do not exist in the existing facilities include:

- ▷ Clear separation of club and public areas.
- ▷ Direct access for essential life saving powered craft to the beach through a dedicated vehicle pathway.
- ▷ Direct access from the powered and unpowered craft storage to a hardstand and washdown area allowing for easy vehicle turning circles.
- ▷ Direct access for a large 'wet' youth training area on the Ground Floor to a covered paved area. Secured external Ground Floor club area with direct access to a large public grassed area for training.
- ▷ Carbays for key club members including a disabled carbay with direct access to Ground Floor entry.
- ▷ Internal connectivity between the two floors and provision for a lift if required.
- ▷ Separate members area on the First Floor with direct access to amenities and a terrace enabling club operations to continue whilst private functions or community activities are taking place in the main function room.

5.6 AREA

AREA ANALYSIS

The area analysis demonstrates the proposed facilities cater for the current needs, the anticipated growth of the club and greater public use of the site. The proposed Craft and Board Storage and Function room are double the size of the existing Upper Building facilities. There is also an additional 78m² of training/meeting areas. As well as the increased club facilities there is a large increase in public open space with proposed public grassed and paved areas over double the size of the existing.

EXISTING CLUB FACILITIES	m2	EXISTING PUBLIC FACILITIES	m2
Craft & Board Store (Upper Facilities)	123	Amenities	74
Lower Facilities (Patrol, Store, 1st Aid, Kiosk)	76		
Club Training Areas	27	Grassed Areas	755
Club Amenities	56	Paved Areas	216
Function Room (75-100 seated)	85		
TOTAL	367		

PROPOSED GROUND FLOOR	m2	PROPOSED 1ST FLOOR	m2
Craft Store		Club Areas	
Unpowered Craft	66	Meeting/ Training	55
Powered Craft	147	Amenities	
Members Boards	15	Female	13
Club Areas		Male	13
Gym/ Youth Training	50	Accessible	6
Office	10	Function	
Patrol	11	Function Room (150-170 seated)	178
1st Aid	17	Kitchen	33
Club Amenities		Bar	15
Female	41	Store	10
Male	32	Other	
Accessible	9	Foyer	23
Cleaner	4	Circulation	48
Public Amenities		TOTAL	394
Female	18	TOTAL FECA	938
Male	18		
Accessible	7	PROPOSED EXTERNAL AREAS	
Wash	14	Grassed Area to QS report	422
Kiosk		<i>Total Public Grassed Area</i>	<i>1,535</i>
Kiosk	8	Paved Area to QS report	417
Store	8	<i>Total Public Paved Area</i>	<i>574</i>
Seating	18	Club Undercover Paved Area	60
Other		Club Hardstand	372
Service	8	Members Terrace/ BBQ	40
Circulation & Stairs	43	Viewing Deck	80
TOTAL	544	Service Area & Bin Storage	41

All internal areas displayed are Fully Enclosed Covered Areas (FECA) measured from the normal inside face of external walls.

5.7 FORM & MATERIALS



ACCESS & NAVIGATION

On arrival to the site the expansive views of the Nullaki Peninsula, limestone cliffs, the distant Knapp Head and the discrete views of the Ocean Beach Point are currently blocked by the existing two storey clubhouse. The proposed building is positioned out of the line of sight and nestled into the landscape opening up the views to the public. The pedestrian journey through the site will be upgraded to current universal access standards and enhanced with curved retaining walls, extensive coastal planting and clear wayfinding signage. The approach to the building features a public activity space of extensive seating, showers and toilet amenities and a barefoot style kiosk with alfresco seating.





FORM

The architectural form is a considered and site specific response to the surrounding natural environment. The curved forms of the building and landscaping walls are inspired by the swell lines that wrap around Wilson Head. The curved form enables a fluid interaction between separate public and club facilities. The softness of the form is intended to compliment rather than compete with the surrounding natural environment.

The building is built into the hill which reduces its visual impact. It utilizes the sloping site to create level entries to both levels. The extensively glazed upper storey maximises passive beach surveillance and provides visual connection to the expansive and discrete natural views. The east-west building orientation maximises northern winter solar gain and deep roof overhangs minimise summer solar penetration. The flat green roof with low level coastal planting embeds the building into place and reduces roof glare from surrounding tourist vantage points.

The timber balustrade and screens create an interplay between light and shadow inspired by the local forests and coastal vegetation. The extension of the balustrade and retaining walls into the landscape further embeds the building into place.

STRUCTURE

A masonry and concrete ground floor structure creates a robust 'heavy' base that can be embedded into the hill. Concrete footings will be tied into the limestone bedrock where possible creating a rigid structure reducing the risk of structural problems associated with coastal erosion and high winds.

A suspended concrete slab will create a thermal mass base for the first floor and enable the two floors to be fire separated if required. A 'lightweight' wall and roof structure on the first floor consisting of timber framing with structural steel elements with a breathable waterproof membrane will enable the implementation of high levels of insulation whilst creating a large open plan function area. The 'lightweight' method will reduce the overall construction costs.



CHRMAP & PUBLIC REALM

Relocating the building to the proposed location corresponds to the recommended **managed retreat** risk adaption option by the CHRMAP. The finished floor level of the ground floor is raised by one meter and the proposed location enables the footings to be connected to the limestone bedrock. Removing the existing upper facility creates a large public open grassed area that is over double the existing size with greater connectivity to the beach. The proposed building location enables direct connection to the vehicle beach access for essential life saving powered craft. The overall visual impact of the proposed building from key vantage points such as the beach and surrounding tourist lookouts is significantly reduced compared to the existing as it is nestled into the hill with a green roof.



MATERIALS

The materials have been chosen to be robust and suitable for the coastal environment. They are inspired by the surrounding nature and chosen to enhance a sense of place.

The ground floor is predominately an off white face brick with feature on end elements that create texture and shadow. The screened wall to the public amenities is rendered in a deep bottom of the ocean blue.

The first floor will be tiled externally in an off white colour with a waterproof membrane underneath. This a robust solution on the lightweight timber framed structure. Feature pattern coloured tiles at the entry reflect the colours and interference patterns associated with the water.

The aluminium framing of the double glazed units will be black to enable the frame to disappear into the glazing. The glazing is intended to have a slight turquoise tint referencing the colours of the water.

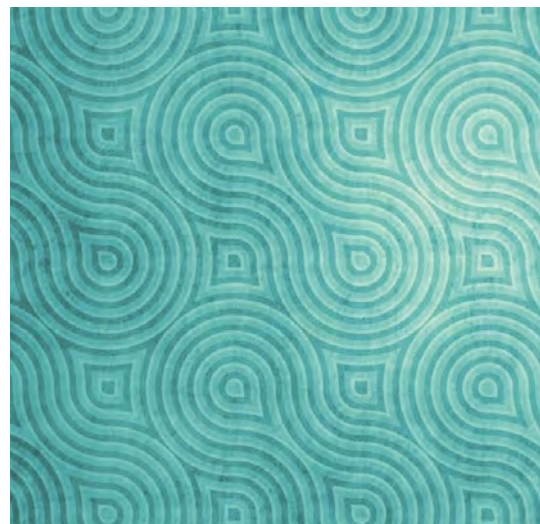
The timber balustrade, screens and roof fascia are to be pre-treated weathered timber. If possible local recycled timber will be sourced. The timber will be finished in a variety of ways reflecting the coastal environment - natural weathering, white-wash and charred.

The roof will be finished with low level coastal planting with waterproofing and draining layers underneath. The store areas to the rear will have aluminium concealed fix sheeting.

The paving will be sandy coloured masonry pavers or exposed aggregate concrete. Landscaping walls will be limestone with raw concrete seating. Corten (rusted steel) elements such as the showers and landscape lighting will compliment the colours of the granite headland.

Public Art will feature on the interior walls of the Kiosk Alfresco area and club entry walls on the Ground Floor. Further public art opportunities are envisaged to be part of the future design of beach shelters and incorporated into the landscape design.

The interior will feature timber work and extensive acoustic treatment in the function room.



5.8 SUSTAINABILITY

The concept design has given consideration to the economic, social and environmental sustainability of the project with a shared value approach.

GREEN STAR

Achieving a Green Star certification by the Green Building Council of Australia may be desirable on this project to achieve a sustainable development. Achieving a 5 Star (Australian Excellence) or 6 Star (World Leadership) requires engaging an accredited consultant, modeling and documentation. From our experience with the Denmark Environment Centre It may be difficult to achieve the transport requirements in the regional and isolated location. Regardless of whether certification is achievable many Green Star initiatives will be implemented on this project.



SOCIAL

The Transformation Project provides public amenities and shared spaces that foster local networks, belonging and community identity. The facilities contain flexible areas that have space to grow and adapt over time.

The 'community' governance structure of the Transformation Project is led by the main facility user, the surf club, and overseen by the local council. There has been and will continue to be input throughout the process from project stakeholders and the broader community. This is a 'place' led approach drawing on the knowledge and wisdom of the people who have a deep connection with the place.

ECONOMIC

The Transformation Project provides a number of commercial facilities that will enable The Club to be economically self sufficient. This includes the 'bare foot' style Kiosk on the Ground Floor which contains an undercover area for alfresco seating, a servery and small commercial kitchen. This will enhance the economic return the club currently gains from the existing kiosk.

The First Floor contains a large 150-170 seat Function Room with a commercial kitchen and bar facilities. This will be a state of the art facility with Audio Visual and Acoustic elements that enable the Club to rent it out for commercial events such as weddings and conferences. The Club will also be able to generate income from running 'sundowner' style food events which is popular in some of the Surf Clubs on the east coast we researched. The economic potential of the project is more extensively explored in Keston Technologies Business Case.

ENVIRONMENTALLY SUSTAINABLE DESIGN

The design of the building will be based around Environmentally Sustainable Design principles of reducing negative environmental impacts, enhancing the health and comfort of occupants and improving the overall performance of the built environment.

1. Low Energy/ High Performance

A low energy/ high performance facility will be achieved by implementing passive design principles that make maximum use of natural light and ventilation as well as by using sunshades and/or light shelves, insulation and multi-layered facades and roofs, high performance glazing, appropriate thermal mass, solar heating, displacement ventilation in tall volumes and the redefinition of comfort standards. Energy consumption is minimised through the use of LED lighting, absence of an active heating/ cooling system and reducing the refrigeration and mechanical exhaust systems in the kitchen. The green roof will improve the overall thermal performance of the building.

2. Replenishable Sources

The building will harvest the non-depletable ambient energies of the sun and the wind through the use of photo voltaic cells and/ or wind turbines. It will be built with a focus on constantly replenished materials, such as wood or near inexhaustible ones such as clay (for brick) and sand (for glass).

3. Recycling: Eliminating Waste & Pollution

Where possible recycled building materials will be used and the design of the building will incorporate materials that are easily reused. Wastewater will be recycled through the Aerated Treatment Unit (ATU) and reused to reticulate the grassed public areas. Where possible materials that are toxic in use or manufacture will be avoided. If possible recycled fly ash will be used in the manufacture of the concrete.

4. Embodied Energy

With energy efficiency, embodied energy becomes increasingly significant in relation to life-time energy use. Consideration will be given to materials with low embodied energy. The material with the lowest embodied energy is wood, then brick, and that with most embodied energy is aluminium.

5. Long Life, Loose Fit

The building will be robust and built with materials that endure and improve with age. The building will not only accommodate change easily with flexible use spaces but will be relatively timeless and pleasant in character so that people prefer to conserve it. A potential future expansion of the storage facilities has been identified and included in the design.

6. Embedded in Place

The building aims to fit seamlessly into, help reintegrate and minimize negative impacts upon its settings.

7. Health & Happiness

Natural light, fresh air and absence of toxic materials and off-gassing combined with the contact with outdoors and community life will make occupants of the facilities healthy and happy leading to increased benefits throughout the community.

6. REALISATION

6.1 COST

Borrell Rafferty Associates Quantity Surveyors (QS) have prepared an Opinion of Probable Cost (OPC) based on the concept design drawings and preliminary input from the hydraulic and fire engineers. The rates used in the OPC are based on the works being procured via a conventional, competitive tendering process and are current standard rates for the Perth metropolitan area.

Included in the report is a 20% locality factor. The factor is a broad indication of the costs currently associated with building in the Denmark region in comparison to Perth. It is applicable to projects worth in excess of \$500,000 and is based on historic data. The 20% factor is in line with the Rawlinson Construction Cost Guide 2017 and current advice from the Australian Institute of Quantity Surveyors (AIQS). It is also in line with the three commercial projects above \$500,000 we have recently completed in Denmark.

The structural method and materials have been chosen to keep the locality factor to a minimum. During the detailed design and documentation stages consideration will be given to the prefabrication of elements in order to further reduce cost.

Provision for fire fighting tanks, pumps and boosters has been included after preliminary discussions with the Department of Fire and Emergency Services indicated these will be required. A WA Health Department approved commercial Aerated Treatment Unit (ATU) waste water system has been allowed for on preliminary advice from a Hydraulic Engineer.

Other costs included in the report include kitchen fitout equipment, audio visual equipment, loose furniture and solar voltaic panels. These have been based on data provided by the Denmark Riverside Club recently completed in 2016. A provision for storage racking has been included based on the recently completed Yanchep SLSC.

The Total Project Cost includes Design and Construction contingencies. The Design contingency is an allowance for assumptions made at this early stage without detailed design and consultant input available. The Construction contingency is an allowance for variations due to unforeseen work, required adjustments and documentation discrepancies during construction.

The Total Project Cost includes a 10% allowance for professional fees. This is based on the Total Construction Cost and excludes the locality factor. The estimated Total Gross Project Commitment includes a Provision for Escalation to Tender up until November 2018 based on the current market.

Some items have been excluded from the OPC and designated as future work. These include the demolition of the existing two storey SLSC and associated landscaping works, site sheet piling if required, the upgrade of the vehicle beach access road and extension of carpark, the public lookout and site shelters.

COST & VALUE MANAGEMENT

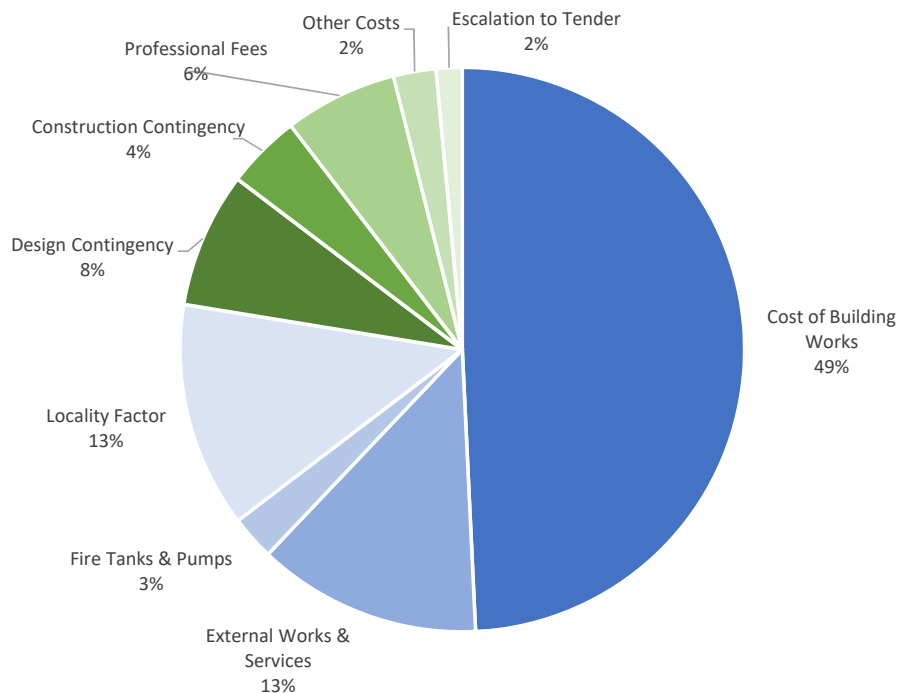
The Cost of Works will be managed throughout the implementation process. At the end of various stages of the process cost estimates are prepared by the QS and overseen by the Architect making it simple to

cost and compare different design and construction options. The estimates become more accurate as the design and documentation stages progress and detailed consultant input is obtained. During construction, progress claims, claims for variations and adjustments to provisional sums will be assessed and approved by the Architect.

COST REPORT SUMMARY		
STAGE	NAME	TYPE
Concept Design	Opinion of Probable Cost	Cost per m ²
Design Development	Elemental Estimate	Elemental Breakdown
Construction Documentation	Pre Tender Estimate	Elemental & Trade Breakdown

OPINION OF PROBABLE COST

OPC SUMMARY		
Item	Description	Cost (ex.GST)
1	Building	\$2,320,000
2	External Works & Services	\$605,000
3	Fire Tanks & Pumps	\$120,000
4	Locality Factor (20%)	\$609,000
	Total Construction Cost	\$3,654,000
5	Design Contingency (10%)	\$366,000
6	Construction Contingency (5%)	\$201,000
7	Professional Fees (10%)	\$305,000
8	Other Costs	\$115,000
	Total Project Cost	\$4,641,000
9	Provision for Escalation to tender (Nov 2018)	\$70,000
	Estimated Gross Project Commitment	\$4,711,000



6.2 RISK

The OPC is based on concept design drawings with minimal consultant input. There is an inherent degree of cost uncertainty in any project at this early stage. Based on the current assumed scope of works, the actual cost could vary by +/- 20%. If the actual scope of works varies, the actual cost could vary more than this. A number of measures have been put in place to mitigate the cost risks.

RISK SUMMARY	
COST RISK	MITIGATION
Scope of works and client brief changes during implementation stages	Good project management & consultation during the implementation stages will mitigate this risk.
Design changes during implementation stages	A 10% design contingency is included in the OPC.
Type of construction and material differ from assumptions made for OPC	A 10% design contingency is included in the OPC.
Services requirements differ from assumptions made for OPC	A hydraulic and fire engineer have provided preliminary input on the wastewater and fire fighting system requirements which are typically large services costs. Appropriate allowances for these items have been included in the OPC.
Service provider headworks	Excluded from OPC. No mitigation possible at this stage as requirements are unknown without detailed consultant input.
Procurement method other than competitive tender	All the rates displayed are based on a competitive tendering process which is the intended procurement process.
Escalation to tender	A 1.5% provision has been included in the OPC reflecting current market conditions.
Adverse site conditions	A geotechnical investigation has been undertaken and a site classification obtained. A 5% construction contingency is included in the OPC.
Variations to the scope of works during construction	Good construction documentation, construction contract administration and project management will mitigate this risk.
Disruptive weather during construction	Will be mitigated by scheduling the works to allow for seasonal weather. It is not possible to mitigate for unseasonable weather.

6.3 IMPLEMENTATION

PROJECT STAGES

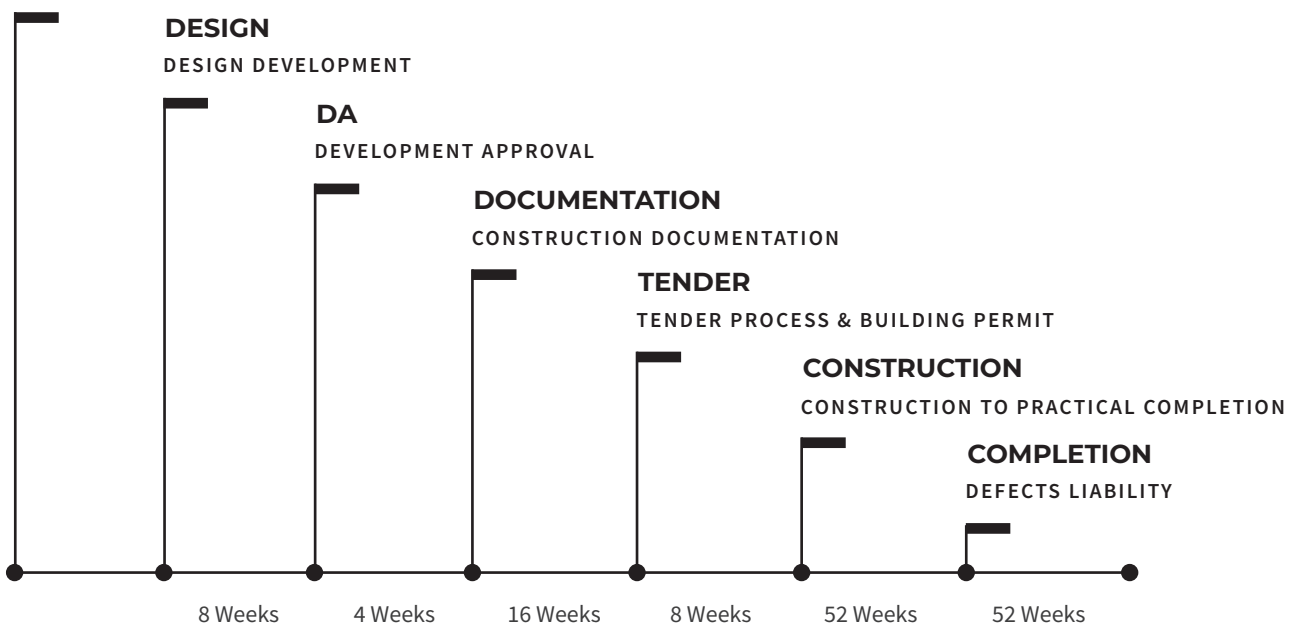
An architectural project involves a number of design, documentation and construction stages. Required authority approvals are obtained throughout the process including Development Approval (DA) and Building Consent. The Transformation Project is currently in the Design Development stage.

PROJECT STAGES SUMMARY		
Stage	Description	Status
1. Pre Design	Involves the identification of the Client's requirements and gathering of appropriate site and authority information.	Complete
2. Concept Design	Involves the preparation of design ideas that address the Client's brief and relevant local authority requirements.	Complete
3. Design Development	Involves the development of an approved Concept Design and includes, preliminary consultant input and 3d modelling and visualisation. At the end of this stage the project is submitted to the local authorities for Development Approval .	
4. Construction Documentation	Involves the preparation of drawings and specifications to enable the project to be procured.	
5. Procurement: Tendering	Involves procedures to identify and evaluate potential building contractors for the construction of the project. During this stage the project is submitted to the local authority for a Building Permit .	
6. Construction: Contract Administration	Involves the construction and administration of the building contract up to and including Practical Completion (PC). Occupation is achieved at the end of this stage.	
7. Post Construction	Involves reviewing the work during the Defects Liability period for any omissions and/or defective work or materials.	

INDICATIVE PROJECT TIMEFRAME

FUNDING

FUNDING PROCESS



SPECIALIST CONSULTANTS

Throughout the process specialist consultants are engaged to support the Architects services. At this stage a number of consultants have provided preliminary input on the project.

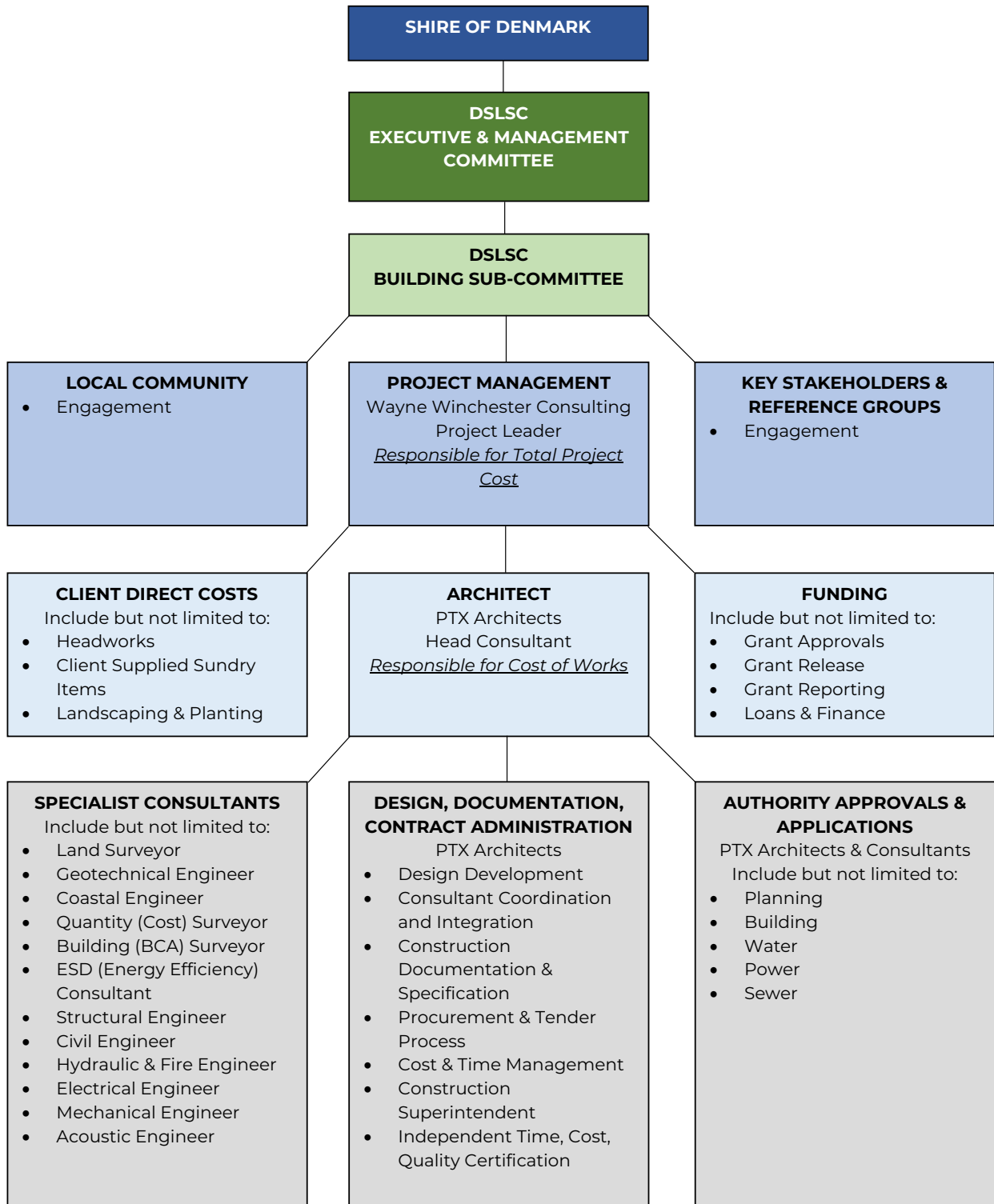
CONSULTANT SUMMARY	
PRELIMINARY INPUT RECEIVED	TO BE ENGAGED
Land Surveyor	Building Surveyor
Geotechnical Consultant	Structural Engineer
Quantity Surveyor (Cost)	Civil Engineer
Hydraulic Engineer	Electrical Engineer
Fire Engineer	Mechanical Engineer
	Environmental Consultant
	Acoustic Engineer
	Disability Consultant
	Environmentally Sustainable Design (ESD) Consultant

TIME, COST & QUALITY CERTIFICATION

During construction the Architect will administer the building contract acting as the superintendent providing independent certification of the cost, time and quality components of the project. This role involves a weekly inspection of the works, a monthly progress meeting with the Contractor and the issuing by the Architect of monthly progress payment certificates. The Architect will prepare a detailed monthly progress report which will keep the Club, the Shire and the various funding bodies up to date with the progress of the construction .

Whilst the Contractors role is to manage and supervise the construction they will also be required to prepare and keep up to date a construction program for review by the Architect. Clarifications, instructions and supplementary details will be provided by the Architect to the Contractor. Shop drawings will be reviewed by the Architect with assistance by the relevant specialist consultant. This process will achieve the highest quality cost, time and quality construction outcomes.

IMPLEMENTATION GOVERNANCE STRUCTURE



7. REFERENCE

CONTACT DETAILS

This report has been prepared by PTX Architects. For further information on the Concept Design or this report please contact the Project Architect on the following details.

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Email waynewinchester@hotmail.com

Denmark Surf Life Saving Club Transformation Project

Transforming the Denmark Surf Life Saving Club with modern, fit for purpose facilities and enhanced opportunities to replace outdated and declining current infrastructure and stimulate club growth, tourism and regional economic development

Business Case



- Ocean Beach, Denmark, Western Australia -

18 December 2018 - Attachment 8.2.2b

February 2018



Executive Summary

The concept – harnessing beach safety, community and economic development opportunities

Denmark Surf Life Saving Club (DSLSC) provides essential services to the Denmark community and visitors through beach patrolling, education programs for members, schools, other user groups and the wider community. It provides a fantastic family atmosphere, competition, and a strong development program for junior and youth members. Located at Ocean Beach in the Shire of Denmark, DSLSC has been operating since November of 1958, following a tragic double drowning. Indeed, Ocean Beach is recognised as one of the more dangerous patrolled beaches in Western Australia, and the DSLSC have a long and proud history of making sure beach patrons are well looked after. Despite its success, the existing facilities have become out-dated and unsuitable for current surf lifesaving operations, or do not allow for suitable future growth in membership and/or general Denmark population or tourism growth.

In particular there are issues associated with accommodating general historic membership growth, including a recent substantial increase that contrasts with the general membership stagnation or decline experienced by many other prominent clubs throughout WA. In particular, there is insufficient and inadequate space for the storage of required equipment, poor or degrading training, first-aid, changerooms, ablutions, function and entertainment areas, and general emergency response access issues associated with the current site layout and building restrictions.

The project proposal is therefore to transform the current DSLSC into a modern and fit-for-purpose facility that services the needs of members, the Denmark community and visitors to Ocean Beach, whilst also facilitating club growth and enhancing economic opportunities within the Shire of Denmark and wider Great Southern region (the Transformation Project). Importantly, new facilities will also provide resolution of current significant safety issues regarding beach access and emergency response time.

...by addressing identified challenges and opportunities

Denmark and the Great Southern region face a number of challenges associated with their distance from Perth and relatively poor transport networks. There are also challenges associated with a growth in population, ageing demographics, the outmigration of youth, increasing multiculturalism, unemployment and income disparities. These challenges however can be viewed as significant opportunities for the provision of diversified experiences and prospects to enhance service delivery and recreational outlets for diversified populations. In particular, this project is expected to provide the following core outcomes to address the identified challenges and opportunities:

- Modern, fit-for-purpose club facilities that retain the unique charm of the infrastructure whilst enhancing club growth prospects and the delivery of educational, safety and recreational services.
- Expansion of community services and related offerings.
- Greater visibility for the region, increasing vacation, business and relational tourism.
- Enhanced linkages and service provision with proximity to a well defined trails network and prominent tourism trails.
- Consideration to environmental passivity in building design, as well as improvements that both reduce the impact of operations and mitigate the impact from climate change.
- Diversification of the economy and growth in employment through stimulation of the recreational, commercial and education sectors.
- Social development through increased safety, recreational and educational capacity.
- Safer, easier and more efficient beach access for deployment of critical SLS equipment and emergency rescue vehicles.
- Facilitation of club growth to complement residential and tourism growth in the region and town.
- Enhanced infrastructure and equipment to train staff and volunteers and to provide safety services.

...and leading to substantial economic benefits

Detailed cost-benefit analyses have been performed in order to assess the attractiveness of the proposal (Section 7.4). The principal economic benefit that is considered is an increase in lifesaving volunteerism, the capacity to attract events and uplift in visitation and length of stay as a result of the events. It is anticipated that the project will provide additional value through volunteer lifesaving activities at \$71,556 per annum, and attract an additional 3.2 events and 2,600 special interest visitors per annum with a value of \$625,000 in direct visitor spend.

The cost-benefit projections demonstrate a positive **NPV of \$12 m (BCR 3.79)**. It should be noted that the results remain positive down to just a 0.4% uplift.

During the construction phase, the investment in this project would be expected to create 18 FTE years of direct jobs in the construction industry and 24 FTE years of jobs in the wider local economy. Once operational, jobs will be created as a result of the additional tourism spend in the region, estimated at 7 sustainable, long-term FTE. More detail is provided in Section 7.5.

...through a viable implementation plan

The overall deliverable from the project will be the completion of DSLSC Transformation project objectives. The total capital costs, independently costed by a Quantity Surveyor, are \$4,711,000, excluding GST. It is proposed that this is funded 50% from BBRF, 29.8% by Lotterywest, 10.6% through the Department of Local Government, Sport and Cultural Industries, 8.5% by the Shire of Denmark and 1.0% by the DSLSC (Section 6).

The start date is assumed to be 3rd of January 2019, subject to securing funding and executing the grant agreements. It is anticipated that the construction time will take approximately 12 months following the achievement of planning scheme consent, building licence approvals and tender procedures. Pre-project activities have already begun in order to ensure project shovel readiness upon execution of the grant agreement. Sufficient contingencies have been built into timing of construction activities, as per risk management planning (see Section 10).

A full Project Management Plan and Risk Management Plan have been prepared for the project and a robust governance mechanism defined. The project will have a management team comprising a Project Manager and Project Control Group (PCG). In this project, PTX Architects will act as the superintendent administering the construction contract. The Project Manager will have the overall responsibility for ensuring that the project meets the objectives set, dealing with operational day to day project-related issues. The management of the project will be supported by the use of IT tools to facilitate project management, co-ordination and dissemination of information among the project's governance structure and key stakeholders.

...and sustainable facilities

Through the club's association with Surf Life Saving Western Australia, the DSLSC enjoys sponsorship arrangements from a variety of corporate sponsors. In addition, a number of individual community members and local businesses provide personal donations and support to the club for special events. This is further supplemented through membership fees, fundraising, training, education and compliance fees to external organisations, and occasional hall/function hire. Annual grant funding is provided to the club through SunSmart, HealthWay and Lotterywest. The DSLSC is also extremely appreciative of the financial and operational support from the Shire of Denmark. There are intentions to continue to diversify income and support ongoing asset maintenance and operations through the operation of a new kiosk (which would replace current kiosk operations in the current building). All income from such a venture will go directly back into supporting club activities and reserves, providing enhanced levels of self-sufficiency. Past annual reports have shown continued ability to manage funds and retain reserves.

DSLSC and the Shire of Denmark fully understand that new facilities require varied levels of asset and operations management and sufficient capital to ensure the ongoing viability of the building and club, which may differ significantly to that of the current building and operations. As such, the project partners have estimated asset management and operations costs based on a number of factors, including past experience with the current facilities, industry standard measures of new building maintenance and management, Shire experience with asset management and operations, and external quantity surveyor advice (Borrell Rafferty Associates). The sustainability analysis shows very strong reserve growth based off conservative estimates, but even with significant further increases in expenditure requirements and/or reduced membership and other income factors, reserve growth prospects would remain positive.

...which enable high level club, community and regional outcomes

As is evidenced throughout this business case, implementation of the project represents substantial club, local government, community and regional socio-economic value. Not only will it refresh outdated and restrictive facilities but will enhance the capacity of the Denmark Surf Life Saving Club and its provision of lifesaving services, reducing risk, reducing cost and improving access in a purpose-built, environmentally conscious and sustainable facility that suits the needs and enhances outcomes for all project partners and wider stakeholders.

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1 Introduction

1.1 Project Concept

Denmark Surf Life Saving Club (DSLSC) is one of 30 surf lifesaving clubs on the WA coast, stretching from Broome in the far north to Esperance on the south coast. DSLSC provides essential services to the Denmark community and visitors through beach patrols and education programs for members, schools, other user groups and the wider community. The club has a fantastic family atmosphere and runs competitions and a strong development program for junior and youth members. Located at Ocean Beach in the Shire of Denmark, DSLSC has been operating since November of 1958, following a tragic double drowning. Indeed, Ocean Beach is recognised as one of the more dangerous patrolled beaches in WA, and DSLSC has a long and proud history of making sure beach patrons are well looked after.

However, the existing facilities have become out-dated and unsuitable for current surf lifesaving operations, or do not allow for suitable future growth in membership and/or growth in Denmark's population and tourism industry. **The proposed project (the Transformation Project) is to transform the current DSLSC buildings into a modern and fit-for-purpose facility** that services the needs of members, the Denmark community and visitors to Ocean Beach, whilst also facilitating club growth and enhancing economic opportunities within the Shire of Denmark and the wider Great Southern region. Importantly, **new facilities will also provide resolution of significant safety issues** regarding beach access and emergency response times.

Beyond general enhancement of the facilities for members and other users, the Transformation Project intends to include space for a new kiosk in order to maintain an important stream of income, diversifying opportunities, reducing reliance on external subsidies, and significantly contributing to the long-term sustainability of operations. The current kiosk provides a return of up to \$20,000 per annum and provides two jobs equating to one complete FTE position. It is a well-used fixture enjoyed by, and in high demand from, club members, the extended local Denmark community and other visitors to Ocean Beach. In early planning phases, there was some consideration of the provision of commercial space for a cafe or restaurant operator; however, this option was not deemed to provide the same level of income potential, opportunity for special events, and/or would lose the charm of a more casual walk-up style kiosk that fits better with the theme and style of the DSLSC, the town of Denmark, and its community.

Between the 2004/05 and 2016/17 seasons, the DSLSC maintained an annual average membership of approximately 215 members, with varying fluctuations in overall numbers and member type. However, in contrast to many other surf lifesaving clubs throughout the state, the recent year has seen a significant increase in membership to a club record of 290 members, representing a CAGR of 5.94% from 2004, and including 169 active, associate, award, cadet, life, probationary members and 121 junior members (the complete list of historic membership data is available in Appendix A of this business case).

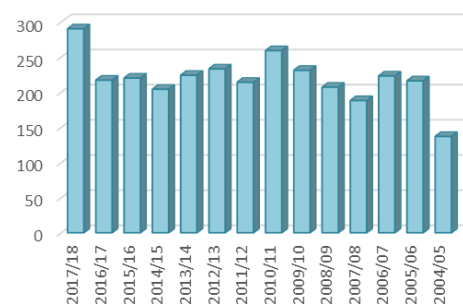


Figure 1. DSLSC membership growth

The club has four volunteer patrol teams rostered on weekends from the first weekend in December until the last weekend in March of each year. Statistics from the 2015/16 season indicated that volunteer lifesavers spent 1,240 hours on duty, carried out 8 rescues, attended 3 major first aid cases and undertook 75 preventative actions. Paid lifeguards also used DSLSC equipment and facilities the season. For the 2015/16 summer school holiday period, full time paid lifeguards carried out 11 rescues, 297 preventative actions and 10 first aid cases. During this same period, there were approximately 7,850 visitors to the beach.

1.1.1 Denmark SLSC Enhancements

Specifically, the project will involve the construction of new club facilities on the site adjacent to the current building. This includes new club rooms and meeting areas, storage areas, ablutions, training and education areas and improved, safer beach access for equipment (vessels and vehicles). **The aim through all design and development works is to retain the existing charm of the club and location, but also to provide modern and fit-for-purpose facilities beyond that currently available at the site, enhancing club service to the community and improving safety.** It will also include upgrades to relevant adjoining facilities and areas.

As new areas of the facility are constructed and commissioned, the redundant equivalent existing facilities will be demolished and returned to public open space. Flat grassed areas are in high demand and short supply at Ocean Beach, evidenced by responses received through past Denmark community surveys. This approach minimises impact on the ongoing operations of the DSLSC. Options for refurbishment of the existing infrastructure and facilities have been considered in depth; however, they do not resolve long-term maintenance and beach access issues, nor enable the same level of long-term support for club growth, or sufficiently enhance economic opportunities for the club and Shire of Denmark. It would also hinder or complicate certain club activities during construction phases. Beyond this, a new build will address all modern compliance requirements and regulations, allowing universal access to all, including disabled access, and meeting required Surf Life Saving Western Australia (SLSWA) guidelines for the first aid room.

Beyond developing the site and facilities to enhance or enable club growth and economic opportunities within the shire and region, the DSLSC, its members and stakeholders also recognise the great importance of planning for future environmental sustainability, and aim to reduce the environmental footprint of the new facilities as much as possible. Therefore, considerations for northern solar gain, solar photovoltaic systems, appropriate use of thermal mass, onsite rain storage, grey water systems, general solar passivity, and other features have all been taken into account during the design process.

More detail of the planned transformation is provided in Section 5 of this Business Case; however, the key developments can be summarised as follows:

- Site preparation;
- Roads, footpaths and paved area developments;
- Boundary walls, fencing and gate developments;
- New building development, including fit-for-purpose changerooms, kiosk, bar, kitchen, function, training and storage areas, first aid and patrol rooms;
- Landscaping and improvements; and
- External service connections.

These developments fulfil the following primary project and club objectives:

- **Retain and build the benefits of regional communities.** The DSLSC plays an important role in the fabric of the Denmark community. The club has a long history of providing a high-quality lifesaving service that protects, educates and develops club members and the wider community. The club is an active and supportive community member that is well respected throughout the region.
- **Support improved, relevant and accessible local services.** New facilities will considerably increase the operational efficiency, safety and service delivery of the club. Improved operational activities in undertaking lifesaving services at Ocean Beach that protects, educates and develops club members and the wider community, and will provide:
 - Enhanced education, training and administration facilities.
 - Greater storage capacity for essential training and emergency equipment.
 - Improved amenity for club members (such as; training rooms and youth facilities).
 - Improved amenity for visitors and tourists (such as; trails hubs end of trip facilities and information or as an events base).

- **Enable communities to deliver a sustainable economic and social future.** The DSLSC operates from premises at Ocean Beach owned by the Shire of Denmark, on land that is leased from the shire at a peppercorn rate. Although the club collects membership fees, it does rely on grants, subsidies, sponsorships and funding from its key stakeholders, SLSWA and the Shire of Denmark. Supplementing this income, the current kiosk operations provide a substantial contribution. It is intended that such a venture would be well positioned to continue diversifying income streams with a new facility.
- **Assist regional communities to prosper through increased employment, business and industry development opportunities.** The DSLSC Transformation Project is intended to facilitate commercial opportunities and enable local, regional, state and potentially national events at Ocean Beach. This will offer additional employment and business development opportunities for the local community.

In addition, the DSLSC Transformation Project aligns with existing regional development strategic planning as outlined in the Great Southern Regional Investment Blueprint. Specifically, the project addresses the following key strategic project areas (see Section 3.7 for more detail):

- Destination of Natural Choice: Enhancing iconic and Creative tourism in a unique region.
- Strong Communities: Develop Community cohesion and amenity.

The upgrade and enhancement of infrastructure at Ocean Beach has also been identified in the Shire of Denmark strategic community and financial plans, whilst aligning strongly with a number of other local, state and federal strategies and policies.

1.1.2 Building and Leveraging Robust Partnerships

The DSLSC has a strong history of and continues to leverage support and partnership with a number of organisations, such as the Shire of Denmark and SLSWA. The Transformation Project is no different, building upon strong existing relationships and networks, and developing new ones, to deliver a project that strongly supports all parties and the wider community. Specifically, the direct project partners and stakeholders are:

- Shire of Denmark (SoD).
- Surf Life Saving Western Australia (SLSWA).
- Great Southern Development Commission
- DSLSC governing Committee and members and the Denmark community as a whole.

The Shire of Denmark has identified the project as a priority in their forward strategic plans and has allocated an initial \$400,000 in forward budgets toward the infrastructure component of the project. SLSWA has identified the DSLSC as a priority club for infrastructure upgrades and the DSLSC Management Committee are in unanimous support of the project and there is wide support from the club membership.

Full community engagement and consultation with key stakeholders has been undertaken, and there is strong evidence of widespread support for the transformation at Ocean Beach, as well as improved public amenity through provision of a cafe/restaurant, etc. More detail on project partners and consultation undertaken to date is included in Section 4 of this Business Case.

The DSLSC also has strategic links to a number of key bodies and stakeholders including:

- | | | |
|--|------------------------------------|-------------------------------------|
| • SunSmart | • Denmark Police (WAPol) | • Denmark High School |
| • HealthWay | • Denmark Boating and Angling Club | • WA College of Agriculture Denmark |
| • LotteryWest | • Denmark Sea Search and Rescue | • Mt Barker Community College |
| • Department of Fire and Emergency Services | • Ocean Beach User Group | • Bridgetown Primary School |
| • Department Local Government, Sport & Cultural Industries | • Albany Youth Support Association | • Great Southern Grammar |
| • Department of Transport | • Denmark Primary School | • North Albany Senior High School |

1.1.3 Funding Outcomes

Access to the requested funds will ensure that the DSLSC Transformation Project will proceed in its entirety, providing all associated benefits to the club, Shire of Denmark, Great Southern region, their communities and visitors. More importantly, it will facilitate enhanced regional economic development outcomes. Without this funding, it is unlikely that the project would proceed due to a significant shortfall in available capital.

Though it would be possible to reduce the scope of the project, either through revitalisation and refurbishment of existing infrastructure instead of new developments, and/or a staged development approach, great cost and timing inefficiencies would result (see Section 5.1). In particular, these approaches will significantly delay and inhibit club growth and activity, as well as the anticipated outcomes for community and economic developments within Denmark and the Great Southern.

1.1.4 Denmark SLSC and Ocean Beach Linkages

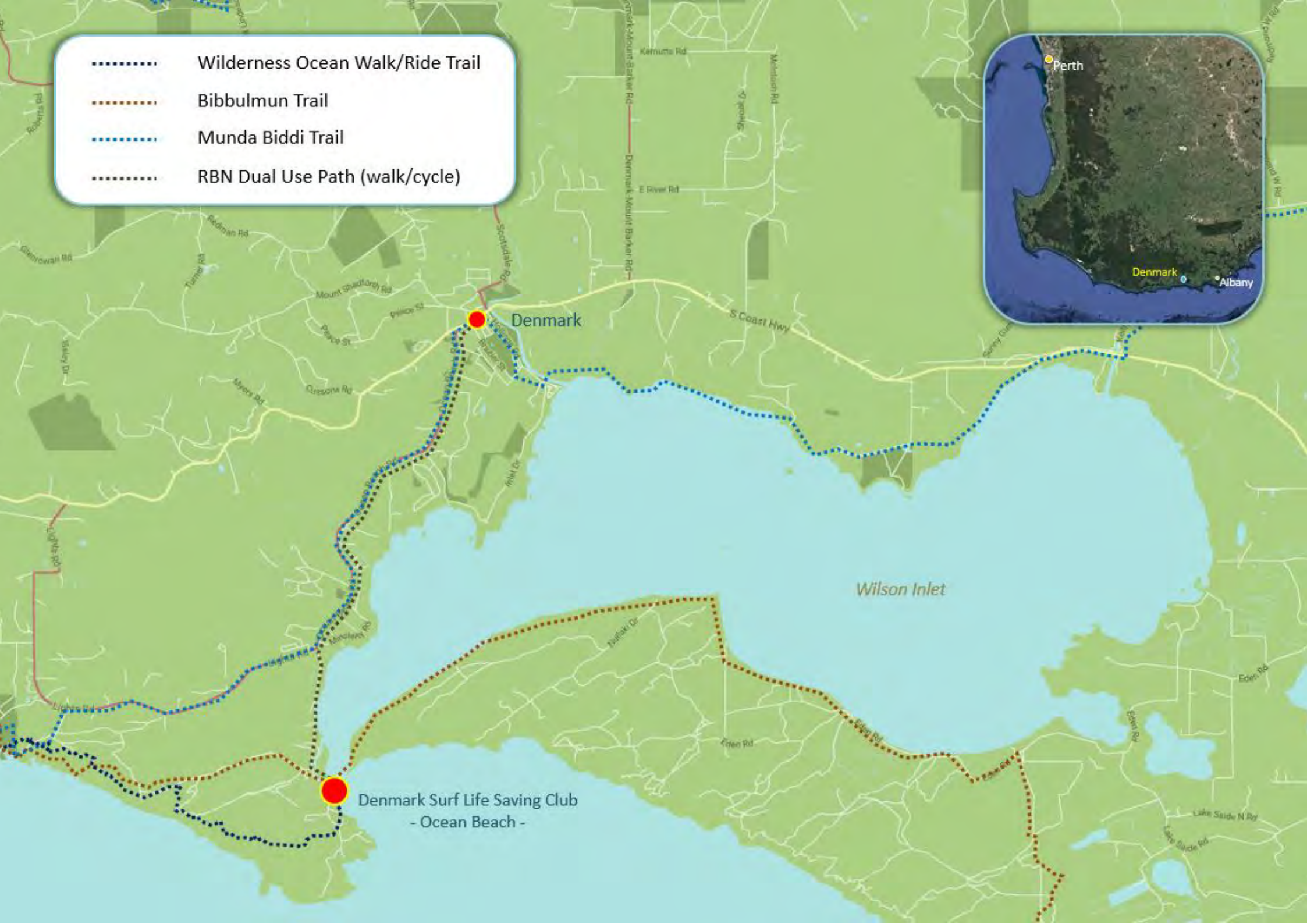
The DSLSC is located at Ocean Beach in WA, approximately 10 km south of the town of Denmark along the western edge of the Wilson Inlet. The image below shows Ocean Beach and the DSLSC in its location with Denmark, and Denmark in its context to Perth, Albany and southern WA.

Though the Shire of Denmark includes a number of beautiful, iconic and famous beaches, such as Greens Pool and Elephant Rocks (William Bay National Park), Ocean Beach is one of the closest to town and most used beaches in the shire. Its proximity to the town of Denmark ensures its regular use, as well as the regular subsequent requirement for dedicated beach and surf lifesaving patrols and activity to ensure patron safety. Ocean Beach is also the only patrolled beach within the Shire of Denmark.

Furthermore, the Denmark SLSC and Ocean Beach are situated near major trails networks, including sections of the Munda Biddi (cycling) and Bibbulmun (hiking) as well as in close proximity to the end of the recently opened Wilderness Ocean Walk (WOW) Trail, which terminates at the nearby windmills. In addition to these prominent trails, there is also a well-used dual use cycle and walk path from the Denmark town centre to Ocean Beach, as part of the Regional Bicycle Network (RBN). Trail activity raises the area profile as a key community and tourism hub, where appropriate infrastructure, information and services would greatly enhance visitor experiences.

Strategic planning linkages also exist with the Shire of Denmark's Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) for Ocean Beach and Peaceful Bay. The CHRMAP study focuses on those portions of the Ocean Beach and Peaceful Bay coastlines with the highest value assets, including built assets (i.e. coastal infrastructure, buildings) and natural assets (i.e. the sandy beach, coastal dunes). It specifically includes consideration to the DSLSC facilities and operations. As such, the DSLSC has been working closely with the Shire of Denmark in the development of this Plan, with clear intentions to provide the best outcome for environmental and coastal protection, as well as in the best interest of the involved parties. In line with CHRMAP, a new build of club facilities offers unique options for better coastal protection and management at the Ocean Beach site, which otherwise would not be available with a refurbishment option.

- Wilderness Ocean Walk/Ride Trail
- Bibbulmun Trail
- Munda Biddi Trail
- RBN Dual Use Path (walk/cycle)



1.2 Project and DSLSC Expected Outcomes

The DSLSC plays an extremely important role in managing the latent risk that drownings and shark attacks pose to Denmark's community and visitors, whether by providing essential volunteer and paid lifesaving services, education and training programs, events, or other key provisions at what is an iconic but very dangerous beach. In past years the club has prevented as many as six drownings in one day and requires a modern and fit-for-purpose facility to operate at full capacity.

The current DSLSC facilities provide a community hub and hall hire for the local community, which is shared by many user groups. An improved facility with modern and appropriate amenity will be required as the surrounding community grows. The recently completed Denmark Riverside Clubrooms is evidence that good business planning leads to well executed projects that are completed on time and that are within a club's resources (see Section 3.6).

1.2.1 Overall DSLSC Strategies and Expected Outcomes

The DSLSC delivers outcomes under six core focus areas:

- | | | |
|------------------------|-----------------------|-----------------------------|
| 1. Club Development | 3. Junior Development | 5. Education |
| 2. Lifesaving Services | 4. Youth Development | 6. Competition and Coaching |

The club has a number of aspirational outcomes which relate directly to the six core focus areas, and also align strongly with the project objectives and project expected outcomes. The successful achievement of these outcomes will ultimately provide the measure of DSLSC success:

- Operate the club within a framework of quality governance.
- Be a leader in raising public awareness and education in respect to the dangers of aquatic areas within the Shire of Denmark.
- Develop leaders of the future.
- Be a leader in volunteer development.
- Grow and develop club membership.
- Be recognised as a quality provider of lifesaving services within the Shire of Denmark.
- Increase water skills and water confidence amongst the local Denmark community.
- Promote a healthy lifestyle.
- Build team spirit.
- Broaden the opportunities for members and prospective members within the club environment to participate and advance their skills.
- Encourage participation in competition.
- Provide training and support to allow members to compete to the best of their ability.

The club has developed a number of key short, medium and long-term strategies that will drive the club into the future. These include actions which are strongly aligned with the Transformation Project's expected outcomes. Specific actions have been allocated to the current year strategies, whereas actions for the medium and long-term strategies will be developed as part of planning processes in the subsequent years.

Table 1. DSLSC short-term strategies and actions

Strategy	Action(s)
Undertake a planning process to support the ongoing development of the club.	<i>Develop Strategic, Business and Operational Plans. Undertake a mid-season review.</i>
Focus on our youth to develop future club and community leaders.	<i>Provide adequate resources and support to the 'Youth Development' Core Focus Area.</i>

Maintain and encourage club membership.	<i>Develop a plan to maintain existing membership levels and to attract new members. Collect information from ex-members as to why they are not re-joining the club.</i>
Progress the club's Transformation Project.	<i>Undertake planning and develop a business case and concept designs to support funding applications. Subject to funding approval, progress the transformation of the club's building and facilities at Ocean Beach. Engage with funding bodies in respect to new club buildings and facilities.</i>
Foster community links.	<i>Attend events and undertake fundraising opportunities within the community.</i>
Coordinate 'Grants and Sponsorship' funding.	<i>Develop and endorse a 'Grants and Sponsorship Plan'.</i>
Ensure positive media relationships.	<i>Be proactive with the local media by providing relevant stories and use the club newsletter to promote positive aspects of the club.</i>
Become involved in development opportunities with other surf life-saving club's and SLSWA.	<i>Attend the Rainbow Development Carnival, Bremer Bay camp and attend SLSWA training and development opportunities throughout the year.</i>

Table 2. Medium and long-term DSLSC strategies

Medium term strategies (12-month horizon)
<ul style="list-style-type: none"> • Develop a club 'Facility Plan' • Develop a club 'Promotions Plan' • Engage with club members to seek feedback on the club operations in order to develop continuous improvement strategies • Provide representation on the Shire of Denmark's Ocean Beach and Peaceful Bay Foreshore Concept Plan Working Group.
Long term strategies (beyond 12-month horizon)
<ul style="list-style-type: none"> • Review the club's Constitution • Review the 'Top Club Planning Tool' • Review all of the club's key documents and plans • Stay proactive and involved with progress in respect to the club's Transformation Project and investigate opportunities for club members and the wider community in respect to the new facilities.

1.2.2 Transformation Project Expected Outcomes

It is anticipated that a transformation of the existing DSLSC facilities at Ocean Beach will have significant surf lifesaving, community and economic benefits for the region. These potential benefits are outlined in Table 3:

Table 3. DSLSC Transformation Project expected outcomes

	Outcomes/Benefits	Measures of Success
Surf Life Saving Operations	<ul style="list-style-type: none"> • Improved operational activities in undertaking lifesaving services at Ocean Beach that protects, educates and develops club members and the wider community and will provide: <ul style="list-style-type: none"> ○ A suitable regional facility for life-long learning-early childhood to senior years. ○ Greater storage capacity for essential training and emergency equipment and facilities. ○ Improved amenity for club members (such as training rooms and youth facilities). 	<ul style="list-style-type: none"> • Detailed records are kept of all DSLSC enhanced education, training and administration facilities. • Patrol, rescue and preventative actions recorded and monitored. • activities as per SLSWA requirements. • club members will be surveyed to seek feedback on the new building and operating arrangements. • Stakeholder survey to seek level of success of new facilities in delivering SLS outcomes

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Local Community</p>	<ul style="list-style-type: none"> The Community (local and visiting) will benefit from the delivery of a contemporary and efficient lifesaving service at Ocean Beach. Improved public amenity through creation of large open spaces and grassed areas (identified as a key issue in Shire of Denmark community feedback). Improved amenity for visitors and tourists (such as trails hub end of trip facilities and information). Amenity substantially improved for the significant number of user groups and visitors that come to Ocean Beach for recreational and tourism activity. These user groups include: <ul style="list-style-type: none"> School and tertiary education organisations Community groups (such as quilting/craft, yoga, martial arts, religious groups) High performance sporting and coaching groups Social gatherings Local and regional events (such as, Surfing WA) 	<ul style="list-style-type: none"> Targeted community feedback surveys will be undertaken and assessed.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Economic</p>	<ul style="list-style-type: none"> The Transformation Project will improve tourism amenity and connectivity across regional attractions and assets/initiatives in the area, such as the WOW Trail, Tree Top Walk, William Bay and also the world-renowned Bibbulmun and Munda Biddi trails. It will also support growing tourism activities, such as surfing, stand up paddle boarding, whale watching, fishing, nature walking and mountain bike riding. Enhanced opportunities for associated hire, lessons and coaching businesses at Ocean Beach. 	<ul style="list-style-type: none"> Growth in the value of the business and in the longer term local economy. Attraction of new members and community interest Diversified DSLSC business and operations.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Increase in Regional Capability</p>	<ul style="list-style-type: none"> By providing first class, modern facilities in a vibrant and revitalised setting, the DSLSC will have the opportunity to thrive and engage more of the community to participate and become involved. As local town population and visitor numbers increase the presence of high quality facilities become a vital business and marketing tool. There is a range of evidence that investment in high quality public facilities and public realm can have a positive economic effect, through stimulating the local economy and generating above average private sector returns - in turn, resulting in a positive impact on perceptions of the area. Benefits that flow from this include retaining and attracting workers, attracting more customers and increased consumer spending, increased tourism, increased investment in local business and improved image of businesses. 	<ul style="list-style-type: none"> Increased human and/or organisational capacity. Increased volunteers base Improved external perception of the region. Enhanced service delivery of DSLSC.

1.3 Background

1.3.1 The Denmark Surf Life Saving Club

The DSLSC is situated at Ocean Beach, just ten kilometres from the town of Denmark. The mouth of Wilson’s Inlet broaches a sand bar into the Southern Ocean just to the north east of the club’s patrol area and club house. For much of the year the sand bar is closed, enabling easy access to the northern shores of the bay. During the summer patrol period, the club carries out roving patrols into this area as it is used by many people for fishing, surfing and swimming. DSLSC is off Ocean Beach Road on an “A” Class Reserve vested in the Shire of Denmark.



Ocean Beach is well known for its surf, clear blue water and white sand stretching around the bay. Due to its proximity to a caravan park and town it is the most popular beach in the area and a popular tourist attraction. However, Ocean Beach is also well known for its treacherous waters with frequent huge southern swells and a constant rip running close to the swimming area. In a recent study commissioned by Surf Life Saving Australia, Ocean Beach gained the dubious distinction of being named the state's most dangerous patrolled beach. The steadily expanding tourist area of Denmark has a treacherous but spectacular coastline that has been the cause of many tragedies over the years. Indeed, the club has been involved with the police and other search and rescue organisations many times encompassing an area from Ocean Beach to west of Walpole in the search and recovery of bodies and others swept from fishing rocks and from boating accidents. The skill of the club members in their local knowledge, boat driving and crewing skills, navigation and radio skills and cooperation with other emergency service personnel is highly regarded and often called upon.

DSLSC was officially formed on 28th November 1958 after a double fatality a few days earlier on the 23rd. The earliest recorded drowning at Ocean Beach included a family of seven in 1911 and over the years several more lives were lost. After the double fatality in 1958 a public meeting was held in the town and a lifesaving club was formed. Eric Caporn was elected the inaugural president and Norm Sisson the first captain. The first patrol commenced Sunday 14 December 1958. By the end of 1960, the first clubhouse was built and is still in use today housing the patrol equipment, nippers' boards and equipment, first aid and the kiosk.

The clubhouse provided a venue to train the first Ocean Beach surf lifesaving group who were awarded the Bronze Medallion in 1962. Due to the exceptional surf conditions, the DSLSC was also awarded the right in 1968 to host the WA State Surf Life Saving Championships. In spite of the logistical difficulties for the organisers, the championship was hailed as a major success and talked about for many years after.

Over 25 years since the first clubrooms were established, newer club rooms were built in late 1987, which saw the completion of the current two-storey club house with a much-needed function room, kitchen and toilet facilities and storage space. The lower level houses boat and equipment storage, ablutions, offices and meeting room, with the upper level doubling as an education, training and function room. The original club house is now used as a boat and equipment shed for the nippers, and is the current location of the kiosk. Patrols are operated from this building, which also houses the first aid room and deals with any first aid cases as required.

A detailed history of the DSLSC has been published. 'Green & Gold: The story of the Denmark Surf Life Saving Club 1958-1998' provides fascinating insight and an accurate and detailed account of the club's history, including its beginnings, struggles, successes and culture. A new book covering the last 10 years 'Green and Gold Ten years to Fifty: Continuing the history of the DSLSC 1998-2008' was also launched in 2008.



1.3.2 The Shire of Denmark

Denmark is a charming town, located on the banks of the beautiful Denmark River. With its rugged coastline and towering forests, Denmark offers visitors unforgettable scenery, quality wineries and plenty of activities. There are so many options when it comes to finding a place to stay in Denmark, with everything from luxurious retreats to budget style accommodation.

For the Nature Lover: The natural sweeping vistas and remote landscapes around Denmark make it a favourite getaway for those seeking a romantic interlude or a chance to appreciate nature. The Valley of the Giants Tree Top Walk in the tingle forest near Denmark is a must visit destination. Denmark is also home to stunning and renowned beaches, such as Ocean Beach, Greens Pool and Elephant Rocks.

Arts and Culture: The Shire of Denmark has an extraordinary arts community with a long history of contributing to and giving voice to the cultures of its diverse communities. The picturesque and serene beauty of Denmark is a draw-card and inspiration for many artists who reside in the area. There are a number of galleries of furniture, pottery, glass, sculptures and paintings. Denmark Arts also run the Denmark Festival of Voice, held every year over the June long weekend, which is a celebration of the human voice, with a special focus on community singing.



Food and Wine: The standard of fresh gourmet food and quality wine offered here is exceptional, with the surrounding wineries producing superb Semillon Sauvignon Blanc and bold Shiraz. Denmark's highly acclaimed wines have distinct characteristics and most can be tasted at the cellar door.

Within the Shire of Denmark there are two main community centres. There is the town of Denmark which is the largest in the shire and the smaller village of Nornalup.

The Shire of Denmark has a population of just under 6,000 and is located on the south coast of WA approximately 50 km west of Albany and 400 km south of Perth. The shire has an area of 1,843 km² extending 70 km in an east-west direction and 30 km north-south. Average annual rainfall is 1,089.6 mm. Average daytime temp - summer 25°C, winter 16°C (approximately).

Nornalup is a small village on the banks of the Frankland River, in the heart of the giant karri and tingle forests of the beautiful Walpole Nornalup National Park. Nornalup was first settled by Europeans in 1911 when Frenchman Pierre Bellanger and his wife and children took up land in the area. Within the Nornalup Inlet there is excellent boating, fishing and swimming. Alternatively, you can canoe along the Frankland River that flows through the forest. During summer the drive down Nornalup Beach Road to Conspicuous Bay and along the coastal plain passes the only known native stand of red flowering gum trees in WA.

Denmark has a great diversity of population, making for a huge variety of interests and occupations. With tourism being a major industry, many people have developed lifestyles combined with various cottage industries to cater for tourists. The main local industries include – tourism, viticulture, horticulture, farming (beef/dairy/sheep/pig/tree), cottage industries and agriculture.

Denmark was awarded the GWN7 Top Tourism Town (population under 5000) in 2012 and Top Tourism Town for the Environment in 2012. Denmark's regard for the environment extends to the conservation and preservation of the great forest trees and wilderness areas. The people of Denmark are very much aware of the need to care for our magnificent coastline and all its natural attractions, which bring so many visitors to the area each year.



1.4 Project Progress and Current Status

The DSLSC has been progressing conceptual planning for the transformation of the club's facilities at Ocean Beach. Initial drivers were the need to improve operational capability, member and community amenity and to address the need for more space at the ageing premises.

Local architects, PTX Architects, were commissioned to prepare preliminary concept drawings to upgrade the existing building and this work has been completed and paid for from internal club funds. Through a Community Chest application, the Great Southern Development Commission then provided funds for the preparation of a business case and further development of concept plans for a new building, which was highlighted as a preferred option by a great number of key stakeholders.

As authorised by PTX Architects, a geotechnical investigation for the proposed redevelopment of Lot 7625 Ocean Beach Rd, Denmark WA 6333 was performed by Great Southern Geotechnics on 23rd November 2017. In accordance with Australian Standard 2870 (2011) residential slabs and footings, the area shown on the accompanying site plan of Lot 7625 Ocean Beach Rd, Denmark WA 6333 is classified as Class A. This is the most positive outcome, indicating that the site is mostly sand and rock with little or no ground movement from moisture changes.

Further architectural design works have thus progressed alongside the development of this business case, informing the designs provided in Section 5 and the supporting PTX Concept Design Report. Final design work will be completed by the architect based on the success of funding applications.

Consultation has also been undertaken prior to and during the business case development, illuminating a high level of community and stakeholder support for the project. Details of the results of these consultations can be found in Section 4 of this business case.

Due to the nature and scale of the project, various funding streams will be targeted to make up the total available funds for the proposed development. Funds have been committed by the Shire of Denmark, with remaining funds to be sought through Lotterywest, WA Department of Local Government, Sport and Cultural Industries, and the Federal Government through the Building Better Regions Fund (BBRF). Further funds may be available from DSLSC reserves, a loan from SLSWA, and/or through the Great Southern Development Commission, depending on the availability of state funding and decisions regarding the Royalties for Regions program. Following successful grant applications from target bodies, DSLSC will submit the application for the next round of BBRF, which requires all other sources of funds be committed before submission of a grant proposal.

Standard local government planning and building approvals will be required prior to development. Upon execution of all grant agreements, the Shire of Denmark will immediately begin processing the approvals, which is expected to take no longer than 6 weeks. Approvals required for the development have been fully investigated, with key outcomes as follows:

- The land is owned by the Shire of Denmark and provided to the DSLSC through a long-term peppercorn lease arrangement. No issues are anticipated with regard to land and building ownership.
- The Shire of Denmark have been and will continue to be heavily involved in the consultation, design and development of the Transformation Project.
- Lease areas need to be amended for the new build option, but no issues are foreseen with both DSLSC and the shire in agreement over the proposed new site.
- There is a requirement for Department of Environment and Regulation (DER) and Environmental Protection Agency (EPA) approvals. Pre-project dialogue will begin with these agencies, with necessary processes and approvals anticipated prior to execution of grant agreements. Due to the nature of the project and previous discussions with EPA, no significant issues are anticipated.
- As required by the Western Australian State Planning Policy's ruling that coastal hazard risk management and adaptation planning should be undertaken in areas at risk of being affected by coastal hazards over a 100-year planning timeframe, the Shire of Denmark is currently developing the Ocean Beach and Peaceful Bay Coast Plan and Concept Plan. DSLSC is working closely with the Shire of Denmark to assist in the plan's development. The club facilities and Transformation Project intentions are considered within the plan.

2 Context

This section details the geographic, demographic and economic context for the project. It also builds on this information to describe the opportunities and challenges faced in the region due to a number of key factors, for which a great number of recent and ongoing initiatives are anticipated to address, including this DSLSC Transformation Project. Section 3 develops this further to provide a comprehensive description of the identified need for the project from a social and economic perspective.

To help navigate through these descriptive sections, the following table summarises the key points.

Table 4. Summary of the context and implications for need for the project

Key context		Commentary	Implications for need	Project component
Geographic	Location	Denmark and the Coastal Great Southern is relatively distant from Perth (compared, say with the Margaret River region) and is disadvantaged in this regard. The Shire of Denmark is 'outer regional' in terms of the accessibility index.	<ol style="list-style-type: none"> 1. Adequate public safety, recreational, cultural, and community assets are required to attract and retain residents. 2. Regional tourism attraction and support services need to provide superior service and increase retention of visitors. 3. Disadvantaged community members can be empowered through recreation, participation and education. 	<ol style="list-style-type: none"> 1. Modern, fit-for-purpose club facilities will be created, retaining the unique charm of the infrastructure whilst enhancing club growth prospects and the delivery of educational, safety and recreational services. 2. Community services and related offerings will expand with the transformation. 3. A new and refreshed kiosk will provide food and refreshments, enhancing attractiveness of the club and Ocean Beach to residents and visitors.
	Transport Links	Relatively poor transport links – relatively long (5 hour) car journey along mixed use roads, no air passenger routes (and the closest not cost competitive with similar tourist destinations in the eastern states) and no passenger train services. Limited and lengthy bus services.	<ol style="list-style-type: none"> 1. Relatively poor transport links means that Denmark and the wider Great Southern region have to work harder and smarter to attract and retain residents, business and visitors. 	<ol style="list-style-type: none"> 1. Modern, fit-for-purpose facilities will be created. 2. Greater visibility for the region, increasing vacation, business and relational tourism. 3. Enhanced function and event offerings. 4. Enhanced linkages and service provision with proximity to a well defined trails network and prominent tourism trails.
	Climate Change	Climate change has been identified as the largest threat to Australia's environment and as representing one of the most significant challenges to our economic sustainability. Failure to address this threat would have severe consequences for weather patterns, water availability in cities, towns and rural communities, agricultural production, tourism, infrastructure, etc.	<ol style="list-style-type: none"> 1. Reduced rainfall, longer and more severe droughts may provide a major challenge to the region's economic base. 	<ol style="list-style-type: none"> 1. Solar passivity and other environmental considerations incorporated into new facility designs. 2. Enrichments to the public realm enhance community pride and ownership, helping encourage sustainable and green practices. 3. Diversification of the regional economy and strengthening of tourism and business sectors will help mitigate resulting flow-on effects. 4. Enhanced safety and other service provision to adapt with any changes.
Demographic	Population	Albany, Denmark and Plantagenet (Coastal Great Southern) are together registering growth rates in excess of 1.5% per year, with Denmark the highest at 2.03%. Regional communities of WA must assume a portion of WA's future population growth.	<ol style="list-style-type: none"> 1. Continued growth in many regional centres including Denmark requires concomitant growth in the economy and employment prospects to cater for it, together with social development. 2. Outmigration of youth and an ageing population create significant challenges. 	<ol style="list-style-type: none"> 1. Diversification of the economy and growth in employment through stimulation of the recreational, commercial and education sectors. 2. Social development through increased safety, recreational and educational capacity. 3. Improvements in the public realm. 4. Provision of enhanced recreational outlets.

	Income & Employment	Incomes in the region are significantly lower than elsewhere in WA. The Great Southern's mean taxable income (\$57,000) is much lower than the State average of \$74,000.	<ol style="list-style-type: none"> 1. Diversification of the region's economy and stimulation of sectors such as recreation, education, and tourism are key drivers for addressing comparative disadvantage. 	<ol style="list-style-type: none"> 1. Diversification of the economy and growth in employment through stimulation of relevant sectors. 2. Providing opportunities for volunteerism and enhanced community support and pride.
	Safety	In a recent study commissioned by Surf Life Saving Australia, Ocean Beach gained the dubious distinction of being named the state's most dangerous patrolled beach.	<ol style="list-style-type: none"> 1. Last season, volunteer lifesavers spent 1,240 hrs on duty, carried out 8 rescues, attended 3 major first aid cases and undertook 75 preventative actions. 2. Full time paid lifeguards carried out 11 rescues, 297 preventative actions and 10 first aid cases. 3. During this period, approximately 7,850 persons visited the beach. 	<ol style="list-style-type: none"> 1. Continued provision of beach patrols and associated safety services. 2. Safer, easier and more efficient beach access for deployment of critical SLS equipment and emergency rescue vehicles. 3. Facilitation of club growth to complement residential and tourism growth in the regional and town. 4. Enhanced infrastructure and equipment to train staff and volunteers and to provide safety services.
Economic	Overall Economy	A strong economy with growth potential based on natural and cultural assets. The region has the most dynamic small business community in the State.	<ol style="list-style-type: none"> 1. Recreation, tourism and education are key growth sectors identified for the region's economy. 	<ol style="list-style-type: none"> 1. Diversification of the economy and growth in employment through stimulation of the recreation, tourism and education sectors.
	Arts and Culture	Great Southern communities benefit from a wide range of cultural activities. Denmark has a proud artistic and cultural heritage, with Denmark Arts running the annual Festival of Voice and a number of galleries and other events situated throughout the Shire.	<ol style="list-style-type: none"> 1. The market for natural, recreational and heritage tourism is rapidly evolving, presenting many opportunities, particularly in regional Australia. 2. Nature, recreation and culture are important to the development and retention of identity. 	<ol style="list-style-type: none"> 1. The project embraces increased interest in culture, recreation and the natural environment, and focuses on improving ways of presenting such forms to residents and visitors. This enhances community cohesion, visitor behaviour and experience. 2. The project provides enhanced community spaces and function areas, including large open spaces. 3. The project will maintain, promote and build upon Ocean Beach's unique character.
	Tourism & Globalisation	Tourism has been identified by Deloitte as one of the top five super growth sectors for Australia. The region has a resilient and dynamic tourism sector. With more than 592,000 overnight visitors in 2014/15, spending an estimated \$276m, there are strong opportunities for the tourism market to expand in the region.	<ol style="list-style-type: none"> 1. Regional economic development includes a key need to focus on tourism to grasp opportunities. 2. Strong competition from other parts of WA will require an integrated differentiated tourist package offering. 3. Denmark needs to provide visitors with adequate access to the regions unique natural environment, culture and heritage, which will stimulate spending within the local economy. 	<ol style="list-style-type: none"> 1. The project will provide residents and tourists with a prominent and vibrant public realm, showcasing the region's unique character, culture and opportunity. 2. Stimulation of tourism will help to overcome regional disadvantage compared with other regions competing in WA for a share of the tourism market. 3. New facilities allow the club to cope with increased Ocean Beach tourism.

2.1 Geographic Context

2.1.1 Location and Distance from Perth

The Shire of Denmark has a population of approximately 5,845 (ABS 2016) and is located within the Great Southern region on the south coast of WA, approximately 50 km west of Albany and 400 km south of Perth. Denmark is ‘outer regional’ in terms of the accessibility index (see Figure 2).

Denmark has a great diversity of population, making for a huge variety of interests/occupations. With tourism being a major industry, many people have developed lifestyles combined with various cottage industries to cater for tourists. The main local industries include - tourism, viticulture, fishing, horticulture, aquaculture, cottage industries, agriculture, arts and culture and cheese making.



The Great Southern as a whole sits on the southern coast of WA: it includes 250 km of the southern coastline and extends inland for 200 km. It lies between the South West region and Goldfields-Esperance region and covers an area of approximately 39,000 km² (including off-shore islands) of diverse landscape, or around 1.5% of WA’s total area. The region’s capital is Albany with other key regional towns being Mount Barker, Denmark, Kojonup and Katanning. The region accounts for 2.4% of WA’s population and currently stands at around 59,173. Most people live on the coast with approximately 80.3% of the region’s population living in three of the Local Government Authorities, Albany and Denmark and Plantagenet, which together have aligned their interests, along with Jerramungup, to form the Lower Great Southern Economic Alliance. The map of the Coastal Great Southern in Figure 8 shows Denmark in its regional context.

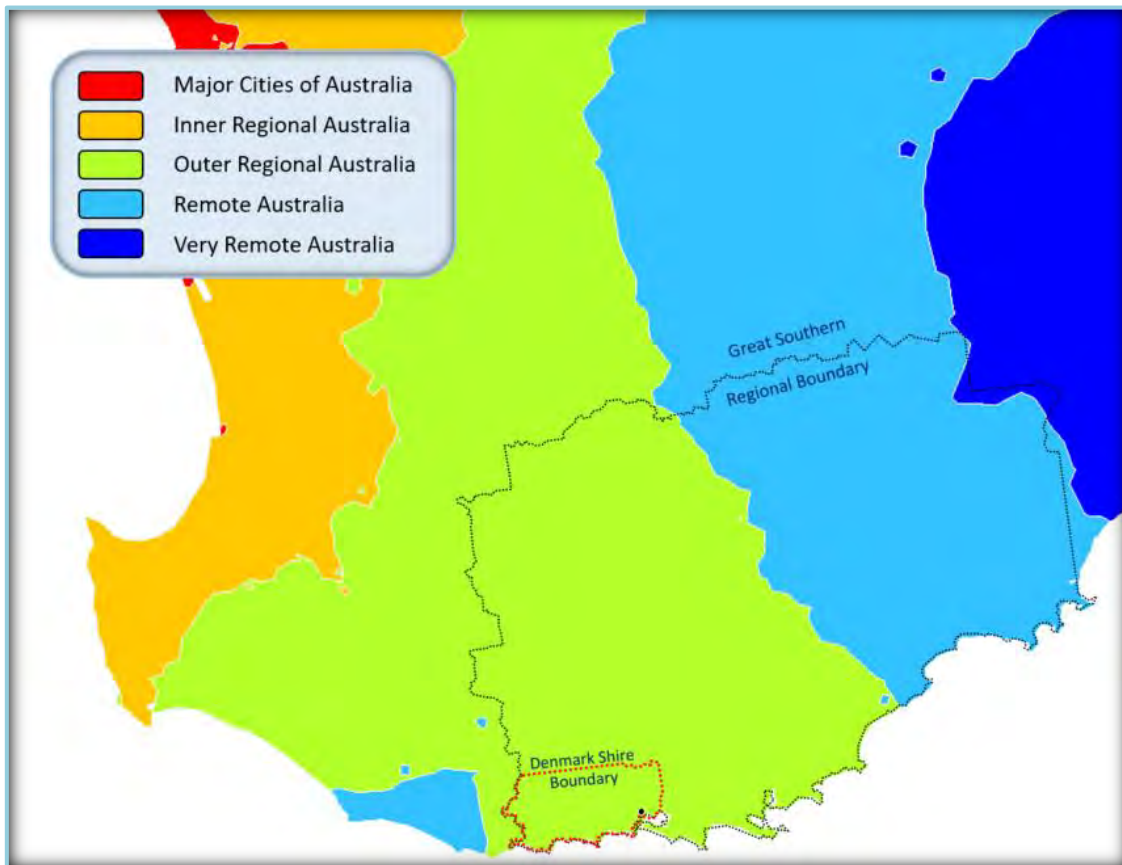


Figure 2. Accessibility Remoteness Index Australia

2.1.2 Transport Links

Albany Highway is the major inter-regional road that serves traffic between Perth and Albany, and is also the main route used to travel from Perth Denmark, diverting from Mount Barker along Muir Hwy and Denmark-Mount Barker Road. Travel time from Perth to Denmark on the fastest route is approximately four hours and forty minutes. These and other major roads (e.g. South Coast Highway (Hassell Highway) and Chester Pass Road) throughout the Southwest of WA are shown in Figure 3. The other main roads service some tourism traffic but are mainly used as haulage routes for the agro-forestry, agriculture and mining industries. In general, upgrades of the road system are widely regarded as essential for improving the efficiency and safety of the transport networks in the region.



Figure 3. Major Roads, Southwest WA

Public road transportation to and from Perth and throughout the southwest is provided by TransWA coach lines. Buses travel from Denmark to Perth via Bunbury (transfer), taking approximately eight hours to complete the trip, with only one scheduled trip each day and other destinations throughout the region regularly.

There are no passenger rail, sea or air services to or from Denmark.

The distance from Perth and relatively poor transport links means that Denmark and the wider Great Southern region has to work harder and smarter to attract both residents and visitors and to retain them for longer. Strong and informed safety, recreational, tourism and economic development initiatives such as the DSLSC Transformation Project are required to stimulate key growth sectors.

2.2 Demographic Context

2.2.1 Population

As identified by the Australian Bureau of Statistics in the 2016 Census, the population of the Great Southern region, known by the ABS as the Albany Statistical Area 3 (Albany SA3), is 59,173. This has increased exponentially since the 2001 Census, at a five-year Compound Annual Growth Rate (CAGR) of 0.94%, 1.03% and 1.34% respectively, or an overall CAGR of 1.11%.

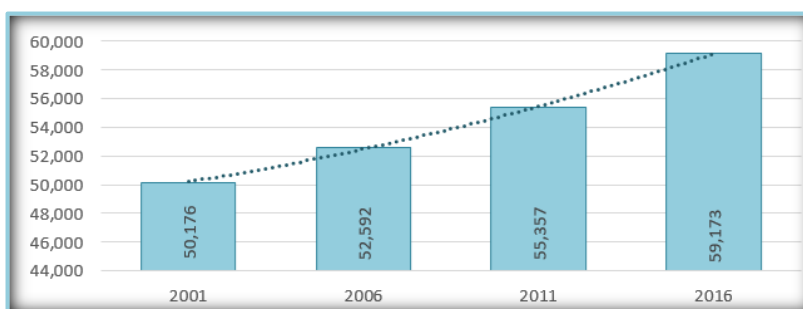
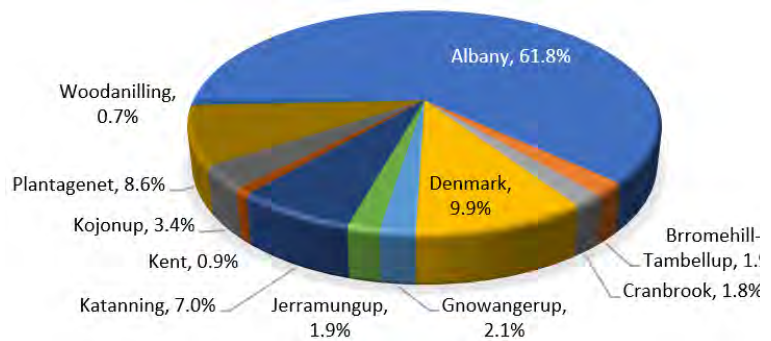


Figure 4. Great Southern population growth

The eleven Local Government Authorities located within the region are identified in Table 5. 61.8% of the population reside in the City of Albany, with other notable areas including the Shires of Denmark (9.9%) and Plantagenet (8.6%).

Table 5. Great Southern Population distribution

LGA	2016 Population
Albany	36,583
Broomehill-Tambellup	1,144
Cranbrook	1,089
Denmark	5,845
Gnowangerup	1,215
Jerramungup	1,109
Katanning	4,151
Kent	559
Kojonup	1,985
Plantagenet	5,079
Woodanilling	409



2.2.1.1 Population Growth

Denmark (2.03%) and Albany (1.47%) have both registered growth in excess of the Great Southern average, which is reduced overall by a number of shires experiencing negative growth. The Shire of Plantagenet has experienced growth as well, albeit at a lower rate (1.09%) when compared to its coastal neighbours. These are the only LGAs averaging growth above 1.0%, with a number of the inland shires in decline (Table 6).

Year	Population	CAGR
2001	4,325	-
2006	4,511	0.85%
2011	5,194	2.86%
2016	5,845	2.39%

Figure 5. Denmark population growth

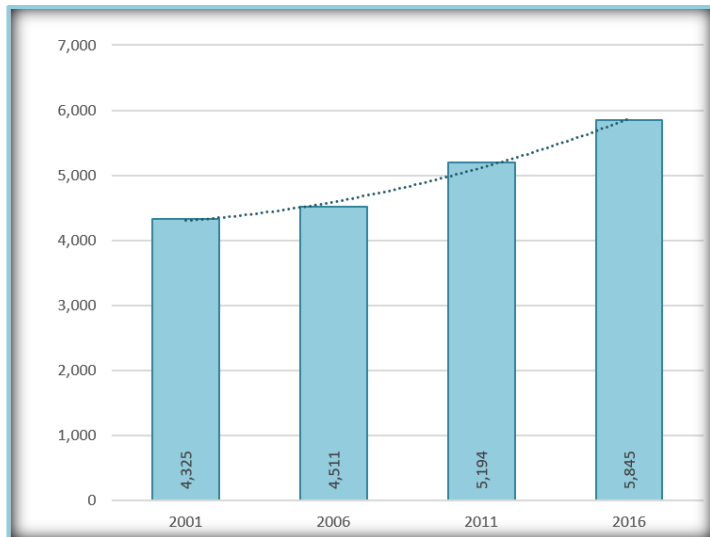


Table 6. Great Southern population growth by LGA

	2001	2006	2011	2016	CAGR 2001 - 2016
Albany	29,379	31,574	33,650	36,583	1.47%
Broomehill-Tambellup	1,114	1,137	1,139	1,144	0.18%
Cranbrook	1,041	1,062	1,079	1,089	0.30%
Denmark	4,325	4,511	5,194	5,845	2.03%
Gnowangerup	1,499	1,363	1,271	1,215	-1.39%
Jerramungup	1,197	1,128	1,055	1,109	-0.51%
Katanning	4,134	4,210	4,183	4,151	0.03%
Kent	625	574	512	559	-0.74%
Kojonup	2,140	2,151	1,982	1,985	-0.50%
Plantagenet	4,318	4,484	4,882	5,079	1.09%
Woodanilling	383	399	419	409	0.44%
Total	50,155	52,593	55,366	59,168	1.11%

This growth is expected to continue or accelerate, particularly as the population of WA is predicted to double by 2056, projected to 4.3 million^{1,2}. The reports indicate that this growth will be dominant in existing urbanised areas and capital cities, although regional communities of WA must assume a portion of the growth as well. While Perth will continue to experience growth (even faster than Sydney), it is projected that there

will also be continued growth in many regional centres, such as Albany, and the towns within close proximity to them, such as Denmark and Mount Barker (Shire of Plantagenet).

According to the WA Planning Commission, population projections for the Great Southern as a whole predict a steady increase to approximately 63,800 by 2031.³ These projections may prove to be conservative in the context of population projections for Australia and WA within this timeframe, and given the region’s exponential performance since 2001. Even maintaining the current overall rate of growth at 1.11% would result in a population of 73,791 by 2036, or a 24.7% increase. Denmark has a strong potential to continue its growth trends, remaining the highest growth shire within the region.

2.2.1.2 Ageing Population and Outmigration of Youth

When looking at regional Australia, it is interesting to note that:

- Measures of social capital suggest regional communities have stronger relationships and networks than capital cities.⁴
- Regional Australia is ageing faster than the national average. A higher proportion of adults aged over 45 live in regional areas; the need to access education, employment and other facilities may account for the larger proportion of younger and middle-aged adults in capital cities. In Greater Perth, 24.8% were 55 or over in 2016. In regional areas, this was 27.6%.

The higher old age dependency ratio in regional areas indicates that a great number of seniors migrate from cities to regional areas.⁵ This trend is no different in Denmark or the Great Southern as a whole, which have a much higher proportion of older residents and a significant shortfall of young adults when compared with Greater Perth and WA as a whole (Figure 7). The number of residents over 55 has also risen significantly between 2001 and 2016, and at a far greater rate than any other age bracket (Figure 8).

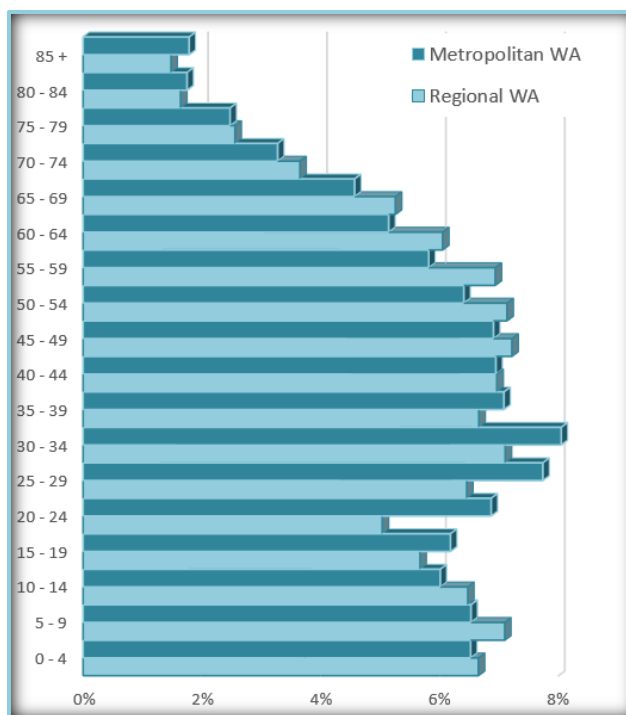


Figure 6. Population distribution (%) in capital cities and regional areas of WA

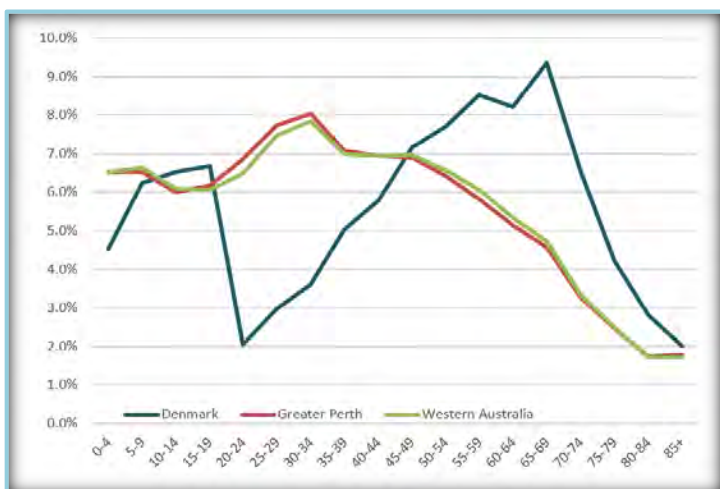


Figure 7. Age distribution in Denmark

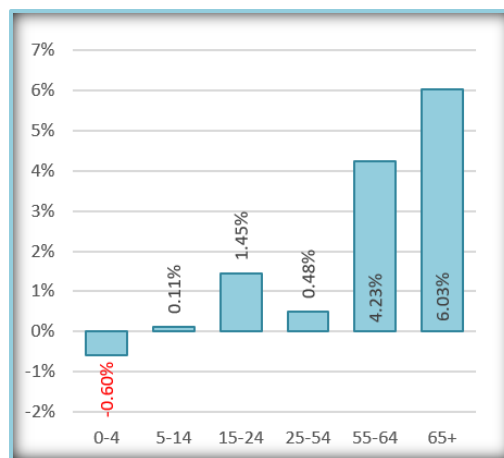


Figure 8. Annual Population change by age bracket, 2001-2016 (Denmark)

The Western Australian Planning Commission expect this trend to continue throughout the Great Southern toward 2026⁶, particularly in Albany, Plantagenet and Denmark. Current and projected growth is consistent with other coastal areas in Australia that have experienced strong in-migration by retirees and lifestyle/‘seachangers’ over recent years⁷. It is also important to note that the WA Planning Commission projections were released in 2012, with the 2016 expected proportion of persons aged over 65 at 18.55% for Albany, 22.06% and Plantagenet at 18.24%. According to the 2016 Census, this has already been surpassed in all LGAs, in fact exceeding the 2021 projections to stand at 20.62%, 24.59% and 20.86%, respectively, indicating that growth through to 2026 could indeed be even greater. The Great Southern as a whole has exceeded all projections, currently standing at 20.3% of the population.

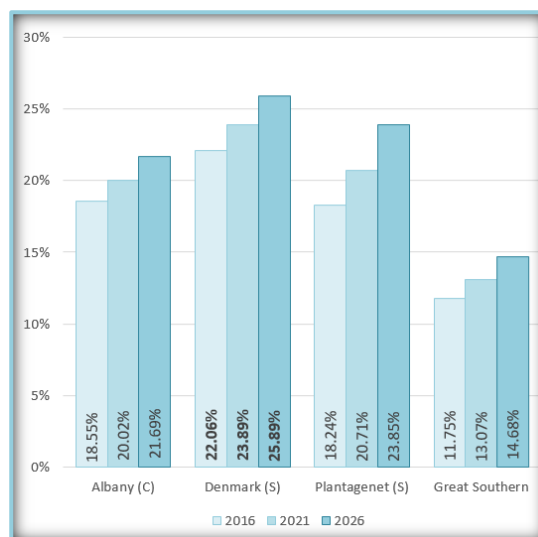


Figure 9. Estimated % of population over 65

2.2.2 Income

The median weekly personal income in the Great Southern region has increased to \$613 in 2016, from \$423 in 2006. Family and household incomes have also increased, to \$1,451 and \$1,178, respectively. The highest performing LGA in the region was Kent at \$856 a week personal income, and the lowest were Plantagenet and Denmark at \$534 and \$544, respectively. Albany was close to the regional average at \$611.

	Personal	Family	Household
Albany (C)	\$611	\$1,508	\$1,209
Broomehill - Tambellup (S)	\$643	\$1,404	\$1,242
Cranbrook (S)	\$612	\$1,281	\$1,047
Denmark (S)	\$544	\$1,268	\$1,013
Gnowangerup (S)	\$759	\$1,676	\$1,319
Jerramungup (S)	\$794	\$1,637	\$1,284
Katanning (S)	\$667	\$1,400	\$1,205
Kent (S)	\$856	\$1,589	\$1,342
Kojonup (S)	\$720	\$1,568	\$1,303
Plantagenet (S)	\$534	\$1,275	\$1,035
Woodanilling (S)	\$748	\$1,600	\$1,228

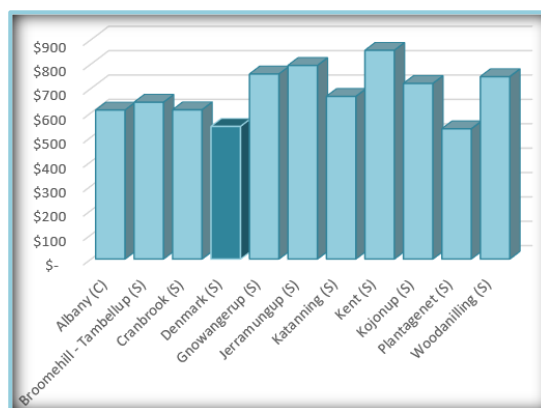


Figure 10. Weekly personal incomes

The weekly income has risen in Albany by approximately 3.7%, Denmark by 4.16%, and Plantagenet by 3.06%, since 2006 (personal, family and household). However, when compared to the state and metropolitan averages, these LGAs and the Great Southern region have a much lower performance, despite cost of living being comparable to that of Perth (Figure 11 and Table 7).

Table 7. Change in weekly incomes, 2006 - 2016

	Personal	Family	Household
Denmark	4.16%	4.39%	4.68%
Great Southern	3.78%	3.49%	3.69%
Perth	3.56%	4.18%	4.23%
WA	3.77%	4.36%	4.11%

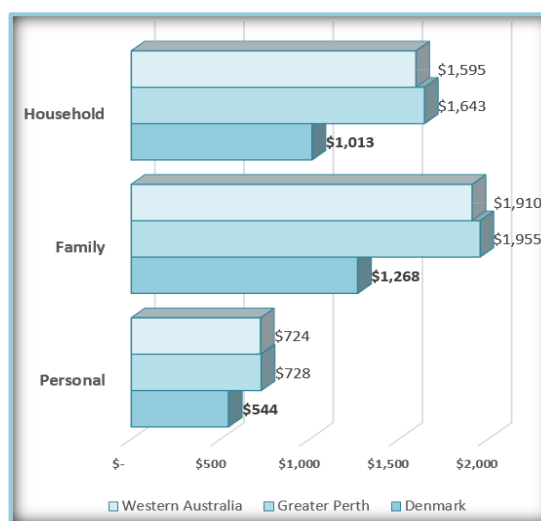


Figure 11. Median weekly incomes

A similar picture can be seen when looking at income distributions within the Great Southern and Denmark, where Perth and WA have a far greater proportion of persons in higher income brackets (Figure 12). The latest available real data for these figures is from 2011 Census, with 2016 updates due later in 2017.



Figure 12. Denmark income distribution

2.2.3 Employment

All Great Southern LGAs are performing worse than the state average, with a combined current unemployment rate of 7.45% compared to 6.2% in WA (Department of Employment, March 2017⁸). Individually, Albany stood at 7.2% unemployment, Denmark at 6.9% and Plantagenet at 9.0%. The highest unemployment in the region was in Katanning and Woodanilling, at 11.7% and 11.5%, respectively. The unemployment rate is the highest it has been since 2010, where the region and Denmark were lower than the state average at around 3.1%. The unemployment rate in the Great Southern has been rising steadily since June of 2015. Until around June of 2016, Denmark had been performing better than the state average overall (Figure 14).

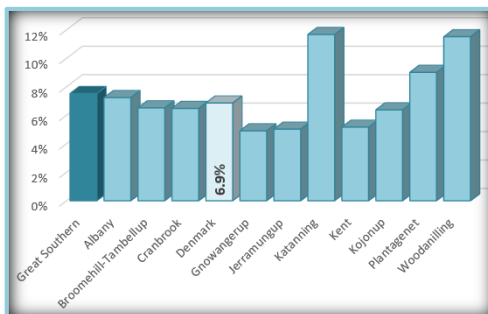


Figure 13. Unemployment in Denmark



Figure 14. Denmark unemployment rates over time

The unique demographics of Denmark and the Great Southern region, particularly concerning the ageing population, income disparity and higher unemployment, present unique challenges, expectations and needs. Community offerings and services must be tailored to these needs and be geared towards improving various outcomes for the disadvantaged segments of the community. Diversification of the region’s economy and the stimulation of sectors such as recreation, culture, heritage and tourism are key drivers for addressing comparative disadvantage associated with identified regional challenges.

2.3 Economic Context

2.3.1 Overall economy

Gross Regional Product (GRP) of the Great Southern has been estimated to be approximately \$5.0 billion in 2013/14, which represented 1.9% of Gross State Product for that year. (ABS and Department of Regional Development – latest available data). The region’s GRP per capita is just over \$83,500, compared with over \$100,400 for WA as a whole⁹ (and compared with the national average of \$66,900). The preliminary growth rate (adjusted for inflation) increased by 13.8% during the 2013-2014 year. This strong economy derives from the fact that the region’s land is among the most productive in the whole of WA, due to its relatively high and consistent rainfall.



Figure 15. Gross Regional Product, 2004 to 2014

Agriculture dominates the regional economy and is valued at \$1,004 million (Figure 16), making the Great Southern the second largest agriculture producing region in WA. Retail, construction and tourism all make a significant contribution to the regional economy. To a lesser extent state fishing and mining also contribute to regional production. The data available for all sectors are the most current, provided by the Department of Commerce.

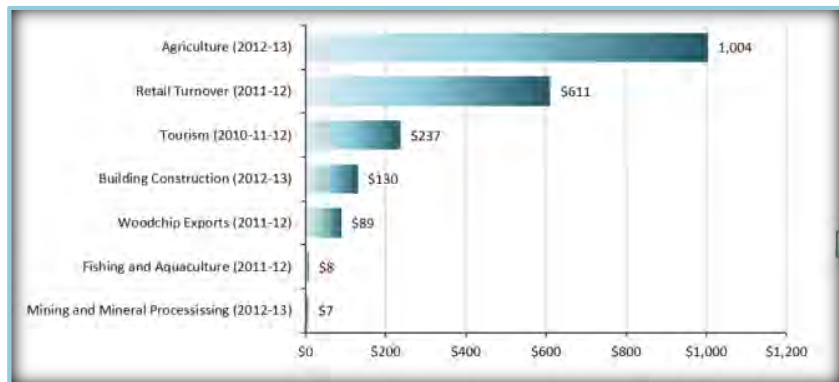


Figure 16. Value of industrial activities in the Great Southern

McKenzie et al. confirm the picture of the region’s strong overall performance but state that in terms of per capita GRP, the Great Southern was ranked low compared to WA regions and this trend has continued (as reported in the 2011 Census). This low per capita GRP is not inconsistent with other Australian regions with relatively high numbers of retirees and ‘lifestyle migrants’. Data from various sources indicates that ‘typically, there is a proportion of the permanent population in ‘seachange’ communities whose assets, education and personal income descriptors convey a picture of disadvantage.

The Great Southern also has the most dynamic small business community in the State. In 2012, there were 145 small businesses (0-19 employees) per 1,000 residents in the region, well above the Perth average of 83 and the highest of any region in WA¹⁰. This reflects the region’s strong commercial and entrepreneurial culture, the creation of small business for lifestyle reasons and exposure to industries dominated by small businesses. Because of this strength, the Great Southern is not structurally reliant on a few large employers.

2.3.2 Tourism

The region’s tourism market is well positioned internationally, being part of Australia's South West, which in 2010 was chosen by Lonely Planet as one of the world's Top 10 regions¹¹. The region is also well serviced by a number of local, member-based tourist organisations and location-specific marketing websites. The recently created Lower Great Southern Economic Alliance, a partnership between the City of Albany and the shires of Denmark, Jerramungup and Plantagenet, is focused on the region’s coastal area, with tourism its first focus. With support from Tourism WA and regional tourism organisation Australia’s South West, the group is developing a regional destination marketing strategy to incorporate “a clear and unified tourism vision” across the Lower Great Southern region.

Over the last decade, overnight visitor nights and day trips broadly remained between 2.0 million and 2.5 million per annum¹². The number of day trips to the Great Southern grew strongly over this period, which is positive considering the distance of the region from major day trip origins¹³. International visitors to the region declined somewhat between 2008 and 2013, in line with national trends but has subsequently increased in 2014/15, with the Anzac commemorations providing a particular boost¹⁴.

With more than 592,000 overnight visitors in 2014/15, spending an estimated \$276m, there are strong opportunities for the tourism market to expand in the region.



Figure 17. Overnight tourism trends in the region

The Great Southern is a holiday and leisure tourism destination, with 84% of international visitors and 51% of domestic visitors being for holidays. The next largest group is visiting friends and relatives (VFR), comprising 14% of visitors and 34% of visitor nights, respectively. This group is directly related to the size of the residential population of the region (i.e. the number of friends and relatives for people to visit). Employment and business visitor numbers over this period are much higher for domestic visitors at 13%, compared to 1% international. It is also worth noting that people travelling for employment have stayed in the region almost four times longer.

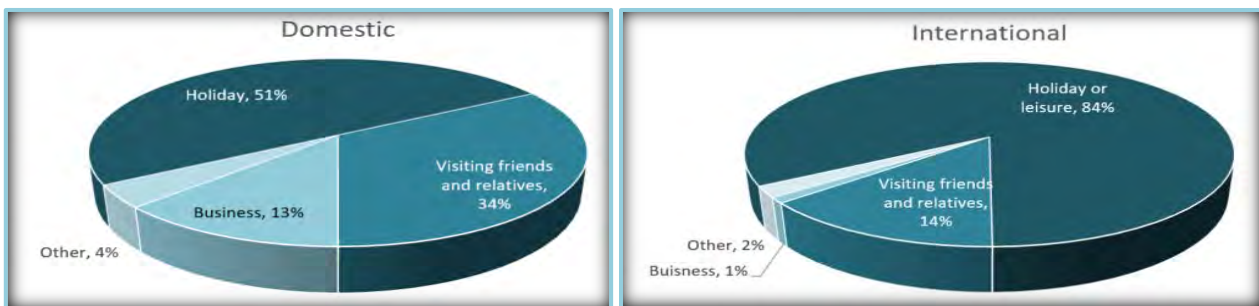


Figure 18. International Visitors and Visitor Nights, by Reason, Great Southern, 2014/15

The value of visitation in the region depending on the type of visitor (intrastate, interstate and international) is presented in Table 8, based on the most recent Tourism Research Australia data¹⁵.

Table 8. The value of WA and Great Southern visitation ('14/15)

	Visitors	Visitor nights	Av stay nights	Av trip spend	Av nightly spend
Western Australia Visitation (overnight) ('14/15)					
Intrastate	6,542,000	26,126,000	4.0	\$493	\$123
Interstate	1,215,000	10,227,000	8.4	\$1,098	\$130
<i>Domestic</i>	<i>7,757,000</i>	<i>36,353,000</i>	<i>4.7</i>	<i>\$588</i>	<i>\$125</i>
International	827,000	28,593,000	34.6	\$2,822	\$82
Total	8,584,000	64,946,000	7.6	\$803	\$106
Great Southern Visitation (overnight) ('14/15)					
Intrastate	497,500	(separate statistics for intrastate and interstate not available)			
Interstate	42,500				
<i>Domestic</i>	<i>540,000</i>	<i>1,845,000</i>	<i>3.4</i>	<i>\$429</i>	<i>\$125</i>
International	52,500	555,300	10.6	\$863	\$82
Total	592,500	2,400,300	4.1	\$467	\$115

Tourism trends in the Great Southern have broadly reflected gross visitor numbers for WA as a whole. The state remains a relatively remote destination for many potential visitors and it is the natural environment, with a mix of active and passive activities, which have been identified by Tourism WA as the key factor that will motivate people to consider a visit to the region. The principal final destinations for visitors are Albany, Denmark and Bremer Bay, although the wine producing districts of Plantagenet and Frankland River have noted an increase in visitors in recent years.

The view for Australian tourism potential to 2020 is the need to focus on improvement of performance and competitiveness. The Great Southern will need to embrace its potential within the framework of the 'National Long-Term Tourism Strategy' launched in 2009. Over the past decade, Australia's international competitiveness has not kept pace with global trends and its international market share has decreased. Domestic tourism has also declined – with Australians choosing to travel overseas rather than in Australia. While this has been driven to an extent by a strong currency post GFC, the development of well-marketed tourism product and packages in the South East Asian region has also influenced this trend.

Recent research work suggests an increasing awareness of, and demand for, quality tourism experiences by the growing middle class in China and other emerging Asian countries. The Great Southern region is well placed to tap into this expanding international tourism market. The diversity of natural, cultural and heritage amenity and destinations within the Great Southern provides an opportunity for increased international tourist visitation to be captured. However, the region will continue to experience strong competition from other parts of WA, including the South West, and will require an increase in the quality and mix of accommodation and an integrated differentiated tourist package offering.

International tourists are the highest spending cohort and a region that can consistently attract international tourism attracts commensurate private investment that permeates throughout an entire economy. The creative sector is one of the likely beneficiaries of increased domestic tourism.

Tourism products being further developed in the Great Southern include:

- **Food and Wine Tourism:** The coastal Great Southern has an enviable capacity to produce an amazing variety and quality of food and wine. Initiatives such as Taste Great Southern provide key promotional opportunities to boost visitor numbers to the region.
- **Nature Tourism:** Nature-based tourism includes ecotourism and adventure tourism. The region has significant nature-based assets such as the Bibbulmun Track (1,000km bushwalk) and Munda Biddi Trail (1,000km and the longest off-road touring cycle trail in the world). This is the fastest growing segment of the international tourism market. Tourism Australia and Parks Australia, in an effort to form a partnership between tourism and conservation around Australia's iconic landscapes, have identified the 'Great South West Edge' of Australia (of which Albany and Denmark are an important part), as one of (presently) 15 National Landscapes. The region earned the honour due to its pristine coastline, giant trees and other unique flora and fauna, spectacular trails, ancient landscapes and cultures, and its food and wine.¹⁶
- **Heritage and Cultural Tourism:** The region has a range of heritage and cultural assets that provide the basis for expansion of this important sector. Initiatives such as the Great Southern Art Trail, Hidden Treasures and the Great Southern Festival (a program of Perth International Arts Festival events) are key promotional opportunities. The regional arts sector is also strongly linked with the tourism industry. Many galleries and studios are located along visitor routes, and there is a trend towards the inclusion of local arts and crafts at tourist facilities.
- **Sports Tourism:** The recently completed Centennial Park sports stadium in Albany provides the region with sports and recreation facilities of a standard suitable for major cross-regional, State or National sporting events, allowing the development of this significant tourism opportunity.

The main regional destination marketing focus of Tourism WA is through regional tourism organisations (RTOs). In the last decade, the number of RTOs was reduced from 11 to 5 and the Great Southern is now represented by Australia's South West (ASW). As a consequence, there is a general perception in the industry that promotion of the Great Southern tends to be overshadowed by that of the South West. However, the

recently created Lower Great Southern Economic Alliance is now working hard to address this imbalance with a regional destination marketing strategy based around the “Amazing Great Southern” brand.

Denmark needs to provide visitors with a diversified tourism product in order to capitalise on the varying needs and interests of visitors. This project will directly address this need whilst also providing critical beach/ocean safety support services and infrastructure for both residents and visitors.

2.3.3 Natural Assets

The Great Southern is the largest and most diverse region within Australia’s South West. It varies from unspoilt coastline, and idyllic seaside towns to sprawling agricultural lands and national parks harbouring some of the world’s rarest species. The Great Southern falls within the important and globally significant South West Biodiversity Hotspot which covers the whole of south west WA. The region contains a number of national parks, including the Stirling Ranges and the Porongurup Range National Park, together with significant nature reserves which contribute greatly to the rich biodiversity of the area.

Figure 19. Global biodiversity hotspots



The Stirling Range National Park is a biodiversity hotspot containing over 1,500 species of plants, of which nearly 90 are endemic, several endangered fauna species and a few short range endemic invertebrates. The Fitzgerald Biosphere, within the Fitzgerald River National Park, is the only internationally recognised Biosphere Reserve in WA. Designated under the UNESCO Man and the Biosphere Program, the park is one of the most diverse botanical regions in the world and is home to more than 1,800 species of flowering plants, lichens, mosses and fungi, representing nearly 20% of the total number of plant species in WA. The park is also home to 62 plant species unique to the area and is one of only two locations in which the critically endangered Western Ground Parrot can still be found as well as other threatened species including the Dibbler, Heath Rat, Woylie, Hooded Plover and Tammar Wallaby. It is also an important breeding and calving ground for Southern Right Whales during migration.

The region takes in part of the Pallinup River catchment and all of the Bremer, Gairdner, Fitzgerald, Hamersley, West, Phillips, Steere and Jerdacuttup River catchments. The sub-region also holds significance to Indigenous peoples.

The coastal Great Southern includes a great number of pristine beaches, with international reputations. Some of which include Albany’s Middleton Beach, Cosy Corner, and Frenchman’s Bay, and Denmark’s Ocean Beach, Greens Pool, Peaceful Bay and Elephant Cove. The Great Southern offers a range of beach types, from rugged,

rough or windy stretches, to sheltered coves with clear and vibrant waters. As such they are utilised for a great variety of recreational activities by locals and visitors alike, such as boating, fishing, snorkelling, surfing and swimming.

The natural resources of the region, particularly its biodiversity and range of environments, are key competitive assets, and their management a core priority of the region. The proposed development contributes to this aim by maintaining and enhancing the Ocean Beach and DSLSC's unique character whilst enhancing safety, amenity and attractiveness of the public realm.

2.4 Key challenges

A number of studies and fora have looked at the future challenges, threats and opportunities for Australia and its regions over the coming decades. For example, in May 2008 the Commonwealth Government convened the *Australia 2020 Summit*¹⁷ with the aim of shaping a long-term strategy for Australia's future, including a stream focused on 'Future Directions for Rural Industries and Rural Communities'. Further input has been provided by RDA¹⁸. These issues underpin the key challenges, opportunities and threats that face the Great Southern over the coming 10 – 15 years. The key issues for the region can be summarised as:

- | | | |
|-------------------------|------------------------|---------------------------------|
| (i) population growth; | (iii) climate change; | (v) globalisation; and |
| (ii) ageing population; | (iv) housing and land; | (vi) demands on infrastructure. |

2.4.1 Population growth

As has been seen, the trend for the Great Southern over recent years has been population growth in the coastal areas contrasted with general population decline in the rural areas. Steady population increase in the subdivision of King (Albany, Denmark, Plantagenet and Cranbrook) and a degree of decline in Pallinup (Broomehill-Tambellup, Gnowangerup, Jerramungup, Katanning, Kent, Kojonup and Woodanilling). Based on a 2% growth rate – considered in light of the average growth rate of WA (2.2%) and regional growth throughout WA in the last ten years (the actual figure is 2%) – the population of the Great Southern would be projected to reach 72,000 in the next 10 years and 87,000 in 20 years, requiring additional demand on services from key regional centres.

Overall there is a projected growth in Denmark from ~5,900 in 2016 to 7,200 in 2026 – an average growth rate of 2.12% per annum. This is higher than the greater Australian Bureau of Statistics' projections for both Australia (1.13% per annum) and the overall WA projected growth (1.3% per annum).

Demand for all forms of recreational, cultural and tourism activity will increase as the population increases. This requires better facilities and amenity to meet demand and to meet increasingly higher expectations by the community for the provision of infrastructure that improves liveability.

2.4.2 Ageing population

One of the major issues facing regional Australia is the ageing of the labour force. In many sectors, an increasing proportion of the population is within 10 years of the official retirement age of 65 years. In the Great Southern region, there are a number of sectors where the ageing of the population is a significant issue, notably: agriculture, forestry and fishing; health care; and a number of other service sectors. Baby Boomers represent 41.8% of the overall Australian workforce, but 45.2% of the labour force in Nonmetropolitan Areas¹⁹. Retirement of Baby Boomers means that 40% of workers will leave the workforce in the next two decades. Labour shortages are a barrier to regional development. Within the Central Great Southern the agricultural sector will face significant challenges as a result of the loss of skilled workers through the ageing of workforce and outmigration of youth²⁰. The challenge to the agricultural communities is how (and whether) the next generation will take over farm businesses and this will 'shape the future of land ownership and management'.

Retaining youth and young adults in the region and the growing number of aged people are two challenges impacting on the regional population. Compared to WA, there is a higher proportion of persons aged 65 plus years of age and a lesser proportion of persons aged between 0-24 in the Great Southern. This reflects Denmark as a popular retirement destination due to its cooler weather and relaxed lifestyle and indicates the mobility of younger people who often leave the district to pursue further education and vocational opportunities.

An aging population will require a greater demand for the provision of cultural and recreational spaces. Community, culture and nature offer significant opportunities for leisure activities, volunteer opportunities or general community involvement for older citizens. The development of diversified tourism and recreational infrastructure also caters for different demographics, supporting ageing populations but also tackling challenges such as youth outmigration.

2.4.3 Climate change

In January 2010, the Treasurer, Hon. Wayne Swan, circulated 'Australia to 2050: future challenges'²¹. The document stated that '*Climate change is the largest threat to Australia's environment and represents one of the most significant challenges to our economic sustainability. Failure to address this threat would have severe consequences for weather patterns, water availability in cities, towns and rural communities, agricultural production, tourism, infrastructure, health and Australia's unique biodiversity.*' It goes on to affirm that if climate change were not addressed, consequences for the economy, water availability (and resultant rise in cost of urban water), and Australia's unique environment will be severe. Australia is seen as more at risk than many other developed countries as it is one of the hottest and driest continents on earth.

The Garnaut Climate Change Review (2008) conservatively estimated that unmitigated climate change would leave Australian GDP in 2100 approximately 8% lower than the level it would be in the absence of climate change, with even greater impacts on consumption and real wages. '*This is equivalent to losing around \$17,000 per person (in current prices) from the Australian economy in 2100.*'²² The Climate Action Network²³ has mapped the potential impacts of climate change over Australia (see Figure 20).

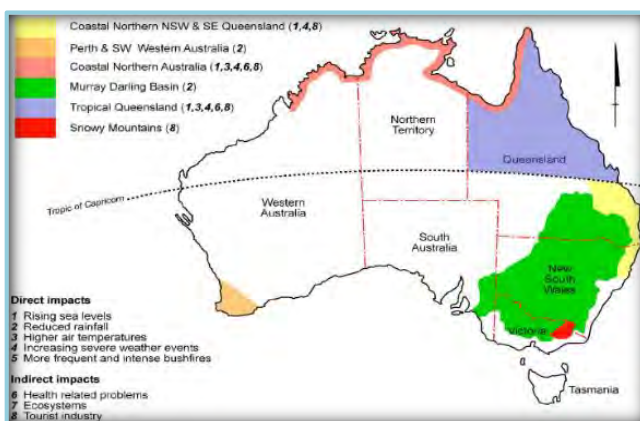


Figure 20. Climate Change Impact Hotspots

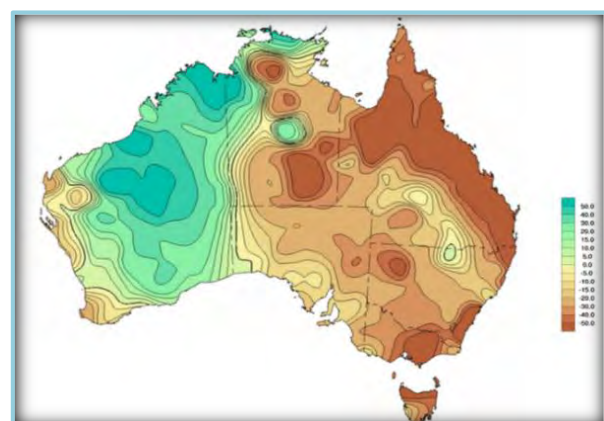


Figure 21. Annual total rainfall, 1970 to 2007

The principal impacts for the Great Southern are expected to be reduced rainfall. Indeed, already the trends show declining rainfall in the region²⁴ (see Figure 21) and this may have consequences for the way farming is undertaken, with the potential for longer and more severe droughts that may provide a major challenge to the region's economic base. Throughout Australia, agricultural production is projected to decline by approximately 17% by 2050²⁵.

The Transformation Project stakeholders and members of the DSLSC have a strong interest in incorporating environmental principles such as solar passiveness into the design of the new facilities. **Every effort will be made to reduce the building's environmental footprint throughout its construction and operation.** Relocation of the club buildings away from the 'coastal danger zone' also addresses Department of Planning, Lands and Heritage guidelines and climate change issues (such as storm surges, sea level rise and erosion).

Beyond these more direct contributions, well-kept and developed public spaces and enrichments to the public realm, enhance community pride and ownership, helping encourage sustainable and green principles and practices. A healthy community cares for and supports its natural and built environment. Better education about surf and beach safety, beach environmental principles and general care and maintenance skills and attributes are all regularly imparted on club members and integrated with club activities.

2.4.4 Globalisation

The general trends in globalisation will provide significant challenges and opportunities for the region. In general, globalisation has strengthened the position of larger regional centres in relation to smaller communities. Throughout regional Australia in particular, major regional centres are increasingly absorbing government and private sector services, often at the expense of surrounding smaller centres. Growth and development in the Great Southern must recognise this and ensure that future planning caters for this increased demand for services.

A further trend will be the growth of affluence in Asia, particularly China and India, leading to increasing investments in regional Australia but also a specific opportunity in tourism. China is already Australia's most valuable inbound tourism market. In 2010, the China inbound market contributed \$3.26 billion to the Australian economy. By 2020, this market has the potential to contribute \$7 to \$9 billion annually over Australia as a whole. This growth will provide substantial opportunities for tourism across the region.

Leveraging these opportunities is a key aim of this project. General enhancement of the public realm caters for growth and increased demand for services. Transformation into a refreshed, vibrant, inclusive and holistic DSLSC will serve to attract and retain tourists, residents, business, enhance beach safety and provide additional recreational opportunities - making Denmark and the Great Southern region a highly attractive place to live, work, visit and invest. In addition, the enhancement of DSLSC facilities and service will **provide a safer swimming environment for tourists**, supporting growth in key identified segments of the market, for example where increased tourism from Asian countries brings some challenges associated with weaker swimmers.

3 Evaluation of Need

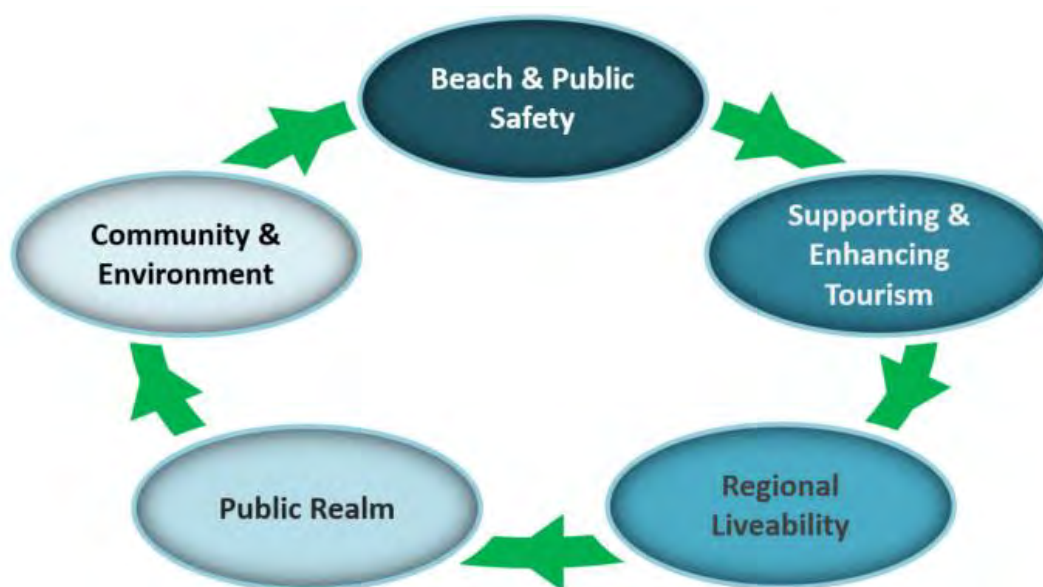
The DSLSC provides a critical lifesaving service at Ocean Beach, widely considered as one of the most dangerous patrolled beaches in WA. An extremely popular beach with locals, it also attracts an enormous number of visitors during the peak tourist and holiday periods. As described previously in Section 1.2, the transformation of the club's facilities will deliver much improved operational outcomes at Ocean Beach (ensuring the safety of all beach-goers, ongoing educational and training of members and providing improved amenities for club members). As the population and tourism is expected to increase significantly in the coming decades, so too will the requirement for critical services such as surf lifesaving.

Coupled with improvements to the public realm, including better provision of public open spaces, growth in the tourism sector will further enhance liveability and opportunities for employment and business development. Members of the Lower Great Southern Economic Alliance understand the significant opportunities involved, and have formed the partnership on the basis that investment in any one Local Government Area will enhance the prospects and opportunities for the other. This ongoing support, through strong partnership and communal appreciation, reduces competitiveness and increases efficiencies to deliver robust community benefits and the facilitation of a strong regional economy.

Ocean Beach is also strategically located amongst other regional tourist attractions and provides a direct link to the recently commissioned WOW trail, the Munda Biddi trail and the Bibbulmun track, among other key trails networks. The creation of new facilities, ablutions, event and function areas will provide much-needed community amenity and tourist facilities in support of these other strategic initiatives. It will also facilitate economic development and the attraction of major events (such as, regional and state-wide surf lifesaving and Surfing WA carnival events and trail walking and riding), which will provide employment opportunities for local residents.

The Transformation Project has been driven by the established need to work with the strengths of the coastal Great Southern areas to address identified challenges and enhance tourism, liveability and investment opportunities. With coastal areas becoming increasingly desirable holiday destinations, it is increasingly important to utilise these natural assets through smart and targeted enhancements of the public realm whilst continuing to ensure the safety of beach patrons.

Project need has been identified in five key areas:



Beach and Public Safety	Around Australia, there were 280 cases of drowning in 2016. Many of these were visitors to the location in which they drowned. Injury and death can have obvious negative impacts on future visitation and economic opportunities for a region. Adequate safety provision need to be in place to ensure patron safety at beaches, especially where dangerous conditions exist, such as at Ocean Beach in Denmark. In order to service resident population growth and increased tourism and visitation, club growth must be supported to ensure the ongoing safety of beach-goers.
Supporting and Enhancing Tourism	Tourism throughout WA is increasing, and beach or coastal tourism is an important driver for visitation to an area. In particular, opportunities are building through increased international tourism within southern WA. Denmark and the Great Southern must work hard to provide the services and amenity necessary to attract a strong proportion of these visitors, and to differentiate the region from other comparable destinations (such as Margaret River in the South West). Enhanced facilities, beach safety and the provision of enhanced recreational and culinary experiences provides diversified attraction to residents and visitors alike.
Regional Liveability	As for tourism, increased provision of services, amenity and enhanced safety all contribute to regional liveability and attractiveness to residents. This will encourage the retention of existing residents and the attraction of future residents, in line with and beyond the current growth trends. This will also serve to enhance opportunities for local business and economic development within the Shire of Denmark.
Public Realm Enhancement	Provision of high quality public spaces and facilities for all users which are safe, accessible, attractive, comfortable, flexible, well connected and long lasting. Developing integrated community facilities can maximise the efficiency of travel networks and service provision and enhance opportunities for sports participation, physical activity, wellbeing, community interaction and cohesion. A high quality pedestrian environment and public realm is considered an essential component of the right business environment.
Community and the Environment	Commitment to a healthy, active community lifestyle, connected to world class natural assets. Protect, enhance and communicate the unique cultural heritage values of the locale, creating memorable, diverse and authentic experiences which express civic pride, and ensuring the safety of the community and beach-goers.

3.1 Beach and Public Safety

As previously discussed, Ocean Beach is well known for its surf, clear blue water and white sand stretching around the bay. Due to its proximity to a caravan park and town, it is the most popular beach in the area and a popular tourist attraction. However, Ocean Beach is also well known for its treacherous waters with frequent huge southern swells and a constant rip running close to the swimming area. In a recent study commissioned by Surf Life Saving Australia, Ocean Beach gained the dubious distinction of being named the state's most dangerous patrolled beach.

The DSLSC therefore performs a crucial role in managing the latent risk that drownings and shark attacks pose to Denmark's tourism reputation by preventing drownings at what is an iconic but very dangerous beach. In past years the club has prevented as many as six drownings in one day and it needs an up to date facility to operate at full capacity.

The formation of the DSLSC itself originated from a double fatality in November of 1958, with the earliest recorded drowning at Ocean Beach including a family of seven in 1911. Over the years several more lives have been lost. The club has been involved with the police and other search and rescue organisations many times encompassing an area from Ocean Beach to west of Walpole in the search and recovery of bodies and others swept from fishing rocks and from boating accidents. The skill of the club members in their local knowledge, boat driving and crewing skills, navigation and radio skills and cooperation with other emergency service personnel is highly regarded and often called upon.

Currently the DSLSC maintains an annual membership of approximately 290 members, with around 121 juniors participating in the nippers' program (under 14s) and 36 young members (14-18) in the youth programs. The club has four volunteer patrol teams rostered on weekends from the first weekend in December until the last weekend in March of each year. Statistics from the 2015/16 season indicated that volunteer lifesavers spent 1,240 hours on duty, carried out eight rescues, attended three major first aid cases and undertook 75 preventative actions. In addition, for the 2015/16 summer school holiday period, full time paid lifeguards carried out 11 rescues, 297 preventative actions and 10 first aid cases. During this same period, there were approximately 7,850 visitors to the beach.

As Australia's beaches are a major drawcard for domestic and international visitors alike, it is clearly imperative to provide a suitable level of service and safety at the most popular of these beaches, especially when it is considered that any resultant injury or death of a visitor can impact negatively on future tourism prospects and visitation, as well as present risks to operators and government authorities from litigation or compensation.

As identified in the Royal Life Saving National Drowning Report²⁶, 280 drowning deaths occurred in Australia in 2016, with 23% at beaches, 19% ocean or harbour and 21% rivers, creeks or streams. The number of annual drowning deaths has been relatively stable over the last 10 years. The largest number of drowning deaths occurred among people aged 25-34 years, with the age group recording a 27% increase against the 10-year average and accounting for 19% of all deaths in 2015/16. The 35-44 years age group recorded the second highest number of drowning deaths at 41 (15%), which was an increase of 11% against the 10-year average.

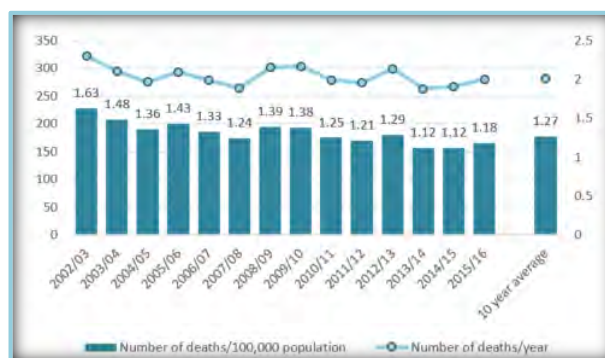


Figure 22. Unintentional drowning deaths and death rates in Australia, 10 year average

At 26%, swimming and recreation are by far the leading activities before drowning, followed by boating (16%), fall (14%), Diving (9%) and others. When isolating beaches as a focus area, 57% of drownings were during swimming and recreation, rather than various other activities. Drowning deaths at beaches around Australia also recorded an increase of 34% against the 10-year average.

Importantly, in 89 cases (32%) the person who drowned was known to be a visitor to the location where they drowned. 25 people, or 9% of people who drowned were overseas tourists. Overseas tourists commonly drowned at the beach (28%) or ocean/harbour locations (24%). The most common activities prior to drowning for overseas visitors were swimming and recreating (32%) and diving (28%).

Given the nature of the perpetual rip at Ocean Beach, it is also worth noting that rip currents kill more people on average than bushfires, cyclones, floods and shark attacks combined, according to a new University of New South Wales²⁷. A rip is a strong current caused by water from waves breaking on the beach flowing back out to sea through deeper channels in the sand. The current can easily pull swimmers away from the shore. The average number of deaths caused by rips per year is 21, according to an earlier study which analysed reported deaths between 2004 and 2011. This compares with 7.5 for cyclones, 5.9 for bushfires, and one for sharks when deaths are averaged over the longest available databases for each, some going back as far as 1852.

Another pilot study²⁸ surveyed 671 rip survivors to better understand the demographics and behaviour of swimmers caught in rips. The survey ran on beach and surf related websites, with a small amount of surveys conducted in person at a beach, so the population surveyed is biased towards people already seeking out beach and surf information online. The results contradicted the belief that it's mostly overseas tourists getting caught in rips – the majority (77%) were Australian. Of the 23% that were born overseas, the largest

proportion were from the UK (45.5% of non-Australian respondents), followed by Americans (12.8%) and Europeans (12.8%).²⁹

The Transformation Project will ensure the DSLSC can accommodate growth in membership, volunteerism and staff employment for critical lifesaving services and training in order to accommodate projected residential population growth and growth in visitor numbers to Denmark and the region. The safety of residents and visitors is arguably one of the most important attributes of a liveable and attractive town, and with beach culture a significant part of the Australian way of life, beach safety is a key factor for consideration.

In addition to the general importance of enhancing club service and facilitating growth to support changing demographics, increased populations and visitation, it is also important to note the current status of critical infrastructure at the site. At present, there are significant safety issues associated with vehicle beach access which also clashes with public walkways. No direct beach access exists from the current facilities, and in response to emergency situations lifesavers must take vehicles and vessels up the pedestrian pathway, through the carpark and back down the launching ramp access way adjacent to the property. This causes significant time inefficiencies for rescues and also poses a risk to path users. A new build on the adjacent site (in close proximity to the launching accessway) addresses this issue and will provide direct approach to the boat launching area of Ocean Beach, where a refurbishment cannot provide such access due to the positioning of the facilities.

Further to this, universal access should be ensured to meet current building compliance, for example where disabled access is not available with the current facilities. During the design phase for the proposed new facility, disability access has been carefully considered and factored into the design of the building in order to both meet compliance and enhance disabled user experience, along with meeting other critical building and environmental regulation and standard requirements.

Another critical area in which the current building suffers is its first aid room, which currently does not meet the SLSWA guidelines. In order to comply with the standards, the facilities would require a significant and costly refit and would also mean relocating the existing first aid room into another part of the building, which is already under space pressure. A new build will provide adequate and fit-for-purpose space to meet first aid requirements. For perspective, the following list compares SLSWA first aid room requirements to those currently available in the DSLSC facilities.

Table 9. SLSWA first aid room requirements and current DSLSC provision

SLSWA Requirements	DSLSC Current Compliance
Should be clearly marked FIRST AID (Style Guidelines: Australian Standard AS 1319 Safety Signs for the Occupational Environment)	Yes
Should be set aside exclusively for first aid purposes.	No
Be well lit and well ventilated.	No
Be at least 14 square metres in size with impermeable flooring.	No
Be able to provide privacy for people being treated.	No
Be regularly cleaned and sanitised.	Yes
Have easy access to toilets and showers.	No
Be suitably located, with convenient access.	No
Have sufficient space for equipment to be stored and used effectively.	No
Have adequate access for stretchers or wheelchairs.	No
Allow easy entry and exit for ambulances or emergency vehicles.	No
Contain a means of communication (telephone/radio).	Yes
First aid rooms should contain the [SLSWA list of] items.	Yes

3.2 Supporting and Enhancing Tourism

Tourists have long been drawn to beaches and the commercial activities that service tourists needs have become the primary source of regional income and jobs in many coastal locations. The attractive nature of beaches generates substantial tourism earnings, which are concentrated in coastal regions³⁰. These income streams are however potentially threatened by changes in the quality and extent of the beach systems on which they depend³¹. The coastline is a major drawcard for domestic and international tourists in Australia. Approximately 22% of all domestic overnight trips (including trips taken primarily for business reasons) involved a visit to the beach or coast³² and 62% of international visitors to Australia report beach visits/recreation as one of their most important holiday activities³³.

Unfortunately, although there are 27 current investigations and reports on a number of aspects of marine tourism (e.g. diving, fishing and whale watching), there is no national study on the tourism and recreation values of beaches, arguably the most valuable coastal tourism asset. However, a 2013 survey and study on beach and surf tourism and recreation in Australia³⁴ did evaluate the importance of site attributes in the choice of beach to visit at the local level. The study used four case study areas which included WA’s Augusta Margaret River, the Sunshine Coast (Qld), Clarence Valley (NSW), and the Surf Coast (Vic). Within these areas, it evaluates the importance of natural features and built features, with similar results between study areas.

As such, for the purpose of this demonstration of need, the study area responses have been averaged to represent common themes between states and different tourist climates. The selection criteria defined in the study is also reviewed in the table below for context and relevance to Ocean Beach itself, to show what level of amenity it will or already does offer to visitors alongside the study’s criteria. Ranked 0-10, a low score indicates that Ocean Beach and the proposed development does not, will not, or only partly fulfils a criterion, where a higher score indicates that such amenity does exist.

Natural Environment	Availability	Built Environment	Availability
A sandy beach	10	Nearby shopping	2
Aesthetics	10	Nearby cafes	10
Clean water	10	Easy to get a carpark	10
Fishing - choice of beach	10	Beach is close to the carpark	10
Surf breaks - choice of beach	10	Lifesaving patrol	10
Safe swimming (no rips or currents)	2	Footpaths and/or bikeways	10
Adjacent parklands and open spaces	10	Amenities (toilets, showers, BBQ, etc.)	10

As can be seen in the charts below, the study finds that sandy beaches, clean water, safety and adjacent parklands and open spaces are all viewed as important natural features to dictate visitation. Though fishing ranked highly on average in the study for natural features, it is worth noting that two of the study areas are popular fishing beaches, and the other two not, with very high responses for fishing as a factor for beach choice in the two skewing the results. For the built environment, lifesaving patrols, amenities and ease of parking are ranked highest, with nearby cafes and footpaths or bikeways featuring highly also.

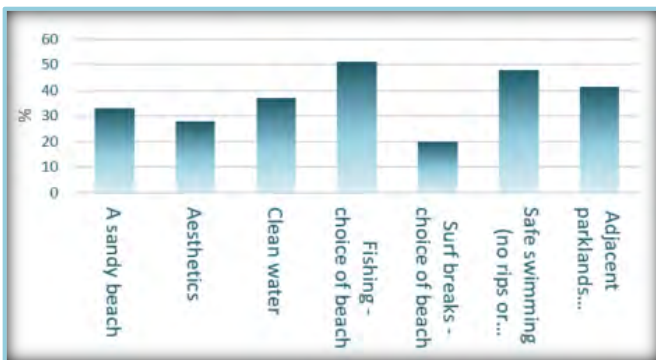


Figure 23. Importance of natural features to tourists

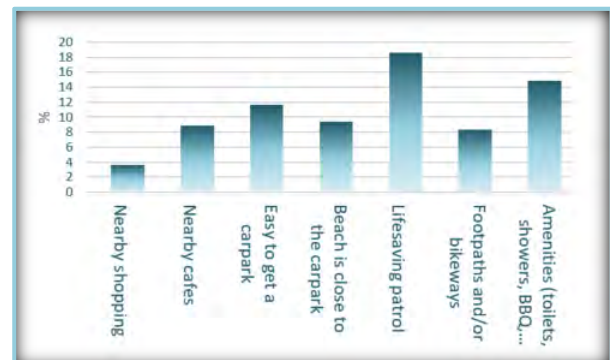


Figure 24. Importance of built features to tourists

Importantly, the highest ranking features identified in the study are already prominent features of Ocean Beach particularly with the regular surf lifesaving patrols and amenities and continued provision of a kiosk operation. This shows that the criteria for beach goers are already met, and indicates that further developments will improve perceptions and encourage further visitation.

Development through the proposed project serves to improve amenity further, providing tourists with a beautiful, unique and iconic tourist destination with access to recreational and culinary amenities in very close proximity. Investment in the Transformation Project ensures that opportunities for growth in tourism are fully realised, and that tourists themselves are offered a diversified and holistic tourism experience, which in turn encourages repeat visitation and experience sharing with family and friends.

3.2.1 Tourism as a Key Driver of Growth

Amongst other important investment areas, tourism is a key economic driver which generated more than 109,000 jobs and injected \$10.64 billion into the Western Australian economy in 2016 (latest available figures).³⁵ Over the decades in fact, tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Modern tourism is closely linked to development and encompasses a growing number of new destinations. These dynamics have turned tourism into a key driver for socio-economic progress.

“Tourism is an avenue of potential advantage and opportunity for local communities. It is a way of diversifying and growing the economy, and can also provide social opportunities that benefit the host community. In many regional areas, tourism is an important factor in the future viability of a community.”³⁶

Today, the business volume of tourism equals or even surpasses that of oil exports, food products or automobiles. Tourism has become one of the major players in international commerce, and represents at the same time one of the main income sources for many developing countries. This growth goes hand in hand with an increasing diversification and competition among destinations. This global spread of tourism in industrialised and developed states has produced economic and employment benefits in many related sectors - from construction to agriculture or telecommunications.

The contribution of tourism to economic well-being depends on the quality and the revenues of the tourism offer.³⁷ A destination cannot promote products and experiences it does not have. Destination development is a continuous process of coordination and development of amenities, facilities, products and services that support host communities to deliver quality experiences for visitors and enhance residents' well-being.³⁸

As a coastal town with some of the state's most beautiful beaches and natural attractions, it is important that the coastal culture and tourism elements of Denmark are nurtured and promoted through initiatives such as the DSLSC Transformation Project.

3.2.2 Encouraging Investment

Also important to regional economic growth are other industry sectors such as retail, hospitality and construction. As described in Section 2, retail turnover including hospitality, and building construction (closely linked through both public and private investment) are respectively the second and fourth highest contributors to the Great Southern regional economy. To continue growing these sectors, the Great Southern region needs long-term structured investment into the public realm.

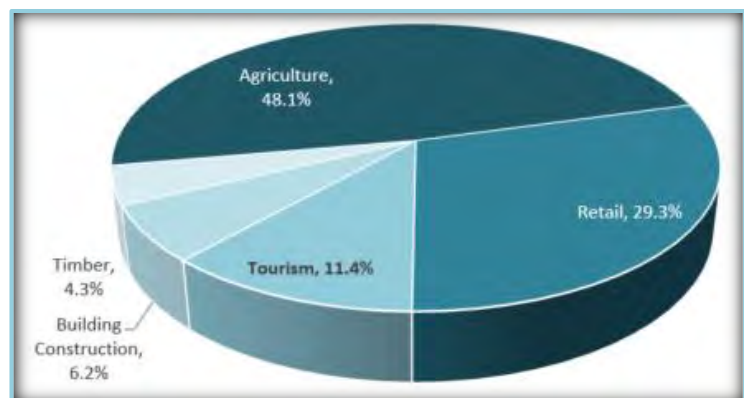


Figure 25. Contributions as proportion of top five performers

The Transformation Project is expected to have significant potential to enhance opportunities within these sectors for a number of reasons. In particular, the project has a significant potential to then enhance private investment outcomes in the surrounding areas, and will further encourage growth throughout the Denmark CBD due to high amenity public realm enhancements, linkages and connections through extensive and well planned trail networks and access ways.

The Global Infrastructure Basel Foundation considers worldwide investments in sustainable infrastructure a backbone of the economy and a key social fabric. It also considers that incorporating sustainability into infrastructure can help alleviate adverse environmental effects and mitigate climate change so as to contribute to the safe and resilient development of nations.³⁹

3.3 Enhancing Regional Liveability

Enhancing the DSLSC will have a significant impact on liveability, in that it will provide current and future residents with newer infrastructure and better amenities. With Ocean Beach's close proximity to town, and its status as a favourite beach amongst visitors and residents alike, the proposed Transformation Project celebrates the south coast lifestyle.

3.3.1 Beach Living

As identified by the 2013 Bond University study of beach and surf tourism³⁴, the services provided by beach systems act as a strong attraction for local residents as well as visitors. It has been estimated that 23% of the global population lived within 100 kilometres of the shore and this zone had three times the global average population density. It was also demonstrated that densities are highest close to the shoreline and at low elevation⁴⁰. This was despite the extensive availability of unpopulated, low-elevation land at high latitudes (polar regions) that reduced the weighted densities (population divided by available area at that elevation or proximity) for both low-elevation and coastal lands. Notwithstanding this statistical anomaly, more than 100 million people are thought to reside within one metre of mean sea level⁴¹.

This effect is even more pronounced in Australia. Australians have a strong geographical affinity for the coast, with approximately 85% of the Australian population living within 50 kilometres⁴². Around 50% of residential addresses are located within seven kilometres of the coastline, and around 6% in the zone that is less than five metres above mean sea level and within three kilometres of the coast⁴³. Net migration to the coast is expected to increase the proportion even more in the future⁴⁴, and as can be seen in the context section of this document, Denmark is no exception. Population growth in the coastal zone has also rapidly outstripped that in other areas⁴⁵. To a large extent, the settlement pattern is driven by the recreational opportunities and perceived quality of life benefits associated with coastal areas⁴⁶. Australia's coastline is arguably our most important recreational resource.

Beach visitation statistics are difficult to estimate or confirm, for visitors or residents, though Ocean Beach is arguably the most popular and most visited beach in Denmark. This is predominantly due to its proximity to the town centre. In the context of the Bond University study and responses from residents for natural and built beach environment attractors, Ocean Beach also performs well alongside its tourism attraction potential.

As can be seen below, similar natural features are important to residents as to visitors, though with more importance placed on aesthetics and cleanliness. In terms of the built environment parking access, lifesaving, footpaths and provision of amenities are all considered important at a relatively equal level. Though Ocean Beach already has a number of these, the proposed project will serve to protect and enhance the vast majority of these criteria, which is expected to significantly increase the attractiveness of the area and the Shire of Denmark itself as a place to live.

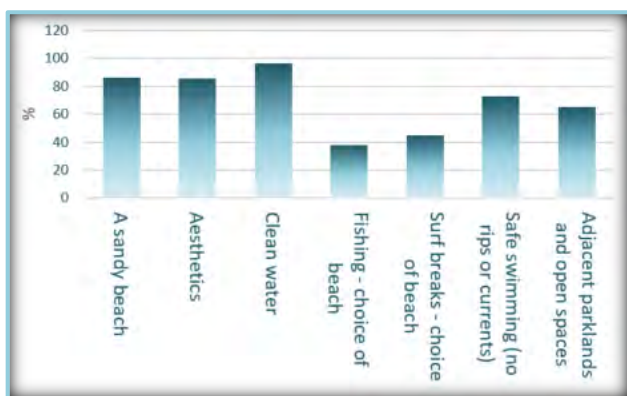


Figure 26. Importance of natural features to residents

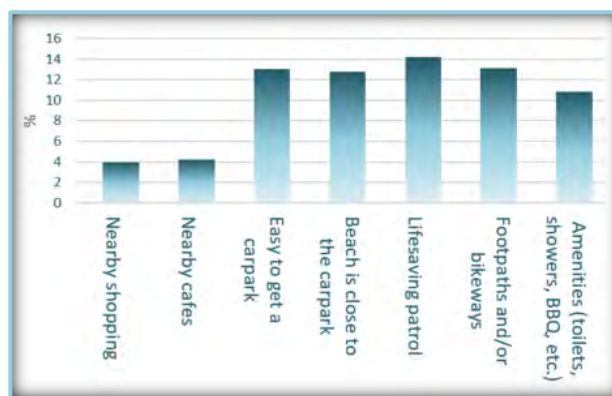


Figure 27. Importance of built features to residents

3.3.2 Addressing Identified Challenges

All anticipated benefits of the Transformation Project will also serve as key attractors to diversified demographic groups. The proposed development can be a powerful strategy in addressing both the outmigration of youth and the ageing population in a number of ways. For example, diversified recreational opportunities, more culinary and service opportunities, more attractive spaces, enhanced beach culture, and more associated employment opportunities all stand to have a significant impact on the attraction and retention of population in all age groups.

The Great Southern Regional Investment Blueprint specifically identifies retention of youth as a key objective for maintaining a healthy economy and local demand, and includes specific opportunity for the support of youth retention through the provision of a diverse range of sporting, recreational and cultural activities in the region targeted at young adults⁴⁷, in line with this project.

The out-migration of youth is a particular concern facing rural communities. A current population trend in Australia is that people are leaving rural areas to move to more urbanised regions. Economic and social disparities (such as lower access to services) between rural and urban areas appear to have driven much of this trend. This has economic and social implications for the rural sector with stunted (in some areas negative) labour market and population growth. Furthermore, with the young overrepresented in the migration figures (particularly females), rural areas are becoming relatively 'aged' as well as struggling with gender mismatch issues.⁴⁸ As evidenced in Section 2, this issue is particularly true for Denmark and the Great Southern region.

People are most mobile in their early adult years. This mobility applies to all geographical scales: within a local area or region; to or from Perth; interstate or overseas. Within regional WA there are distinct patterns of age-specific movement. Young adults have consistent patterns of net migration loss from regional areas as many move to Perth for education and employment.

Net migration losses of young adults result in large gaps in this age group (Figure 7). Small and medium sized towns in regional Australia share the youth 'gap seen in rural areas, however the severity of this gap generally lessens with increasing town size reflecting the broad range of economic and social opportunities in larger centres. Central Perth shows the most extreme pattern with nearly a fifth of its population aged 20 to 29 years. This concentration of young people becomes its own point of attraction for others particularly as social and entertainment activities catering for young adults develop and concentrate in the same location.

Regional Australia makes a formidable contribution to the nation's economy producing one-third of our national output and 8.8 million Australians call the towns, small cities and areas that lie beyond our major capital cities, home. Despite this, major cities beckon young talent, and regional cities and rural surrounds are faced with the challenging task of retaining or attracting churning millennials to balance the growth in baby boomers and retirees. The private sector is undeniably a major driver of economic opportunity and regional growth however consistent jobs growth in public administration (such as health and education) is a significant source of stable opportunities for young millennials.

Whilst market opportunities and consistent funding in the public service will determine the extent to which jobs are created, research firmly shows that millennials are looking for more than a ‘job’ in their search of a place to call home. And, whilst access to jobs, affordable housing, universities, schools and other services are important determiners - these alone will not capture the hearts and minds of an innovative, socially connected, experience seeking generation. Vibrant public spaces where new connections can happen and memories made, live music and performances, art galleries, diverse recreational opportunities, walking tracks and bike lanes, pop-up shops, community gardens and urban revitalisation – these are just some of the opportunities to enhance the liveability of regional cities, towns and villages and therefore the appeal to millennials.⁴⁹

An ageing population also denotes new challenges, such as the availability of young care, hospital and service staff. The related challenge will be to find enough qualified staff to provide these services. The low birth rate will mean there are fewer adult children to provide support to retirees and there will be a general shortage of young people in the workforce who are able to meet retirees' need for caring. Research by Access Economics found that the working age population, currently growing by 170,000 each year, will grow by less than 13,000 per year during the 2020s. Certain council occupations may be under pressure from the volume of demand for ageing services—these could include occupations such as ageing and disability planning development and coordination staff, community workers and case workers who assess the food, cleaning, personal care and respite care needs of the elderly. Road construction, waste collection services and emergency services, including surf lifesaving, that rely on the physical strength of younger workers may also be affected. These workforce issues need to be monitored. As most OECD countries will age more quickly than Australia, international demand for skilled workers will be high and attracting and retaining young staff will be more difficult. Establishing and maintaining volunteer networks to assist in service delivery will be crucial.⁵⁰

There is a critical need to retain rural young populations in order to continue to service and develop prosperous towns into the future. The most notable methods to retain and attract a younger population and to support an ageing population are through initiatives that aim to revitalise rural cities and towns to cater for varied interests, needs and desires, offering diversified opportunities in education, recreation and social areas. This project, with its intention to transform the DSLSC, addresses this need by delivering an enhanced recreational and community outlet with access to quality cafe/restaurant facilities currently unavailable in the area, providing for diversified interests in the community and helping to create a more liveable regional town. DSLSC has a strong youth focus and associated programs. New facilities will attract and retain youth by providing spaces, equipment and amenity to support this demographic. Through ongoing support of well established youth programs, the potential for growth in young members, and newer, more attractive facilities, the Transformation Project has significant potential to help tackle youth outmigration.

3.4 Enhancing the Public Realm

3.4.1 Defining the Public Realm

The public realm consists of the physical features of our cities that we see and experience everyday: streets and laneways, parks and other open spaces, greens, commons, markets and promenades, as well as public buildings with community and cultural value, such as museums and libraries. At its most basic level, the public realm consists of spaces for people to use. They are shared civic assets made accessible for public use. The public realm consists of the connecting points between buildings, and the right of ways that structure how we move around the town/city – cycling, walking, driving, or taking transit.⁵¹

Developing strategies for the public realm are important for guiding and directing development to support connectivity between buildings and streets. With this level of thinking, towns and cities must encourage, contribute to and facilitate direct investment into the public realm, including the development of outdoor public spaces for people to socialise, interact, observe, or just be alone in. Public space outcomes provide a range of social, aesthetic, environmental and economic benefits.

3.4.2 Shire of Denmark Public Realm Enhancements

The Shire of Denmark has strong and ongoing ambitions to create an exemplar public realm through a number of developments throughout the CBD and surrounding areas. The Shire also strongly supports other community organisation's and local businesses' viable projects serving to improve the public realm and provide clear community and economic benefits. In such instances, the Shire of Denmark offer direct partnerships and financial support, such as that offered through the DSLSC Transformation Project. Indeed, the Shire of Denmark have expressed that this Transformation Project is essential both to enable a continued level of safety and service to residents and visitors within Denmark and to enhance growth potential for the club.

Beyond this, the club and Denmark Shire will return the current site as large public open grassed space for community and visitor recreation upon completion of the new clubrooms and demolition of the old. This includes both terraced and flat grassed areas overlooking the bay and point adjacent to the beach. Open spaces, sport and recreation all underpin people's quality of life. Well-designed community space can have a multitude of positive benefits and impacts on people's lives and hence their communities. Indeed, more open grassed spaces has been identified as a critical area of need by the community in earlier Shire of Denmark consultation work.

Together, ambitions to enhance the public realm throughout the Shire of Denmark encompass long-term sustainable investment strategies expected to greatly enhance liveability, attract and retain residents, attract tourist and encourage them to stay longer in the region, and attract significant private investment. Through these ambitions, a number of key priorities have been identified:

- **An active environment** improves the quality and experience of the public realm so that it can attract and support the widest range of activities possible in encouraging community involvement as well as new investment potential.
- **A liveable environment** facilitates a populated town that continues to attract and support a strong residential base by offering an urban setting which attracts and enhances regional living.
- **An accessible environment** offers a choice of travel modes that also functions as a transport hub facilitating safe and convenient movement of people and goods in a pedestrian-oriented environment.
- **A culturally vibrant environment** supports a rich cultural environment, the strength of which increases participation by the regional community in a wide variety of events and festivals celebrating its multicultural diversity and artistic talent.
- **An attractive environment** is distinguished by the quality of its built environment and open spaces that strengthen Denmark's unique heritage, appearance and feeling.

Benefits addressing these infrastructure and urban enhancement challenges is vital to ensure a primary service hub commensurate with development in the region. It is critical in terms of attracting, retaining and servicing a population and workforce required for a region which is an economic driver for WA. The Transformation Project addresses all of the above outcomes, by providing infrastructure improvements for the public realm, facilitating residential growth, providing strong linkages through trail networks and other access ways, providing public open spaces, and enhancing the rich natural and cultural amenity of the town and Ocean Beach, whilst continuing to ensure the safety of its residents and visitors.

3.5 Connecting Community and Environment

It is indisputable that the greatest asset of any city or town is its community, its people. Community organisations exist in many different forms, with some almost ubiquitous in all communities. These organisations are generally established by the community to support members and the wider community whom have similar interests or needs. They provide opportunities for social interaction, connectedness, pride and volunteering. As defined by Grantcraft in an article of the benefits of community organising⁵², to accomplish its aims, community organising groups use well-defined, deliberate ways of working that are well-aligned with the objectives they seek:

- **High level of public engagement, often by people from marginalized groups.** Community organising can build a sense of dignity, restore people's sense of significance, relevance. During site visits, community members often tell us, 'What I do can matter.'
- **Cohesion on Important Issues.** More and more, organising groups are learning to build alliances across lines of race, ethnicity, class, and age group, recognising the greater strength those alliances can bring to communities.
- **Leadership with an authentic following.** Organising groups make it a priority to develop community leaders from among their members. They are devoted to learning through training, learning through action in the community, and follow-up reflection. It really makes well-rounded persons who enter into public life in their communities, and are respected and trusted spokespersons accountable to their communities.
- **Pragmatic solutions that come from the community.** Organising comes up with innovation that would not occur from outside of the community that is involved.

Surf lifesaving clubs are no different, in fact offering a great number of community services with a diverse range of impacts beyond that achievable at most community-based organisations, from general community safety to educational programs, leadership training and healthy, active participation. A 2006 Surf Life Saving Australia (SLSA) study conducted by the Allen Consulting group provided clear indications of the direct cost/benefit of their Surf Life Saving work. However, members contributions extend far beyond the beach but were largely unmeasured.

In partnership with researchers from the University of Technology Sydney, SLSA has been collaborating on a project designed to measure this social contribution surf club members make to their local communities both on and off the sand. It is these 'spill over' effects that not only save lives, but help to build a stronger, safer and healthier Australian society.

The project team developed the survey after conducting focus groups in urban and regional surf clubs in four states; South Australia, Victoria, New South Wales and Queensland. The focus groups were designed to ask clubbies how they contributed to their local communities through their surf club membership.

The analysis of the focus group revealed that the impact of surf lifesaving activities on the public was more extensive than those activities conducted in the club and on the beach. These activities include public education campaigns, connections and networking with other organisations, how the skills specific to surf lifesaving can be leveraged within the broader community and how characteristics of social citizenry can be transferred from a volunteer position with SLSA into benefits for the public.⁵³

Surf lifesaving clubs also provide significant opportunities to people from all walks of life and all age groups, whether indirectly through beach patrols and safety, or directly through membership and the opportunities it brings for engagement and involvement. For example, the DSLSC includes junior, youth and senior memberships, competitions, education programmes, leadership training opportunities, and much more. This provides activities for young people to become involved and support their community as well as opportunities for all ages to volunteer their time to relevant and important community causes. Beyond these more direct benefits, the DSLSC also offers hall hire services to other community groups, so they too have a space to provide service to their members and the wider community.

Education for members also includes environmental protection, pride of place and ownership, teaching people of all ages to care for their beach environment in order to preserve it for future generations to come. In general, enhanced community pride and ownership leads to better care of the natural environment. As discussed by The Conversation⁵⁴, a non-profit online media service, confirms that Australia's environment is under stress from increased salinity, erosion, ocean acidification, loss of biodiversity and climate change. While in 2007, 78% of Australians were seriously concerned about environmental problems such as these, by March 2013, only 59% of Australians reported similar unease.

It is not just concern that is wavering. Australians are exerting less personal effort in their daily lives in order to protect the environment. Indeed, in 2007 about 25% of Australians made effectively no effort to purchase "green" products. In March 2013 this figure rose dramatically to 41%. These findings do not only pertain to Australia. Concern for the environment has decreased markedly across the globe during the last two decades. Polls continue to reveal widespread denial of environmental problems as well as resistance to adopting behaviours to sustain natural resources.

Research published in the Personality and Social Psychology Bulletin⁵⁵ supports the concept that pride and ownership leads to better environmental protection, suggesting that people who identify strongly with their country and are more invested in its success, are likely to accept the socioeconomic system of that country and recognise when things are not quite right. This may be important when we consider how environmental realities are perceived. If people can recognise the actual state of our natural resources, then they may be more interested in their management.

It is therefore exceedingly important that we continue to support, enhance and encourage the growth of our community organisations, nurturing their ability to instil pride and ownership, their contribution to their communities, and their impact on the environment. The DSLSC is one such organisation, which requires support to enable growth in membership and continue providing its exceptional services to its community. Importantly, a number of critical environmental considerations will be factored into the design and construction of the new facility, reducing and/or offsetting the club's environmental footprint.

3.6 Case Studies

Around Australia, the importance of continued support and development of surf lifesaving clubs is evident through the perpetual upgrade of existing facilities, enabling growth and providing flow-on benefits to the communities they serve. A number of clubs have received upgrades recently, or will be in the near future, with DSLSC now falling well behind the standard expected throughout WA and beyond.

Before considering recent surf club upgrades however, it is worth considering other local clubs, where more specific demographic alignment can be drawn through the success of revitalised or reimagined facilities. One such example is the Denmark Riverside Club (originally the bowling club), which saw the recent completion of a new clubhouse.

It should be noted however that the Riverside Club amalgamates direct recreational and sporting clubs and is a very different institution than that of the DSLSC, which while still offering significant recreational outlets to members and the community, predominantly offers critical safety and rescue services, education and training programs in its core operations. Both the DSLSC and Riverside Club offer different services and opportunities to their respective locations and surrounds.

Denmark Riverside Club⁵⁶

This newly constructed single storey sports club facility with highly detailed architectural design incorporates a multi-purpose function area, sports activity area, commercial kitchen and wet area, bar and cool room, office and storage areas along with a boat storage facility. The club is elevated above existing sporting facilities and the challenging sloping block has been overcome with a brick retaining wall to frame the main entrance and a tiered viewing platform

to link the clubrooms to the bowling green. PTX Architects, also involved with the design of the proposed Denmark Transformation Project, were the architects responsible for the design of the Riverside Club development.

Though well maintained and situated at a prime location, the old club facilities were significantly aged and unsuitable to attract new membership. In 2009, only 120 older members existed at the club and were slowly losing income and participation due to the state of the infrastructure. There was no perceivable way to sustain or maintain the club. The Shire of Denmark offered support but there was limited financial capacity for the club to support any activity due to the predominant demographic of members. An application for funding was put in for new greens, which allowed the club to save money on maintenance, which in turn was used to repay the loan amount required. This showed the club's ability to support itself for future applications, and spurred the conceptualisation of new facilities.

However, after evaluating the feasibility of such a development, the bowling club realised it would need approximately 300 members to support the development. The club thus engaged with the younger riverside clubs, such as dragon boating, canoeing and kayaking, which led to the amalgamation of these clubs into Denmark Riverside Club Incorporated. This amalgamation provided the required member base to support the development, which attracted funding from a number of sources, including Regional Development Australia (\$500,000), Lotterywest (\$271,000), Great Southern Development Commission (\$220,000), Shire of Denmark (\$490,000), Riverside Club funds (\$280,000), and a self-supporting loan through the Shire of Denmark (\$250,000).

The new clubrooms, commissioned in August of 2016, now have flexible and adjustable space to suit the needs of all members and club activities, and has become the largest venue in Denmark with a seating capacity of 200 (with the next largest venue at 147). This makes the clubrooms suitable for large scale events such as weddings and provides additional income streams to support club sustainability. It also provided employment opportunities for a caterer and club manager.

The development is now a key entry statement to the town of Denmark and is completely sustainable without ongoing council or government funding.

Examples of some of the more recent surf lifesaving club upgrades are explored as follows. Many more examples exist throughout Australia, with those provided only serving to indicate the level of support provided to similar surf lifesaving clubs in recent years.

Albany Surf Life Saving Clubroom Upgrade (WA)

Extra funding for the Albany Surf Life Saving Club was received through the State Government's Royalties for Regions program. The surf lifesaving club originally received \$650,000 in 2010 for its \$1.36 million project to extend the clubrooms but in 2011 received a further \$337,226 taking the total to just under \$1 million. The surf club had outgrown the present building and upgrading the clubrooms was intended to provide a new education and training room as well as expanding a number of training programs particularly for juniors. Indeed, this money has helped the club build a second storey on the clubhouse which includes an education zone, new kitchen, ablutions and an information and technology area.

New City of Perth Surf Life Saving Club (WA)

The new City of Perth Surf Life Saving Club opened its doors in June 2016 after almost two years of construction. The \$8.4 million club was designed by James Christou Designs and jointly funded by the Town of Cambridge, Lotterywest, Department of Sports and Recreation (now Department of Local Government, Sport and Cultural Industries) and surf club members. Through the Community Sporting and Recreation Facilities Fund, the Liberal National Government invested \$950,000 in the club with a further \$950,000 from Lotterywest. New facilities include an ocean-facing gym, meeting and training rooms, change rooms, a first aid room, equipment wash-down areas and a member's lounge. The design was developed with extensive community consultation, which identified the need for improved and expanded facilities, with the club's outdated building at capacity. The facility is part of the revitalised City Beach precinct, with the Town of Cambridge developing the area around the building to include parkland, restaurants, an amphitheatre and a promenade. A key design feature is the striking green concrete roof that provides a landscaped public plaza above the building.

Bunbury Surf Life Saving Club Upgrade (WA)

The City of Bunbury Surf Life Saving Club are in line to complete building renovation after receiving a significant Lotterywest grant. \$198,191 was provided to install a new kitchen in the clubrooms. The 101-year-old club hope

construction will start this year to improve its main and special needs ablution block, replace the kitchen and to build a mobility ramp to the beach.

The club had previously received \$199,879 from Royalties for Regions, \$22,907 from the Department of Sport and Recreation, \$22,907 from the City of Bunbury and had raised \$108,907 from club funds. Deputy Mayor Brendan Kelly said this work will go a long way towards helping Bunbury achieve its aim to become the most accessible regional city in Australia for people with disabilities.

Port Bouvard Surf Life Saving Club Upgrade (WA)

The Port Bouvard Surf Life Saving Club will add a second storey to its headquarters as part of a massive upgrade to its facilities. Port Bouvard originally built its club rooms with the plan for a two-storey building, but funding fell short and the building was designed with the option to add a storey on when funding became available. Now, thanks in part to \$300,000 from the state government's Regional Grants Scheme, construction on the second storey will begin in December 2017.

Yanchep Beach Lagoon Surf Life Saving Club Upgrade (WA)

A \$500,000 Lotterywest grant was awarded in 2015 for the new Surf Life Saving Club at Yanchep Beach Lagoon. The grant will go towards the \$6.3 million project which includes the new Surf Life Saving building, portable beach viewing tower, car park and beach access ramps.

Kempsey-Crescent Head Surf Life Saving Club (NSW)

The controversial Kempsey-Crescent Head Surf Life Saving Club has been named NSW's best new public building. Designed by Neeson Murcutt Architects to replace a "seriously dilapidated" old facility, and completed in 2015, the club received the prestigious Sulman Medal for Public Architecture at the NSW Architecture Awards in Sydney.

Goolwa Surf Life Saving Club Upgrade (SA)

Goolwa SLSC will receive a \$3 million upgrade, due to commence in late 2017. Goolwa Surf Life Saving Club's expanding nipper program has outgrown Goolwa's tin-shed club house. The plans are now out for a final round of community consultation, and will soon be assessed by a Development Assessment Panel. Once successful, work will begin later this year. Goolwa is rated the most dangerous patrolled beach in the state, and the 10th most dangerous in Australia – on par with Bondi, NSW. The new club will be situated behind the current Bombora Cafe, with the cafe also to be redeveloped. The upgrade will include the building of a new two storey clubhouse.

Robe Surf Life Saving Club Volunteer Support (SA)

Tony Pasin, Federal Member for Barker, and the Turnbull Coalition Team are supporting volunteers at the Robe Surf Life Saving Club, by providing \$10 million to upgrade Surf Life Saving Australia's volunteer training system. The funding includes:

- \$6 million to help upskill existing volunteer trainers and assessors
- \$1.5 million for Surf Life Saving Australia to update its technology to enhance training and reduce red tape
- \$1.5 million to expand the scope of volunteer training at clubs around the country, including induction and ongoing training for both members and volunteer training managers.
- \$1 million for expanded recruitment and recognition of supervisors, trainers and assessors at clubs around the country

SALT Surf Life Saving Club Upgrade (NSW)

SALT Surf Life Saving Club is set for a major upgrade after securing a \$1 million infrastructure grant from the Federal Government. Funding will go towards Salt SLSC's construction of Stage 2B of their clubhouse. Salt SLSC will contribute the balance of \$265,000. Construction will include decks with stair entrances, function, training and members' rooms, kitchen and servery, amenities, office and disabled access. Stage 2B follows the previous \$720,000 Stage 2A ground-floor extension, which was completed in 2016. The stage was funded mainly through the Surf Club Facility Grant Program's contribution of \$305,000, combined with monies raised through a decade of the club's fundraising activities. Salt SLSC's Building Sub-committee engaged architects, engineers, consultants and council, to ensure Stage 2B would be ready to proceed if federal funding was approved.

3.7 Policy and Strategic Framework

A range of challenges face the region over the coming decades and Denmark needs to play a role in helping the region and its towns to meet these challenges. The attraction and retention of residents, tackling out-migration of youth and diversification of the region's economy are all essential to future prosperity if the Great Southern is to play its full part in the growth of WA and the nation as a whole. The DSLSC Transformation project, with its enhanced capacity to grow and service the community, residents and visitors, aligns with strategies aimed at addressing these challenges. Those policies and strategies most relevant to the project are outlined below.

3.7.1 Shire of Denmark Corporate Business Plan 2016-2020

The Shire of Denmark's Corporate Business Plan 2016-2020 is a key component of the Shire's Integrated Planning and Reporting Framework that outlines the implementation of Council's Strategic Community Plan 'Denmark 2031'. The Corporate Business Plan seeks to activate 'Denmark 2031' and incorporate operations identified as major actions and projects related to the goals contained in the Strategic Community Plan. These major actions and projects are included in the Corporate Business Plan over the four year period commencing July 2016. This plan guides action on prioritised strategies to achieve the Shire's vision, whilst delivering improved services and outcomes for the Shire of Denmark.

In line with the intentions and primary service provision of the DSLSC, public safety features heavily in the Corporate Business Plan, with the intention to work with relevant authorities and organisations to maintain a safe and secure environment for its residents and visitors. Other aligned safety intentions include consulting regularly with community groups regarding volunteer requirements and support initiatives regarding community safety and security.

More specifically, the Denmark Corporate Business Plan includes direct intentions to "support the Denmark Surf Club redevelopment/upgrade". This is included under section 1.10 Recreation, with the purpose to monitor all forms of recreational and cultural facilities and services, and take careful account of the level of community support for those in determining the improvements or new facilities to be supported together with their relative contribution to personal and community wellbeing.

3.7.2 Shire of Denmark Strategic Community Plan 2031

With an exhaustive community consultation process, Council is working to develop a long term vision as a way to plan for the future prosperity of the Denmark community while retaining key values. The Plan endeavours to mirror the community's vision, aspirations and objectives for a horizon of 18 years, beginning in the current financial year, out to the year 2031 – being the life of the Council's adopted Local Planning Strategy 2011 (LPS) and also the State Government's 'Directions 2031 and Beyond' Planning Document. A Strategic Community Plan is the principal strategy and planning document that reflects community long-term vision, values, aspirations and priorities with consideration to local government Area/Place/Regional Plans, local government strategies, and resourcing. The intent of the plan is to:

- Involve the community in the establishment of a long-term vision for the local government through the identification of strategic priorities and aspirations.
- Provide the local government with clear direction and an understanding of the community's well-being, priorities over a longer time frame (social, economic, environmental and civic leadership), and to understand long-term impacts based on research, that will translate to service, asset and land use planning requirements.
- Guide local government priority setting within the Corporate Business Plan.

As with the Corporate Business Plan, public safety is a key consideration, with a noted requirement to adapt to growing populations and changing demographic trends. The goal is for The Shire of Denmark work with relevant authorities and organisations to maintain a safe and secure environment for its residents and visitors.

The Strategic Community Plan also identified that one of the prime advantages that Denmark holds, both as a tourist destination and as a residential location, is its coastal location, and its proximity to rivers and coastal inlets. The waterways are of importance to the residents and visitors both as a source of recreation but also as productive locations for maritime industries.

The opportunity for physical and outdoor recreation, both passive and organised, is also strong in Denmark, together with the recognised health and wellbeing benefits that accrue to the individual and community at large. The commitment and passion of the Denmark community to participate and organise activities for all ages and interests is encouraged and supported by The Shire of Denmark, which provides high-quality facilities.

3.7.3 Great Southern Regional Blueprint

The Great Southern Regional Blueprint seeks to plot the region's future out to 2040. It sets out an aspirational vision with short, medium and long-term ambitions, including ways to measure progress towards these. It is based on a great deal of research and consultation with various stakeholder groups and individuals. Four main themes or 'regional imperatives' drive the Blueprint and its vision for the region's future:

- Economic growth and diversification
- Knowledge and innovation
- Infrastructure and services
- Community and environment

Within the Blueprint, a series of aspirational economic, social and environmental indicators, or measures of success, were developed from an analysis of relevant research data, information, consultation and feedback from a wide variety of sources. Notable challenges for example include closing the indigenous gap, addressing social indicators such as employment, education and crime, and to develop skills that facilitate economic growth. It goes on to detail the transformational project opportunities and the regional imperatives that drive them that represent the priorities of the Great Southern region to 2040. The Blueprint seeks to engage these priorities in partnership with government, business, community groups and residents through a diverse range of interrelated actions, projects and initiatives.

The Transformation Project can be identified under the opportunity of Strong Communities: Community Development and Amenity which will enable high lifestyle and natural amenity, tourism and education opportunities. This will also help to address the regional challenges of uneven population growth, social and community development and environmental sustainability. It includes specific actions to undertake a regular needs assessment for regional sport and recreation to support investment in new facilities.

3.7.4 Lower Great Southern Economic Alliance Tourism Development Strategy (TDS)

The Lower Great Southern Economic Alliance Tourism Development Strategy (TDS)⁵⁷ outlines recommendations and strategic actions required to increase visitation to the Lower Great Southern area (bounded by the City of Albany, Shire of Denmark and Shire of Plantagenet) and in turn increase spend in the region. The TDS has been developed from a current state assessment of tourism in the Lower Great Southern.

The strategy includes plans to review the existing major event calendar and identification of gaps relative to current visitor demand and segmentation. Events scope includes major fairs, exhibitions, concerts, cultural and sporting events that attract visitors to a destination. Also Includes the attraction of business events such as conferences, incentives, meetings, exhibitions and product launches. It also includes identification of the types and quantity of tourism products required to meet visitor demand now and in the future. Tourism Products includes any place or service used by tourists including tours, attractions or activities.

3.7.5 Regional Development Australia Great Southern

Regional Development Australia (RDA), an initiative of the Australian Government, aims to enhance the growth and development of regional areas by bringing together and working with the three levels of government to provide a strategic and targeted response to issues in regional areas. Regional Development Australia Great Southern (RDA Great Southern) has a key role in assisting the alignment of Local, State and

Federal Government planning initiatives, so that priority projects can be undertaken to build more resilient and diversified regional economies. The key goals of the RDA Great Southern include:

- Improving diversification and promoting the Great Southern's unique lifestyle benefits;
- Facilitating support for infrastructure planning and social advancement, environmental protection and economic growth to provide more jobs;
- Identifying and promoting opportunities for local people that stimulate a sustainable, vibrant and diversified economy;
- Improving leadership, community consultation and collaboration between community services and industry to benefit regional communities.

3.7.6 The State Planning Strategy (SPS) draft 2012

The State Planning Strategy (SPS) is an overarching strategic document that informs all other State, regional and local planning strategies, policies and approvals. Specifically it links to and builds upon other strategic planning positions put in place by the Western Australian Planning Commission (WAPC). The plan's vision is to promote sustained prosperity through diversity, liveability, connection and collaboration with principles in community, economy, environment, infrastructure, regional development and governance. Strategic goals include; global competitiveness, sustainable communities, conservation, strong and resilient regions and infrastructure planning with strong strategic directions in economic development, education and tourism.

4 Consultation and Partnerships

The DSLSC has a strong history of and continues to leverage support and partnership with a number of organisations, such as the Shire of Denmark and SLSWA. The Transformation Project is no different, building upon strong existing relationships and networks, and developing new ones, to deliver a project that strongly supports all parties and the wider community. Specifically, the direct project partners and stakeholders are:

Project Partners	Support Provided
Shire of Denmark	Identifying the project as a priority in their forward strategic plans and allocating an initial \$200,000 in forward budgets toward the infrastructure component of the project.
Surf Life Saving Western Australia	Identifying the DSLSC as a priority club for infrastructure upgrades. The DSLSC is strategically linked to SLSWA.
DSLSC governing Committee and members and the Denmark community as a whole	Primary project stakeholders and benefactors, contributing funds to the Transformation Project.
Great Southern Development Commission	Providing \$19,500 in funding to date for the development of the Transformation Project business Case and supporting documents (Through the Regional Grant Scheme Community Chest Fund). Also potential to provide further major funding, such as through the state government Royalties for Regions programme.

The DSLSC also has strategic links to a number of key bodies and stakeholders including:

- SunSmart
- HealthWay
- LotteryWest
- Department of Fire and Emergency Services
- Department of Local Government, Sport and Cultural Industries
- Department of Transport
- Denmark Police (WAPol)
- Denmark Boating and Angling Club
- Denmark Sea Search and Rescue
- Ocean Beach User Group
- Albany Youth Support Association
- Denmark Primary School
- Denmark High School
- WA College of Agriculture Denmark
- Mt Barker Community College
- Bridgetown Primary School
- Great Southern Grammar
- North Albany Senior High School

Full community engagement and consultation with the key stakeholders has been undertaken, and there is strong evidence of widespread support for the transformation at Ocean Beach, as well as include improved public amenity through provision of a cafe/restaurant, etc. A public open day at the club was held following completion of the concept designs for the new building. Additional community information sessions at the club are planned as the project develops.

The Shire of Denmark is also undertaking its CHRMAP exercise for Ocean Beach. Part of this was a questionnaire that went to the community seeking feedback on their usage and value placed on Ocean Beach. Shire of Denmark Strategic Planning has also seen a questionnaire to the community seeking priority importance on key community projects that will drive budgets over the next 5-10 years. The DSLSC Transformation Project was a clearly identified project.

As below, DSLSC has also undertaken a Member Survey and a Stakeholder Survey in relation to the Project. Regular presentations and briefings are being given (and will continue to be given) to key stakeholders, including Shire of Denmark, Denmark CCI, GSDC, SLSWA, Department of Local Government, Sport and Cultural Industries.

4.1 Stakeholder Engagement

A number of key stakeholders were identified and targeted using a short survey to gauge perceptions of the proposed upgrades and their view of the best options in moving forward. The survey design can be viewed

in Appendix C of this Business Case. Of the 26 targeted stakeholders, a total of 14 responses were recorded. The responding stakeholders included a diverse range of organisations with varying level of project interest:

Organisation	Respondent	Primary Interest/Project Association
Spring Bay Villas	Dominic Youel	Neighbouring business
RDA Great Southern	Simon Lyas	Potential Funding Organisation
Surfing WA	Justin Majeks	Surfing competitions; Learn to surf; Members
Green Skills	Basil Schur	Frequent beach user
Great Southern Development Commission	Russell Pritchard	Development of recreational asset for region
Denmark Chamber of Commerce	Liz Jack	Business Development
Department of Local Government, Sport and Cultural Industries - Great Southern	Kelly Waterhouse	Potential funding body
Denmark Police Station	Matt Hartfield	Community engagement
WA College of Agriculture	Kelli N Gillies	Student use and amenity for the college
Denmark Historical Society	Bev McGuinness	Community engagement
Thornton's Hardware/Member of Surf Club	Murray Thornton	Involved with club building; Local business
Shire of Denmark	Cary Green	Local government project
South Coast Surfing Lessons	Mike Neunuebel	Running business from location for 20 years
Surf Life Saving WA	James O'Toole	CEO; surf lifesaving clubs in WA

4.1.1 Survey Analysis

Of the respondents, 64% currently utilise club facilities or services in some way, reflecting the nature of many of the stakeholders, their location, and their association with the club and/or project. The remaining 5 respondents do not live in the Denmark area, but are all closely associated with the project in some way, for example through funding opportunities or organisational/strategy alignment.

When asked to rate the current state and/or condition of the facilities and infrastructure at the DSLSC, the majority (43%) of participants considered them to be in a relatively poor condition, with 36% considering the facilities satisfactory and only 3 respondents considering them to be in a good or very good condition (Figure 28). Common responses included that the facility was dated, with poor consideration to design in respect of ocean spray and erosion, and with cramped spaces and poor vehicle access. Capacity and adaptability into the future, especially regarding changing climates and weather, were also noted as key concerns.

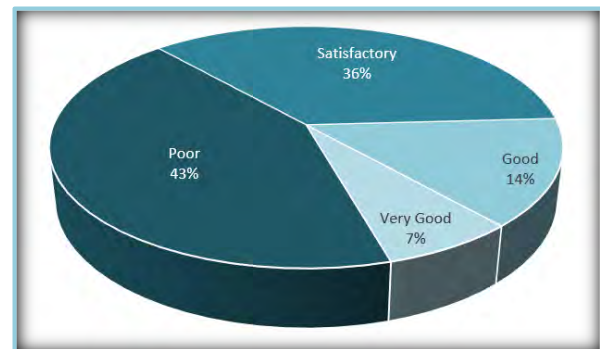


Figure 28. Condition of facilities and infrastructure – stakeholder survey

Stakeholders were also asked to comment on whether the club would be able to continue to maintain and grow its services as membership and visitation to Ocean Beach increase in the future if nothing were done to the current facilities (Figure 29). 15% of the respondents found this very unlikely, with the largest group (50%) also finding it unlikely that services would meet demand. 2 respondents remained neutral on the subject, with the remaining 3 finding it likely or very likely that services would be maintained or grow.

Importantly, when asked whether new facilities would enhance club growth and service delivery, 71.5% of respondents found it very likely and 21.5% likely (Figure 30). Only one person remained neutral on the subject and no respondents thought new facilities would be unlikely or very unlikely to improve prospects for growth and enhancement of service delivery.

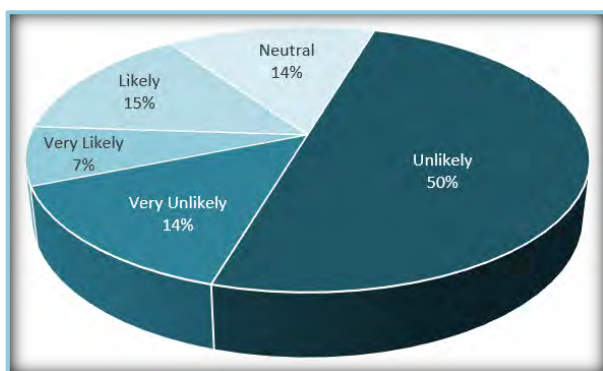


Figure 29. Club's ability to maintain or grow services with no change to facilities - stakeholder survey

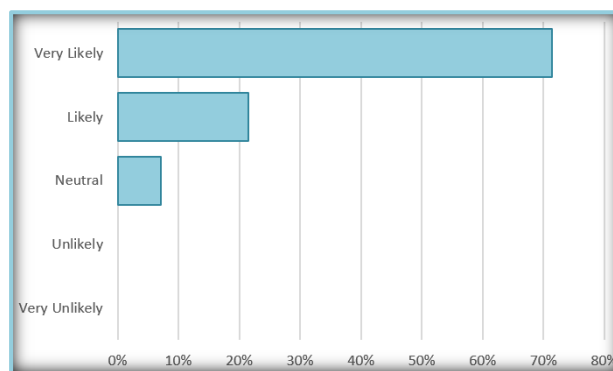


Figure 30. Likelihood of club growth and service enhancement with new facilities - stakeholder survey

Regarding the likelihood of an individual stakeholder organisation increasing their utilisation of services and/or club facilities with upgraded/new facilities and surrounding areas and infrastructure, 43% responded that they would be very likely to use the facilities more. 14% stated they would be likely to and 21% were neutral. The remaining three participants stated they would be unlikely or very unlikely to use the facilities more, which also correlates with the number of persons whom did not currently use the facilities and/or considered the current facilities to be in an acceptable state.

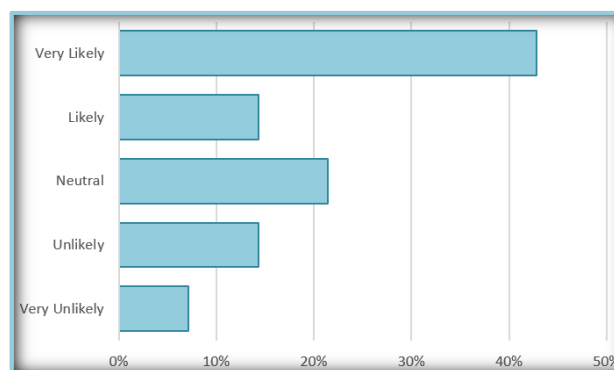


Figure 31. Likelihood of increased utilisation with upgrades/new build - stakeholder survey

Although secondary to club activity and primary intentions, the inclusion of leasable space for a cafe/restaurant operator was originally considered as a key drawcard/attractor to Ocean Beach and the DSLSC. As such, respondents in the stakeholder survey were asked whether the provision of leasable commercial space in a new facility would provide positive outcome for the club and community. In line with early perceptions, 86% of respondents answered yes, with only two survey participants not convinced of a positive outcome.

In terms of attractiveness of the Ocean Beach and the DSLSC to a prospective commercial operator, 50% of respondents believe adequate provision of commercial space would be very attractive and 21.5% attractive. A further 21.5% of respondents remained neutral, with one participant responding it would be very unattractive. Despite these perceptions, it was decided that maintaining kiosk operations would be more beneficial to supplementing DSLSC income and improving sustainability and self-sufficiency.

Respondents were also presented with the three considered options, to support the Options Analysis in Section 5 of this Business Case. They were asked whether it would be best to do nothing, refurbish the existing facility, or complete a new build, in terms of providing best value for money when considering the community, potential investors and visitors to Denmark. Importantly, the vast majority (78.5%) suggested a new build was the best option, with the remaining 21.5% (3 respondents) suggesting refurbishment is the best option. No responding stakeholder suggested nothing should be done to the current facilities.

The final question in the survey was what level of positive impact or change new facilities in Denmark would have on the individual stakeholder organisations. 43% stated a high impact would be felt, with 21.5% some impact and 14% little impact. A further three respondents stated no impact, which again correlates with the earlier responses to current and future club use or perceived quality of the current facilities. Some additional comments were provided from respondents perceiving higher impact, on the type of impact they would experience:

- Assist the work the movement does in this area and increase club and beach usage
- If the building is not designed properly to deal with wind and sea erosion, the surrounding sand landscape will be destroyed.
- A new fit for purpose facility will provide a much better facility for all users, improving safety, access, storage, functionality and useability.
- The Agricultural College would use the facility for annual events both formal and informal.
- RDA is Albany based however new facilities serve a growing town better than aging high maintenance infrastructure

4.1.2 Stakeholder Survey Conclusions

Key conclusions can be drawn as follows:

- The majority of respondents (64%) currently utilise the DSLSC facilities.
- The majority (43%) also consider the current facilities to be in a poor condition, with only three respondents believing they are good or very good.
- The vast majority of stakeholder respondents (78.5%) suggest a new build is the best option in moving forward, with only three suggesting refurbishments and none believing nothing should be done.
- If nothing were done, the greatest majority (64%) of stakeholders believe it unlikely or very unlikely that the club would be able to maintain or grow its services into the future.
- Corresponding with this, 93% believe new facilities would improve prospects for club growth and service delivery to its members and community. No respondents found it unlikely or very unlikely.
- The great majority of respondents (53%) would increase their usage of the club facilities and services with upgrades to the facilities and surrounding area. Those whom wouldn't correlated with those currently not utilising the facilities.
- The vast majority of stakeholders (86%) believe the provision of leasable commercial space would provide a positive outcome for the DSLSC and the Denmark community.
- The majority (71.5%) believe leasable commercial space at Ocean Beach would be very attractive or attractive to prospective commercial operators.
- The majority of respondents (43%) believe new facilities would have high positive impact on their organisations.

4.2 Member Consultation

Member surveys were conducted in order to understand club perceptions of the need for the project, preferences for development and overall support. A total of 48 responses were recorded, with high level support for the preferred option (a new building). It was clear from the survey that members of the DSLSC have similar views on club needs and the benefit of a new facility. Survey design can be viewed in Appendix C of this Business Case.

4.2.1 Survey Analysis

Based on the results, the largest proportion of club members had been members somewhere between 5-10 years, with the next largest between two and five years. The lowest proportion of members had been members for less than a year. This shows that members are predominantly medium to long-term, with strong interests in the ongoing success and sustainability of the club and its activities. It also indicates some recent shortfall in the ability to attract new members. It is particularly important to note that more than half (56.3%) of the respondents had been a member of DSLSC for more than five years.

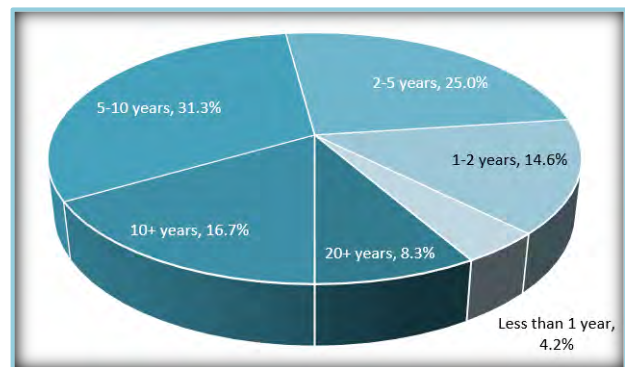


Figure 32. Length of membership - member survey

During the club season, almost half of the respondents used the club facilities more than once a week, with another 25% using the club and facilities at least once a week. During off season, this was reduced to 11.4% and 13.6%, respectively. Only 8.3% of members did not utilise the facilities at all during the season, and 13.6% during off-season. This shows that members of the DSLSC are highly active, with the regular use suggesting a strong need for well maintained and well provisioned infrastructure and amenity.

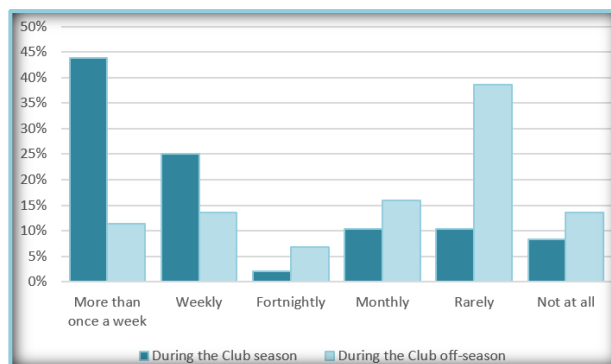


Figure 33. Frequency of use - member survey

During the club season, volunteerism was high, with only 19% of respondents not volunteering at all. Over 40% of respondents volunteered more than 15 hours of their time per month during the club season. The highest proportion of volunteers committed 1-5 hours per month during the club season. During the off-season, 51% of respondents did not volunteer, however almost 20% still volunteered more than 15 hours of their time per month to the club. Activities undertaken by volunteers included beach patrols, fundraising, administration, kiosk operation, maintenance, training, assessments and coaching.

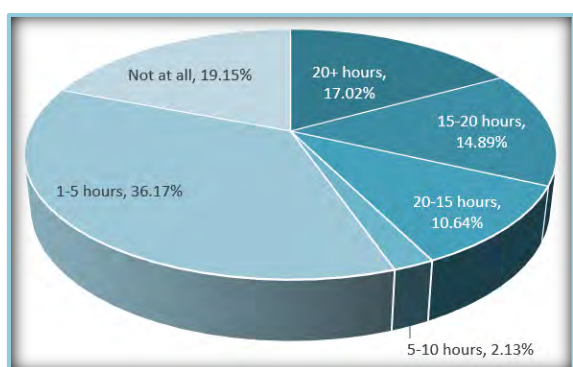


Figure 34. On-season volunteerism – member survey

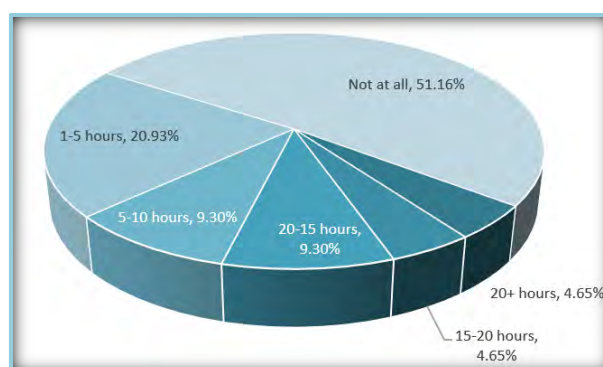


Figure 35. Off-season volunteerism - member survey

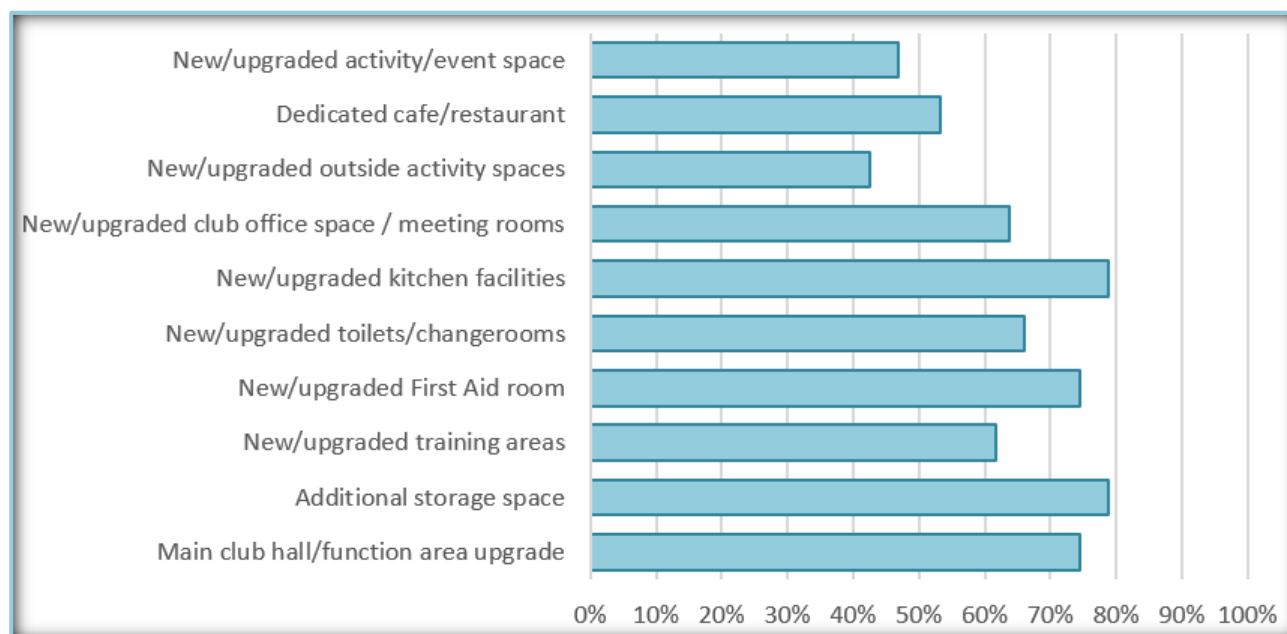
Minimal respondents received any payments for their contributions to club affairs, with only four respondents indicating any such payments. The responses included some reimbursement or payment for local travel expenses, running junior events, equipment repair (boards and skis), and kiosk assistance in previous years. Payment in the case of repairs were for professional services delivered by businesses owned by club members upon receipt of an invoice. Reimbursement was also for direct associated costs (such as travel and accommodation) and not for time. It is however known that additional paid positions exist in administration, cleaning and kiosk management roles. It is likely that some of these members did not respond to the survey.

Respondents were also asked to rate the state or condition of the facilities and amenity. The table below indicates that the majority of respondents find the majority of facilities satisfactory, but not in good or very good condition. Though parking, outdoor facilities and club accessibility and availability are viewed as good by a large proportion of respondents, all other areas are considered by the majority at or below a satisfactory standard. The discrepancy in total proportion identified in the table is attributable to those whom responded “I don’t know” for a particular area. Common additional comments focused on the lack of available space for training, functions or storage, old or tired spaces, environmental threats such as erosion, weather protection and maintenance issues. One respondent states that the facility is suitable for use and needs only minor refurbishment over a new build, however this view does not appear to be shared by the vast majority of respondents. The full list of responses is presented in Appendix C of this Business Case.

Table 10. Member satisfaction with current facilities and infrastructure

	Very Poor	Poor	Satisfactory	Good	Very Good
Main club hall / function room	6.25%	18.75%	52.08%	12.50%	6.25%
Member activity spaces	6.25%	35.42%	35.42%	8.33%	0.00%
Training areas	8.51%	40.43%	21.28%	17.02%	0.00%
Kitchen area	14.89%	42.55%	31.91%	6.38%	0.00%
Bar area	10.42%	41.67%	31.25%	10.42%	0.00%
Change rooms	20.83%	31.25%	35.42%	4.17%	0.00%
Toilets	20.83%	25.00%	41.67%	6.25%	0.00%
Equipment storage areas	6.25%	39.58%	33.33%	8.33%	0.00%
First Aid area	18.75%	39.58%	22.92%	4.17%	0.00%
Club offices	18.75%	27.08%	33.33%	4.17%	0.00%
Kiosk facilities	12.50%	41.67%	31.25%	12.50%	2.08%
Outdoor spaces	2.08%	14.58%	29.17%	39.58%	12.50%
Parking facilities	4.26%	19.15%	31.91%	36.17%	8.51%
Attractiveness of facilities	6.25%	22.92%	52.08%	16.67%	2.08%
Accessibility of facilities	4.17%	8.33%	54.17%	29.17%	2.08%
Availability of facilities	0.00%	8.33%	47.92%	31.25%	4.17%

The majority of respondents had a neutral opinion on whether the club would continue to attract new members and club growth without any change to the current facilities. 29% of members were optimistic that the club would maintain growth, while 25% believed it unlikely or very unlikely that the club could maintain growth into the future with no changes.

**Figure 36. Club areas most in need of development - member survey**

Respondents deemed all of the indicated areas as relatively important in any development, suggesting that all infrastructure and facilities would require some attention. The highest rated areas for development were the main hall and function area, storage spaces, first aid room and kitchen facilities. The least necessary upgrades appear to be the outside activity spaces, correlating with the general satisfaction with these areas in response to the earlier question. Additional suggestions were provided for the bar area, dedicated parking for patrolling and committee members, beach access for jet ski/IRB and wash down area, boat/IRB hardstand

launch and recovery area, dealing with annual erosion issues, and clothing store/shop area (commercial space).

One respondent stated that a new build or upgrades to the current facility would reduce their participation in club activities. 50% do not believe such a development would change their level of participation at all and the remaining 48% believe it will encourage them to participate more in club activities.

Three respondents find it unlikely that such a development would encourage new members and club growth. However, almost 65% of respondents believe it is likely or very likely to attract growth, with the remaining 29% neutral on the subject.

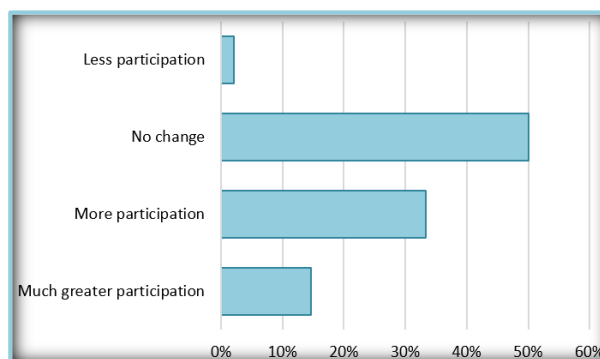


Figure 37. Likelihood of increased participation in club activities – member survey

Importantly, 50% of the respondents find it very likely and 31% likely to positively impact on the club's ability to deliver services to its members and community into the future. Only 14.5% of the respondents were neutral on the subject, with two respondents stating it unlikely that upgrades or a new build would benefit the community and club members.

4.2.2 Member Survey Conclusions

Key conclusions can be drawn as follows:

- The established member base is strong, with a high proportion of members active for more than five years.
- There has been some difficulty in the ability to attract new members in recent years.
- Club infrastructure/facility use is regular amongst respondents, with much greater use during club season.
- There is a high level of volunteerism, showing strong member commitment to ongoing club sustainability and activity.
- The majority of facilities at the club were viewed as satisfactory by members, with a number of them also ranking poor or very poor.
- With no changes, the respondents are relatively neutral on whether or not the club would be able to maintain growth into the future.
- All areas of the club facilities and infrastructure are deemed as relatively important for upgrade/enhancement, with a focus on storage facilities, function area, kitchen facilities and suitable first aid room.
- Almost half of the participants believe upgrades or a new facility would increase their participation in club activities.
- The majority (65%) believe upgrades or a new facility would encourage new membership and club growth.
- More than 80% of respondents believe upgrades or a new build would benefit the community and club members into the future.

4.3 Stakeholder, Member and Design Workshop

A project design workshop was held by PTX Architects and the DSLSC on the 16th of July 2017. It was conducted to inform the design of the new facilities with consideration to attending members, key project partners and stakeholders, the wider community, the state of the current facilities, available development options, and the overall identified need. During the workshop, a site and building assessment was conducted to help inform designs, resulting in the following identified issues and observations.

4.3.1 Site Assessment

- No visual connection to beach or waves from carpark - possible lookout.
- Anticipation of journey to viewing point on grass creates sense of adventure.
- Prevailing winds from South East in summer and West in winter. Site more protected from Westerly direction and exposed to the South and East.
- A lot of people check surf by driving down to where vehicles access the beach. Is becoming more of a problem.
- Current carpark built in the 1970's. Original carpark on site of current public toilets.
- Original public access adjacent to redundant water tank.
- Overflow/ Secondary carpark envisaged for valley on other side of Ocean Beach Rd.
- Lighting poor in existing carpark. Robust lighting solution required.
- Preference for a new building located west of existing public toilets in lieu of refurbishing the existing building which has inherent problems and significant ongoing maintenance issues.
- Contours allow for possibility of direct access to a new building west of public toilets from carpark. This would enable disabled access without the requirement of a lift if multilevel facility.
- Possible to access rooftop of new building.
- Commercially self-sustaining facility desired.
- Area west of public toilets and towards carpark has limestone/ sandstone foundations.
- Some floaters near surface and stone possibly a couple of meters below ground level.
- Limestone is self-supporting and doesn't require retaining.
- Area west of toilet block has good vehicle access to beach and beach launching area which doesn't interfere with public pedestrian access to the beach.
- A new building allows the club to remain operational during construction – priority for club.
- Public toilets possibly could be included in new building. Hot water showers could be provided to the public although cost might be an issue.
- A new building can be staged.
- Commercial leasable space to be flexible for different uses - possibly a precinct hub for tourism, WOW walk, bike hire and café. Possible separate from club facilities like Bib & Tucker in Fremantle.
- Kiosk to be walk up and casual - to connect with Denmark's 'sandy feet' lifestyle
- Kiosk possibly standalone to not compromise space in club facility
- Denmark contains 2 'crown jewels' - Greens pool and Ocean Beach. Surf club should be special architectural landmark building. Required to also be functional with clear and easy access to carry out emergency services. Connectivity to beach a PRIORITY.
- Good office required.
- Lower patrol building to be retained until it goes due to sea level rise.
- Adjusting lease boundary not a problem for Shire. Shire prefers all facilities in one building to minimise maintenance.
- Space is priority. Existing storage inadequate. At least double the current space is required. Boards/ Equipment could be kept in new building and taken to beach on trailers.
- New building should be future proofed for future expansion.
- Patrol room and first aid ideally in current location close to beach. Existing patrol building could be shored up with sheet piling behind existing timber retaining wall. Any new patrol room should be close to the beach.
- Existing first aid room too small and has poor access. If kiosk moved to new building first aid room could be extended.
- Removal of existing club house would create public open space with outstanding views. Possibly space for staging events with community facilities such as BBQ's. If terraced and the level raised by approx. 1m views would be improved over existing patrol room building. Needs to be wide enough for tents and marquee's.
- New building requires ease of access to existing patrol room.
- Possible bunk room for visiting organisations.
- Area for junior members required. Possibly in existing patrol room.

- Vehicle access to beach launching area should possibly be restricted to the public.
- Some car bays for parking for key members and emergency vehicles possibly at new building.
- 2 key vistas - down beach and to point. Vistas have both aesthetic and safety importance.
- Wash down area required. Lots of space around building a PRIORITY.
- Space/ facilities for board hire and surf lessons to be separate from club facilities.
- Board storage requires 4m height clearance.
- Private space and entry for club members. 'Hang out' member space.
- Existing toilet and shower amenities too small. Both open and private showers (particularly for junior girls) required.

4.3.2 Building Assessment

(of existing upper level of main club building only – does not include patrol building)

- Structural assessment carried out by Wood & Grieve structural engineer and briefly described by PTX at the workshop.
- Key Structural points
 - Lower retaining wall showing signs of movement
 - Rear retaining wall requires detailed assessment
 - Footings unknown. Visible cracking in blockwork indicates possible footing subsidence.
 - Any work to the upper floor would likely require underpinning of footings.
 - Block piers not engaged - visible gap to walls.
 - Cracking in blockwork possibly also due to lack of vertical control joints in wall.
 - Universal Beam in storage area spanning 12m. Capacity of beam is 8.5m.
 - Timber beams are 230 x 50. Should be 250 x 50 as shown in approved drawings.
- Hydraulic consultant has provided preliminary advice. WA health department likely to require Aerated Treatment Unit (ATU) for waste disposal system. Approved solution would require careful consultation with Health Department.

5 Design and Development

5.1 Options Analysis

During the consultation and design process, a number of options were considered for the DSLSC Transformation project. The most notable of these options include a complete rebuild, redevelopment and upgrades of existing facilities, and a do-nothing approach. These options are explored in more detail below, including their individual advantages and disadvantages. Weighted criteria have also been designed to indicate the option deemed most suitable for development (preferred option).

5.1.1 DSLSC Design and Development Options

The primary options for the Transformation Project include:

1. **Do nothing** - no works are undertaken.
2. **Redevelopment** of existing facilities and infrastructure - existing clubrooms and storage rooms are enhanced. Small extensions included where necessary.
3. **Full rebuild** - New club rooms and storage facilities constructed. Existing buildings demolished on completion.

5.1.1.1 Do Nothing

Advantages	Disadvantages
<ul style="list-style-type: none"> • No capital costs • No development works on site 	<ul style="list-style-type: none"> • Ageing infrastructure • Reduced club attractiveness to prospective members, worsening over time with ageing of facilities • Limited ability to accommodate growth • No additional storage infrastructure, already suffering from space constraints • Does not resolve current safety issues associated with beach vehicle access • Does not allow universal access • Sea level rise and erosion risk • Strong potential for retaining wall failure • Significant ongoing maintenance costs • Limited ability to attract or accommodate new community groups with associated hall hire fees • No capacity to provide beach-goers with a dedicated café/restaurant • Continued degradation and decline in infrastructure • Reduced amenity and attractiveness to visitors, worsening over time with ageing of facilities • Reduced event attraction potential, worsening over time with continued ageing of facilities • No enhanced environmental benefits

5.1.1.2 Redevelopment

Advantages	Disadvantages
<ul style="list-style-type: none"> • Lowest capital costs for transformation works • Reduced site works compared with a full rebuild, and no requirements for building demolition • More attractive facilities to enhance membership and club growth • Additional capacity for storage • Some enhanced event attraction capacity • Potential for small scale environmental considerations in design, such as solar PV 	<ul style="list-style-type: none"> • Some capital costs • Site works will disrupt club activity • Reduced amenity due to development works • Development activities and noise will impact beach access and attraction • Continued redevelopments and extensions in an ad-hoc fashion reduces efficiencies over time • Does not resolve current safety issues associated with beach vehicle access • Sea level rise and erosion risk

<ul style="list-style-type: none"> Partially resolves universal access issues and non-compliance 	<ul style="list-style-type: none"> Club growth capacity enhanced for shorter time frame, with incremental developments likely to be necessary over time Attractiveness to event organisers reduced when compared to a full rebuild and modern, fit-for-purpose facilities Limited ability to incorporate solar passivity or other key environmental design considerations Will require costly service upgrades (power, water, sewerage) To meet compliance, first aid room would have to be relocated to another part of the building, which is already suffering from space constraints. Meeting standards would also require significant and costly refit to the current buildings.
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5.1.1.3 Rebuild

Advantages	Disadvantages
<ul style="list-style-type: none"> Modern, fit-for-purpose facilities constructed Building lifetime enhanced compared to all other options Enhanced capacity for club growth Large and fit-for-purpose storage spaces further enhances capacity and increases life of equipment New club rooms enhance amenity for members and more attractive for function hire Much safer access to beach for vessels, launching and equipment transfer Fully resolves universal access issues and provides full compliance with current regulations Ability to attract events greatly enhanced Amenity to beach-goers enhanced Improved access for beach users and creation of large grassed open spaces. Greatly enhanced opportunities to construct a more environmental facility with reduced and off-set negative environmental impact Mitigates future climate change impacts likely to eventuate and impact the current site and building but not the adjacent development site 	<ul style="list-style-type: none"> Greatest capital costs Site works may disrupt club activity, and for longer than other options Development activities and noise may impact beach attraction throughout construction period, but no more than any other development option. New services needed (power, water, septic)

5.1.2 Option Evaluation Criteria

All options have been weighed against key criteria identified as most important to the development and future of the facilities, the DSLSC, its members, and the wider community. All options have both benefits and disadvantages and these have been carefully analysed to derive the preferred option based on the following:

- Low Capital Cost** – Capital cost of the facilities is an important factor for consideration, dictating the availability of funds. Options with low capital cost will require no additional funds in the short term but are most likely to incur more ongoing expenses and reduce viability.
- Club Growth Capacity** – Membership must increase alongside growth in residential population and visitation within Denmark in order to continue to provide a suitable level of service and safety. Enhanced growth in membership also enhances beach education and training within the community and provides additional recreational activity options and opportunities for members and the wider community.
- Attractiveness to Members** – Facilities and infrastructure should be the best possible to support the existing member base, facilitate pride and ownership, and encourage continued patronage from existing members, as well as attract new members.

4. **Amenity for Members and Wider Community** – Facilities and infrastructure should be suitable to continue supporting members and beach-goers with a suitable level of services. They should offer modern, clean, desirable features and comforts, and well developed public realm space.
5. **Attractiveness to Event Organisers** – Infrastructure and facilities must be of a condition and quality suitable to support various events (e.g. beach, surf, running, cycling, etc.) held at Ocean Beach. They should be ready and able to cope with increased operational requirements and increased beach visitation. Enhanced amenity through a cafe/restaurant operation would also act as an important drawcard. Large open spaces also increase attractiveness of spaces to certain event organisers (e.g. concerts, sports, festivals, etc.).
6. **Compliance with Universal Access, Building, Environment and SLSWA Standards and Guidelines** – Facilities must allow universal access, including for disabled persons, as well as meeting other standard building codes and environmental regulations. First aid and other safety requirements defined in SLSWA guidelines must also be adhered to.
7. **Enhanced Environmental Consideration and Performance** – Ideally, a site and location would not only have a directly reduced environmental impact and footprint, but take active measures to either offset or negate negative impacts completely, e.g. building passivity.
8. **Long Term Sustainability or Life of Infrastructure** – Facilities and infrastructure should last as long as possible, subsequently reducing maintenance requirements and cost, future costly or intensive developments, and/or risk of structural failure, including the mitigation of risks associated with climate change and sea level rise.
9. **Long Term Sustainability of DSLSC** – Facilities and infrastructure would ideally support growth of membership, enhance event attraction capacity, and improve the diversity of income streams. DSLSC must be sustainable and maintain a level of self-sufficiency into the future, reducing reliance on external finance and with sufficient capacity to store reserves for unforeseen events or future developments.
10. **Maximised Cost Benefit Ratio** – Facilities and infrastructure should provide the greatest value for money, with outcomes and benefits that outweigh capital and ongoing costs for any development. Economic benefits should be far reaching and impact the greatest proportion of the community and region.

5.1.3 Preferred Option

Based on the criteria identified above, Table 11 below has been used to determine the most suitable option for the Transformation Project - in which 5 is the highest score achievable for an identified criterion, indicating a more suitable option.

Table 11. DSLSC Transformation Project options analysis.

Criteria	Option		
	1	2	3
1. Low Capital Cost	5	3	1
2. Club Growth Capacity	1	4	5
3. Attractiveness to Members	1	3	5
4. Amenity for Members and Wider Community	1	3	5
5. Attractiveness to Event Organisers	1	4	5
6. Compliance with Standards and Guidelines	0	4	5
7. Enhanced Environmental Consideration and Performance	0	3	5
8. Long Term Sustainability or Life of Infrastructure	1	3	5
9. Long Term Sustainability of DSLSC	1	4	5
10. Maximised Cost Benefit Ratio	0	3	5
TOTAL	11	34	46

As can be seen above, the most suitable option has been identified as **Option 3 – Full Rebuild**. The option exceeds all other options in a number of different criteria deemed more important for the needs of the DSLSC. Such an option is also in line with the majority of member and stakeholder perceptions of best outcome for the club and Shire of Denmark.

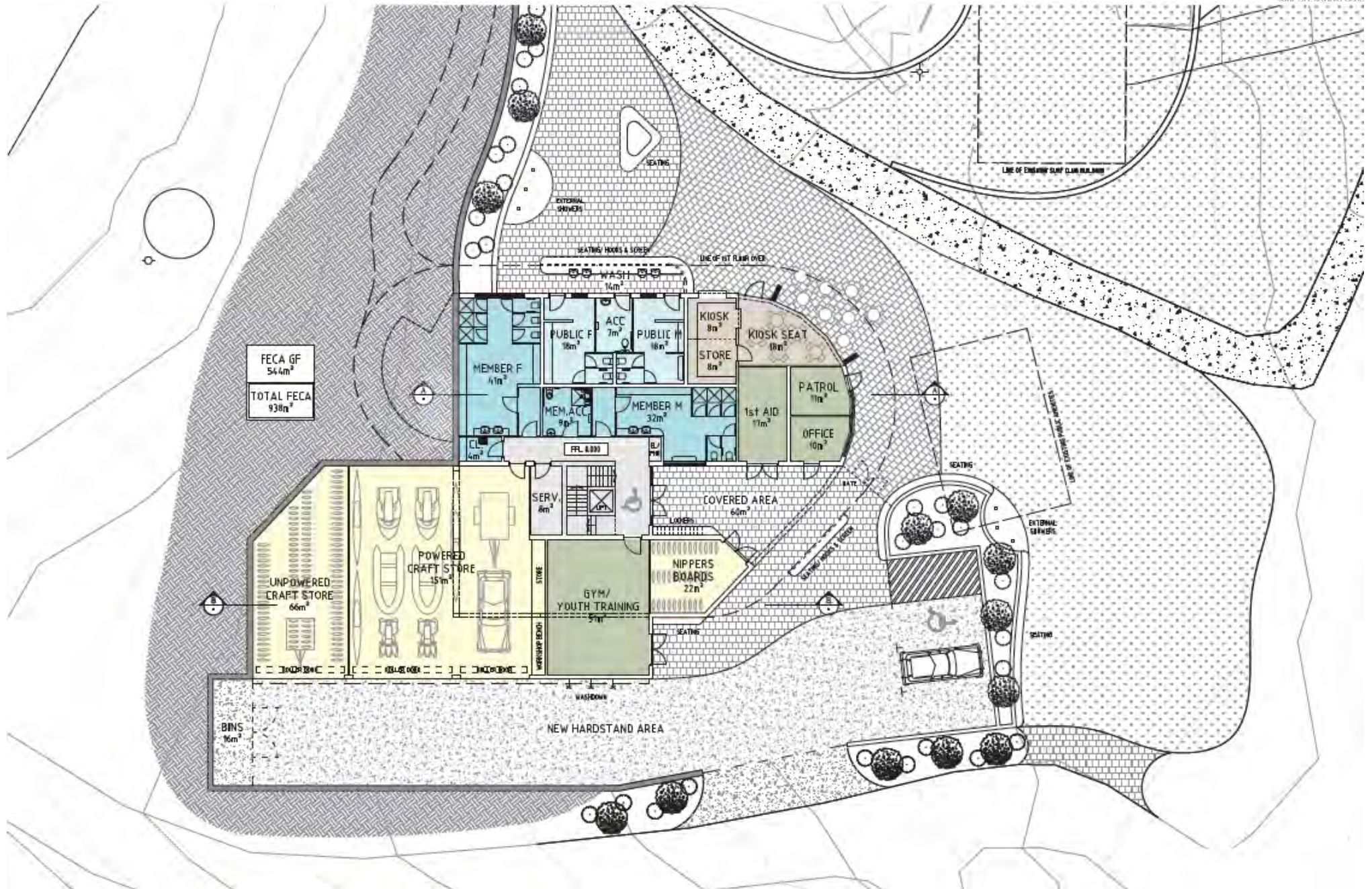
5.2 Project Design

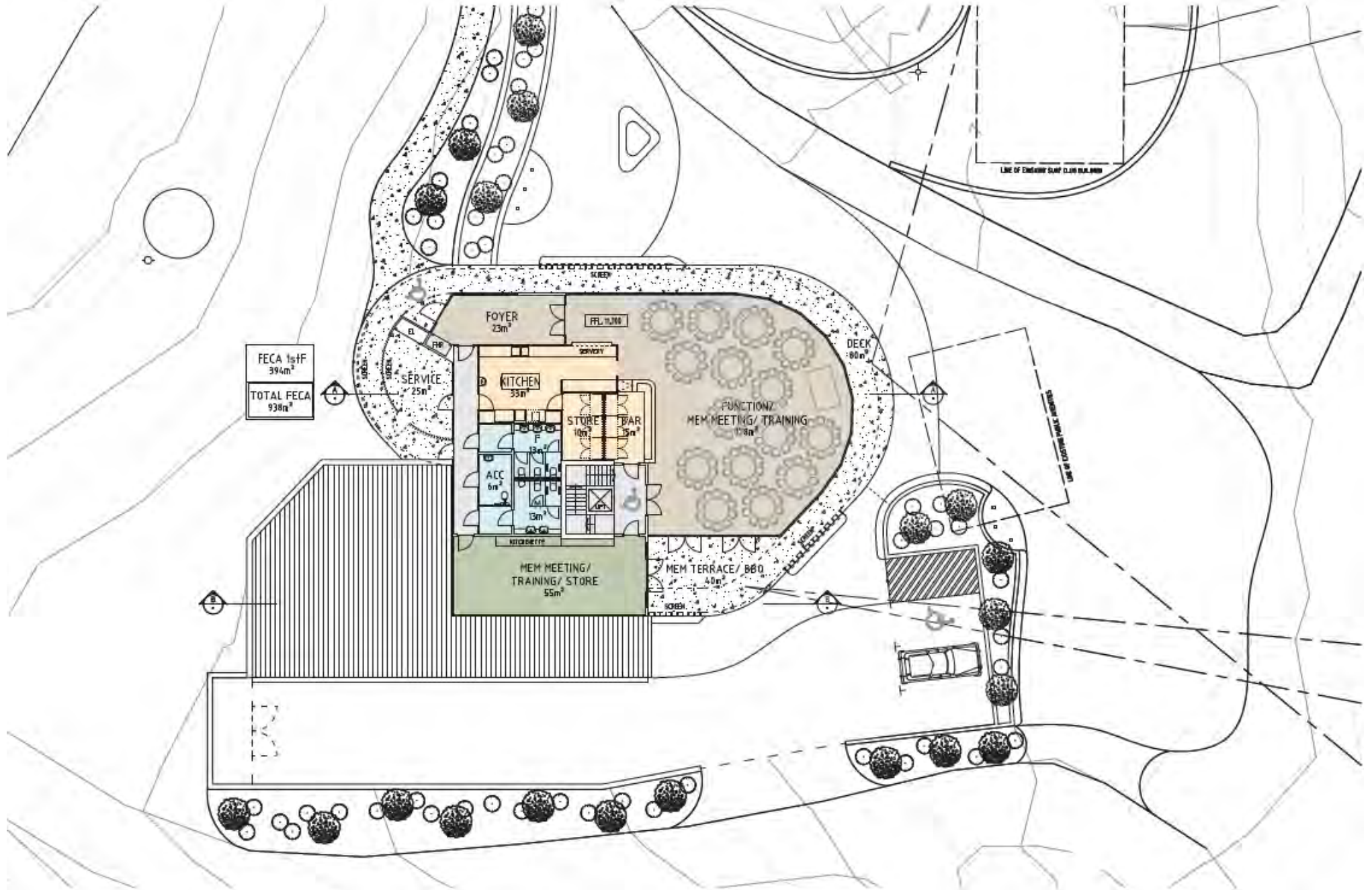
PTX architects were engaged to complete designs for the building in line with DSLSC requirements, conditions and budget. Such design work has culminated in the development of a full concept design report, which is attached as a supporting document with this business case.

Full details can be found in the PTX Concept Design Report but can be summarised here as follows.

Building Development	<ul style="list-style-type: none"> • Changerooms and toilets • Craft and board stores • Function area • Gym / youth area / meeting / training • Kiosk • Kitchen and bar (excluding fit-out and equipment) • Offices, First Aid, patrol, etc. • Services, lift, stairwell, circulation • Feature cladding to facade • Covered area • Terrace / deck • Mechanical plant
External Works and services	<ul style="list-style-type: none"> • Site clearing • Public amenities building demolition • Existing bitumen paving demolition • Excavation and levelling • Retaining walls • Landscape walls • Feature fencing • Gating • Signage • Bin enclosure • Lawn and irrigation • Planting and irrigation • Feature seating • Wash bench including screen and sinks • External showers • Electrical, stormwater, sewer and water and fire services and connections







6 Budget and Funding Strategy

6.1 Detailed budget

The total capital costs for the DSLSC Transformation project, independently costed by Quantity Surveyor, Borrell Rafferty Associates, are given in Table 12. The total development cost is \$4,711,000, excluding GST. The full elemental break-up is presented in Appendix B of this business case.

Table 12. Project cost summary

	Total (exc. GST)
Building	2,32,000
External works and services	605,000
Fire Tanks & Pumps	120,000
Subtotal	3,654,000
Design contingency (10%)	366,000
Construction contingency (5%)	201,000
Professional fees (10%)	305,000
Other costs	115,000
Total Project Cost	4,641,000
Provision for escalation to tender (Nov 2018)	70,000
Estimated Gross Project Commitment	\$4,711,000

6.2 Program funding requirements

The investment requirements are for \$4,711,000 (excluding GST), as broken down in Table 12. The proposed mix of funding is shown in Table 13, i.e. a mixture of local, state and federal funding.

Table 13. Funding sources (cash)

Source	Amount	% contribution	Status
Shire of Denmark	\$400,000	8.49%	To be confirmed
DSLSC	\$50,000	1.06%	To be confirmed
Lotterywest	\$1,405,500	29.83%	Requested
Department of Local Government, Sport and Cultural Industries	\$500,000	10.61%	Requested
Building Better Regions Fund	\$2,355,500	50.00%	Application to be submitted, subject to availability of other funds
Total	\$4,711,000	100%	-

Depending on the availability of funds, DSLSC may also target additional state government funds to diversify the funding mix, such as through the Royalties for Regions (RfR) program, administered through the Great Southern Development Commission. This has not been explicitly factored into the funding mix at this stage as the availability of RfR funding is unknown due to the current political climate.

6.3 Sustainability and Viability

Through the club's association with SLSWA, the DSLSC enjoys sponsorship arrangements from a variety of corporate sponsors. In addition, a number of individual community members and local businesses provide personal donations and support to the club for special events. This is further supplemented through membership fees, fundraising, training, education and compliance fees to external organisations, and occasional function hire. Annual grant funding is received through SunSmart, HealthWay and Lotterywest. The DSLSC is also extremely appreciative of the financial and operational support from the Shire of Denmark.

There are intentions to continue to diversify income and support ongoing asset maintenance and operations through the operation of a new kiosk (which would replace current kiosk operations in the current building).

All income from such a venture will go directly back into supporting club activities and reserves, providing enhanced levels of self-sufficiency.

Past annual reports have shown continued ability to manage funds and retain reserves. The recent financial year however did run at a loss due to extensive building maintenance requirements undertaken during that year. It is expected that with or without new facilities, the coming operational years will again provide a surplus to grow reserves for use in relevant club and community enhancement ventures and/or emergency situations. However, the last financial year serves as a warning to the type of large repairs that may again be required in the future, which would not be apparent for some time with a new build.

Table 14. Current Facility and club Income and Expenditure

	2016/17	2015/16	2014/15	3 Year Average
Income	\$143,056.21	\$101,328.21	\$107,228.03	\$117,204.15
Membership	\$14,888.67	\$14,780.45	\$12,736.37	\$14,135.16
Administration	\$2,329.55	\$111.55	\$6,363.64	\$2,934.91
Club Activities	\$41,852.37	\$36,475.56	\$26,050.88	\$34,792.94
Lifesaving and Education	\$10,243.26	\$8,361.44	\$1,602.09	\$6,735.60
Competition	\$122.74	\$825.60	\$1,293.18	\$747.17
Grants/Sponsorship	\$6,972.73	\$7,855.25	\$14,522.73	\$9,783.57
Fundraising/Donations	\$52,696.65	\$13,524.39	\$30,640.00	\$32,287.01
Annual Dinner/Events	\$1,427.28	\$880.00	\$1,942.10	\$1,416.46
SOCM	\$12,522.96	\$18,513.97	\$12,077.04	\$14,371.32
<i>Costs of Sales</i>	<i>\$17,134.00</i>	<i>\$25,685.46</i>	<i>\$15,730.55</i>	<i>\$19,516.67</i>
Gross Profit	\$125,922.21	\$75,642.75	\$91,497.48	\$97,687.48
Expenditure	\$149,889.26	\$63,527.69	\$58,679.56	\$90,698.84
SLSWA Membership	\$3,519.27	\$3,602.45	\$3,975.10	\$3,698.94
Administration	\$42,254.68	\$18,863.71	\$18,162.10	\$26,426.83
Club Activities	\$8,714.52	\$6,968.11	\$4,324.91	\$6,669.18
Lifesaving and Education	\$22,464.16	\$17,681.25	\$12,738.94	\$17,628.12
Competition	\$22,230.17	\$2,930.65	\$4,122.22	\$9,761.01
Funding Expense	\$8,840.07	\$3,439.97	\$9,770.38	\$7,350.14
Club Operations	\$17,542.25	\$5,949.73	\$5,585.91	\$9,692.63
Wages and Salaries	\$300.00	-	-	\$100.00
Award Night Perth	\$400.00	-	-	\$133.33
Club Room Extensions	\$18,624.14	\$4,091.82	-	\$7,571.99
OB & PB Coastal Hazard Risk	\$5,000.00	-	-	\$1,666.67
Operating Profit	-\$23,967.05	\$12,115.06	\$32,817.92	\$6,988.64
Net Profit/(Loss)	-\$23,967.05	\$12,115.06	\$32,817.92	\$6,988.64
Retained Earnings	\$65,642.20	\$53,527.14	\$20,709.22	-
Financial Reserves	\$41,675.15	\$65,642.20	\$53,527.14	-

The DSLSC and the Shire of Denmark fully understand that new facilities require varied levels of asset and operations management and sufficient capital to ensure the ongoing viability of the building and club, which may differ significantly to that of the current building and operations. As such, the project partners have estimated asset management and operations costs based on a number of factors, including past experience with the current facilities, industry standard measures of new building maintenance and management, Shire experience with asset management and operations, and external quantity surveyor advice (Borrell Rafferty Associates). The following table summarises the expected cost over the course of 10 years from commissioning of the building, which indicates a strong level profit for club reserves into the future after the first year of operations.

The strong potential is based off very conservative estimates, but even with significant further increases in expenditure requirements and/or reduced membership and other income factors, revenue growth prospects would remain positive. If the following scenario and substantial indicated profits were to be realised, the DSLSC would adjust its policy for reinvestments within the club and broader community, as well as reduce dependence on external subsidies, subsequently improving self-sufficiency.

Table 15. Anticipated Income and Expenditure (10 Year Projections)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Notes/Assumptions
Income	\$ 146,430	\$ 151,216	\$ 156,159	\$ 161,261	\$ 166,530	\$ 171,969	\$ 177,584	\$ 183,382	\$ 189,368	\$ 195,548	\$ 201,929	-
Membership	\$ 23,024	\$ 24,108	\$ 25,237	\$ 26,412	\$ 27,635	\$ 28,908	\$ 30,232	\$ 31,609	\$ 33,042	\$ 34,532	\$ 36,082	+3 members per year pre-construction (290 in 2017/18) +5 members/year post-construction +3% increase pa in membership fees (\$70pp in 2017/18)
Administration	\$ 3,303	\$ 3,402	\$ 3,504	\$ 3,610	\$ 3,718	\$ 3,829	\$ 3,944	\$ 4,063	\$ 4,184	\$ 4,310	\$ 4,439	Average +3% pa for inflation
Club Activities	\$ 48,105	\$ 49,548	\$ 51,035	\$ 52,566	\$ 54,143	\$ 55,767	\$ 57,440	\$ 59,163	\$ 60,938	\$ 62,766	\$ 64,649	Average +3% pa for inflation Including kiosk activity (approximately 50% of current activity) Including current rate of hall hire (approximately 30% of current activity) Including increase function/hall hire for 3 small and 3 large event per annum @ \$1,000pa Including other club events and functions (approximately 20% of current activity)
Lifesaving and Education	\$ 7,360	\$ 7,581	\$ 7,808	\$ 8,043	\$ 8,284	\$ 8,532	\$ 8,788	\$ 9,052	\$ 9,324	\$ 9,603	\$ 9,891	Average +3% pa for inflation
Competition	\$ 816	\$ 841	\$ 866	\$ 892	\$ 919	\$ 946	\$ 975	\$ 1,004	\$ 1,034	\$ 1,065	\$ 1,097	Average +3% pa for inflation
Grants/Sponsorship	\$ 10,691	\$ 11,011	\$ 11,342	\$ 11,682	\$ 12,033	\$ 12,394	\$ 12,765	\$ 13,148	\$ 13,543	\$ 13,949	\$ 14,368	Average +3% pa for inflation
Fundraising/Donations	\$ 35,281	\$ 36,339	\$ 37,429	\$ 38,552	\$ 39,709	\$ 40,900	\$ 42,127	\$ 43,391	\$ 44,693	\$ 46,034	\$ 47,415	Average +3% pa for inflation
Annual Dinner/Events	\$ 1,674	\$ 1,724	\$ 1,776	\$ 1,829	\$ 1,884	\$ 1,941	\$ 1,999	\$ 2,059	\$ 2,121	\$ 2,184	\$ 2,250	Increased dinner/event attendance (+5% pa from 2020) Average +3% pa for inflation
SOCM	\$ 16,175	\$ 16,660	\$ 17,160	\$ 17,675	\$ 18,205	\$ 18,751	\$ 19,314	\$ 19,893	\$ 20,490	\$ 21,105	\$ 21,738	Average +3% pa for inflation
Costs of Sales	\$ 8,277	\$ 8,525	\$ 8,781	\$ 9,044	\$ 9,316	\$ 9,595	\$ 9,883	\$ 10,180	\$ 10,485	\$ 10,799	\$ 11,123	Excluding potential kiosk activity Average +3% pa for inflation
Gross Profit	\$ 138,153	\$ 142,691	\$ 147,378	\$ 152,217	\$ 157,214	\$ 162,374	\$ 167,701	\$ 173,203	\$ 178,883	\$ 184,749	\$ 190,805	-
Expenditure	\$ 78,449	\$ 80,802	\$ 83,226	\$ 85,723	\$ 88,295	\$ 90,944	\$ 93,672	\$ 96,482	\$ 99,377	\$ 102,358	\$ 105,429	-
SLSWA Membership	\$ 3,961	\$ 4,080	\$ 4,202	\$ 4,328	\$ 4,458	\$ 4,592	\$ 4,730	\$ 4,871	\$ 5,018	\$ 5,168	\$ 5,323	+3% increase pa in membership fees
Administration	\$ 16,185	\$ 16,671	\$ 17,171	\$ 17,686	\$ 18,217	\$ 18,763	\$ 19,326	\$ 19,906	\$ 20,503	\$ 21,118	\$ 21,752	Average +3% pa for inflation Includes repairs and maintenance (currently accounting for c90% of administration costs) New annual repairs and maintenance costs estimated at \$15/m2, (c\$14,000 QS estimates including consideration to coastal conditions - typically \$10/m2 for standard builds) Approximately \$2,000pa for current additional administration activities (2017/18)
Club Activities	\$ 10,608	\$ 10,927	\$ 11,254	\$ 11,592	\$ 11,940	\$ 12,298	\$ 12,667	\$ 13,047	\$ 13,438	\$ 13,841	\$ 14,257	Average +3% pa for inflation Including kiosk activity (c.50% current expenditure) Including increased other club events and functions (c.50% current expenditure + c.\$800pa)
Lifesaving and Education	\$ 18,702	\$ 19,263	\$ 19,841	\$ 20,436	\$ 21,049	\$ 21,680	\$ 22,331	\$ 23,001	\$ 23,691	\$ 24,401	\$ 25,133	Average +3% pa for inflation
Competition	\$ 10,355	\$ 10,666	\$ 10,986	\$ 11,316	\$ 11,655	\$ 12,005	\$ 12,365	\$ 12,736	\$ 13,118	\$ 13,512	\$ 13,917	Average +3% pa for inflation
Funding Expense	\$ 7,798	\$ 8,032	\$ 8,273	\$ 8,521	\$ 8,776	\$ 9,040	\$ 9,311	\$ 9,590	\$ 9,878	\$ 10,174	\$ 10,480	Average +3% pa for inflation
Club Operations	\$ 10,283	\$ 10,591	\$ 10,909	\$ 11,236	\$ 11,574	\$ 11,921	\$ 12,278	\$ 12,647	\$ 13,026	\$ 13,417	\$ 13,819	Average +3% pa for inflation
Wages and Salaries	\$ 106	\$ 109	\$ 113	\$ 116	\$ 119	\$ 123	\$ 127	\$ 130	\$ 134	\$ 138	\$ 143	Average +3% pa for inflation
Award Night Perth	\$ 450	\$ 464	\$ 478	\$ 492	\$ 507	\$ 522	\$ 538	\$ 554	\$ 570	\$ 587	\$ 605	SLSWA awards night +3% per annum for inflation
Club Room Extensions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Costs associated with extension decisions prior to decision for new build - no associated ongoing costs.
OB & PB Coastal Hazard Risk	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Was a one off cost in 2017 - no ongoing cost
Operating Profit	\$ 59,704	\$ 61,889	\$ 64,151	\$ 66,494	\$ 68,919	\$ 71,430	\$ 74,029	\$ 76,721	\$ 79,507	\$ 82,391	\$ 85,377	
Net Profit/(Loss)	\$ 59,704	\$ 61,889	\$ 64,151	\$ 66,494	\$ 68,919	\$ 71,430	\$ 74,029	\$ 76,721	\$ 79,507	\$ 82,391	\$ 85,377	
Retained Earnings	\$ 41,675	\$ 101,379	\$ 163,268	\$ 227,419	\$ 293,913	\$ 362,832	\$ 434,262	\$ 508,291	\$ 585,012	\$ 664,519	\$ 746,910	
Financial Reserves	\$ 101,379	\$ 163,268	\$ 227,419	\$ 293,913	\$ 362,832	\$ 434,262	\$ 508,291	\$ 585,012	\$ 664,519	\$ 746,910	\$ 832,287	

* All figures rounded to nearest whole dollar amount

7 Impacts and Benefits

A number of important impacts are expected to result from the Transformation Project, predominantly coming through the continued and enhanced provision of safety, recreational and other relevant community and visitor services. The primary social, environmental and economic impacts expected through the project are explored below, with the resulting cost benefit analysis providing justification and valuation of the economic impact such a development is expected to have on Denmark and the Great Southern region.



7.1 Social Impacts and Benefits

Public infrastructure, beaches and coastal areas all link generations, bringing people together, providing avenues for outdoors based physical activity and helping build towns and communities. Surf lifesaving clubs in particular offer valuable community services and opportunities through recreation, safety and education.

7.1.1 Coastal Attractions

The services provided by beach systems act as a strong attraction for local residents. Australians have a strong geographical affinity for the coast, with approximately 85% of the Australian population living within 50km of the coast. Around 50% of residential addresses are located within 7km of the coastline, and around 6% in the zone that is less than five metres above mean sea level and within 3km of the coast. Net migration to the coast is expected to increase this proportion even more in the future. To a large extent, the settlement pattern is driven by the recreational opportunities and perceived quality of life benefits associated with coastal areas. Australia's coastline is arguably our most important recreation resource. This is particularly evidenced by the growth in population of Denmark and Albany over all other LGA's in the region. Denmark has the highest growth rate in the region, slightly exceeding that of WA as a whole.

Tourists too have long been drawn to the beach and the commercial activities that service tourists needs have become the primary source of regional income and jobs in many coastal locations. The attractive nature of beaches generates substantial tourism earnings, which are concentrated in coastal regions. The coastline is a major drawcard for domestic and international tourists in Australia. Approximately 22% of all domestic overnight trips (including trips taken primarily for business reasons) involved a visit to the beach or coast and 62% of international visitors to Australia report beach visits/recreation as one of their most important holiday activities.⁵⁸

Travelling brings people into contact with each other. As sustainable tourism has an educational element it can foster understanding between people and cultures and provide cultural exchange between guests and hosts. This increases the chances for people to develop mutual sympathy, tolerance and understanding and to reduce prejudices and promote the sense of global brotherhood.

Sustainable coastal tourism can add to the vitality of communities in many ways, for example, events and festivals of the local communities where they have been the primary participants and spectators. Often these are refreshed, reincarnated and developed in response to tourists' interests.

The jobs created by tourism can act as a very important motivation to reduce emigration from rural areas. Local people can also increase their influence on tourism development, as well as improve their jobs and earnings prospects through tourism-related professional training and development of business and organizational skills.

Sustainable tourism can also improve the preservation and transmission of cultural and historical traditions. Contributing to the conservation and sustainable management of natural resources can usually bring the chance to protect local heritage or to revitalize native cultures, for instance by regenerating traditional arts and crafts.

In some situations, tourism also helps to raise local awareness concerning the financial value of natural and cultural sites. It can stimulate a feeling of pride in local heritage and interest in its conservation. More broadly, the involvement of local communities in sustainable tourism development and operation seems to be an important condition for the sustainable use and conservation of the biodiversity.

On top of the general attraction power of coastal area to visitors and residents alike, surf lifesaving clubs within them provide important services, safety, events and programmes which support the community and tourism. For example, surf lifesaving clubs are often collocated with or run their own commercial operations (kiosk, cafe or restaurant) to provide amenity to beach-goers beyond their beach patrolling activities. Events and competitions, such as the annual Australian Surf Life Saving Championships, can also be a significant draw card to clubs and the beaches they are situated on. In respect to Ocean Beach, the annual Southern Ocean Classic Mile attracts over 100 competitors, bringing also their family and friends, which provides a great influx of visitors and boost for the local economy. The overall social benefits of surf lifesaving are explored in more detail below.

7.1.2 Surf Lifesaving Clubs

A report to Surf Life Saving Limited by The Allen Consulting Group in October 2005 titled 'Valuing an Australian Icon: The Economic and Social Contribution of Surf Life Saving in Australia' estimated the core dollar value of surf lifesavers at \$1.4 billion in 2003–04.⁵⁹ But measuring the value of volunteer surf lifesavers is not restricted to the cost of an employee, the value of a life saved, or the value of an injury avoided. To understand the full value of surf lifesaving in Australia it is important to analyse the wider impacts that providing such a service has on the community.

Surf lifesaving increases 'social capital'. This is an umbrella term used to describe the institutions, relationships, attitudes and values that govern interactions among people.⁶⁰ Broadly speaking social capital is comprised of three components — norms, networks and trust. Surf lifesaving contributes to all three of these, particularly by fostering 'a strong and growing network, which links members and volunteers in a common purpose and so instils a sense of belonging'.⁶⁰ While social capital is hard to quantify, its benefits are very real and very significant, and should not be forgotten when identifying the value of surf lifesaving and its role and effect in community building.⁶¹

In order to evaluate the social contribution of surf lifesaving in Australia, Surf Life Saving Australia released a summary report on in 2014⁶². It defines Surf Life Saving (SLS) as **Australia's major coastal water safety, drowning prevention and rescue authority and the largest volunteer movement of its kind in Australia and the world**. Known as active citizenship, Surf Life Saving Australia (SLSA) volunteering activities serve a wider societal purpose that ripple far beyond immediate program outputs. For example, a life saved on the beach is a direct outcome of SLSA programs, yet the wider benefits of this program may be the skills the lifesaver learns through their volunteer service that they take with them even while they are not saving lives.

Volunteer work should not be undervalued as free, nor can the active citizenship it produces be assigned a dollar amount. People who are active citizens, through volunteering, support and create flourishing communities. They are the invisible hands of social prosperity. The Australian Productivity Commission cited SLSA as an exemplar for its reporting of social contribution in the Allen report (2005) that was later replicated by PricewaterhouseCoopers (PwC) (2011). These reports valued the direct replacement cost of its beach patrol activities. An economic value of \$3.6 billion has been placed on the hours volunteered, the lives saved, and that spent on gear and equipment.

In addition to this we know that SLSA volunteers develop and implement solutions to address vital social issues such as safety on the beach, emergency services, care for the elderly and less able, and mentoring youth to become active citizens. SLSA has a long and rich tradition of developing 'skills for life' and building community networks for all Australians through a healthy lifestyle on the beach. These aspects of the social contribution SLSA makes are typical of the impacts that are easily misunderstood or undervalued because

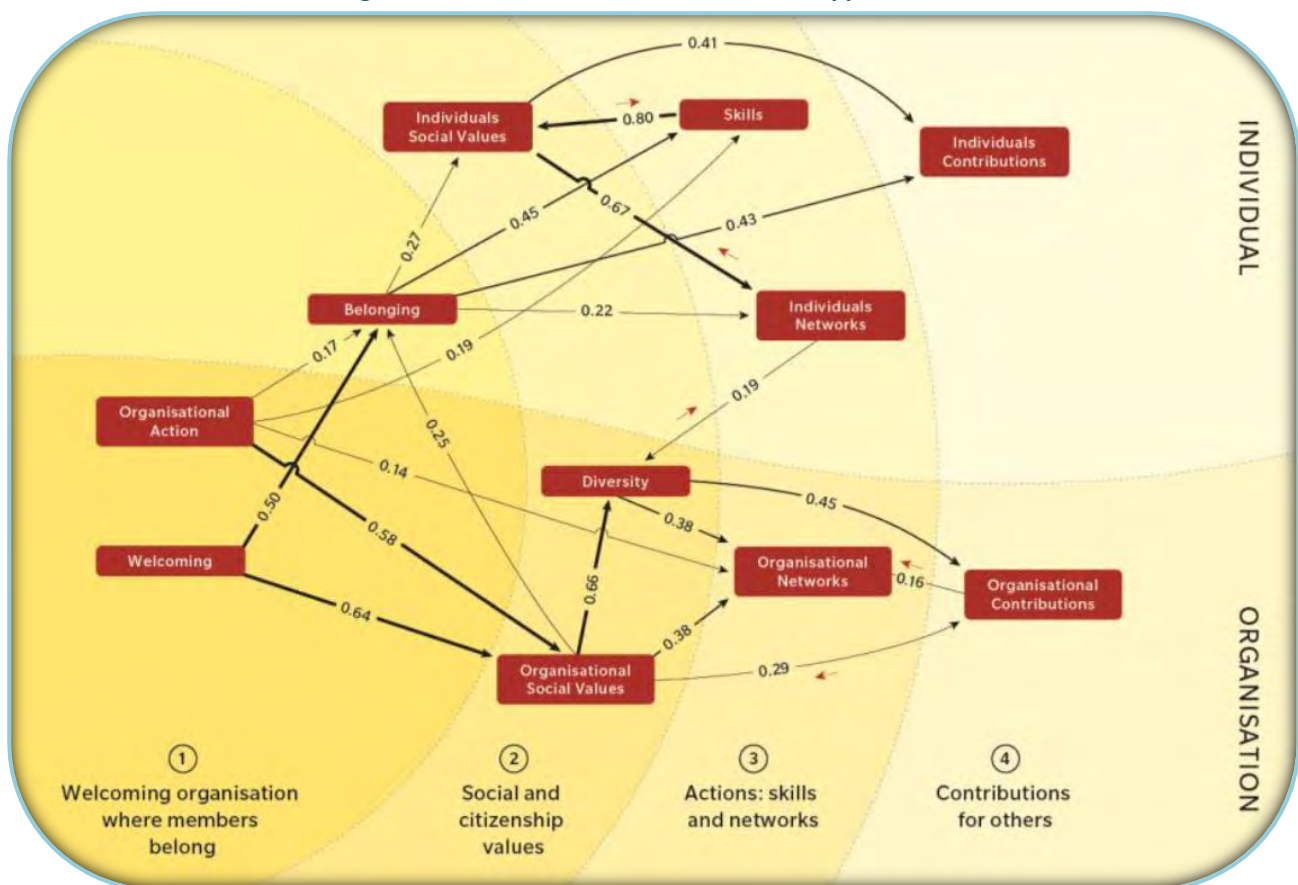
they are not easily monetised, have long term rather than short term effects, are multi-layered, and may vary in each local community context. The challenge for SLSA has been to evidence such social impact.

A partnership research project between SLSA and the Centre for Cosmopolitan Civil Societies at the University of Technology Sydney (UTS), has for the first time ever attempted to make visible the invisible contributions SLSA volunteers and their local clubs make every day in communities Australia-wide.

The research findings demonstrate very clearly that SLSA provides far more than a safe beach environment. It provides a nurturing environment within club membership; builds a sense of belonging and acceptance and the basis for developing core citizenship values and life skills; develops bonds similar to a large extended family that extends to the homes and workplaces of members, instils a valuing of volunteer actions for the wider public good and is embedded in wider community networks, engaged in reciprocal aid and support of them and their activities.

A Ripple model was devised to make visible all the contributions SLSA makes – rippling out from the individual and club to wider networks of people and organisations and society itself. It describes how SLSA can create a sense of belonging to develop social, human and cultural capital that will ultimately lead to the spread of voluntary effects in the wider community. It shows the benefits members experience from being part of their local surf club, including feeling welcome and valued, developing a network, and gaining skills for use in other aspects of their lives.

Figure 38. The social contribution of SLSA: Ripple Model



(In the Ripple model, the forward arrows represent a flow on relationship between one type of impact to another. The numbers on the lines indicate the strength of that relationship with the larger numbers and darker lines being more significant. The red arrows represent those relationships where the reverse effect was significant).

In the first instance, the strongest theme was one of Belonging, which is developing a strong sense of identity based on club activities. This initial identity leads to potentially strong personal development, including the development of citizenship values and a sense of the importance of serving others, working in a team and administering and organising club activities.

Strong internal networks of mutual support suggest the development of strong bonding social capital. The club programs in turn produced increasing levels of human capital in the form of increased skills and knowledge base. This growing stock of human capital was then made available in various forms to the wider community, thus increasing the human and social benefit to that wider community.

Finally, the club developed a variety of bridging links within the wider community, both at an individual and organisational level, suggesting the development of bridging social capital within the local community and beyond.

All of these outcomes represent a form of social impact. As suggested by the model, the process begins at an individual and club level. Strong networks of mutual support and the immediate practices of lifesaving and team work then generate broader impacts for the individual and the club. Ultimately, the benefits of these values and practices extend outwards to embrace the wider community. However, these developments should not be seen as following a linear causal path. For further information on factors included in this model please see Appendix F.

The Ripple model reveals several significant findings regarding the role of SLSA in providing the conditions to enhance positive effects of social impact. Most significantly there is a distinction between individual and organisational social impact.

The organisation matters: Organisational impacts are at the commencement of the pathways regardless if it be individual or organisational. That is the individual impacts can only be felt by being part of a welcoming organisation and part of the collective action.

Through the organisation, individuals are more likely to give willingly if they feel a sense of belonging and support and have developed social values: Within the organisation, there is a flow on effect of impacts for individuals that starts with a sense of belonging, leading to sharing of values and development of skills and networks and then to the individual contributions to the broader community.

Individual development of social values is important for developing individuals willing contributions: Individual contributions most likely flow from organisation action and a sense of belonging that develops social values. Individual skills are an important flow on from organisational action and belonging but they do not lead directly to individual contributions. For individual contributions, there is no direct flow on from skills development to individual contribution. Although skills development does flow on to individual social values.

In both individual and organisational, values flow onto networks, but only in the case of individual networks is that relationship reversed. Diversity impacts flow on from organisational values, with only a small flow on from individual networks. This means the organisational values in terms of diversity are essential in contributing towards an inclusive organisation. The strongest contributor to organisational contribution is diversity, followed by values and then networks.

By far the majority (95%) of respondents were positive about the social contribution of SLSA, although a very small minority (5%) expressed some concerns with cliques or exclusivity within their clubs, which included powerful, long-term members who encourage a culture of elitism and control. Some also raised concern that the increased commercialisation and competitiveness of certain clubs was occurring at the detriment to the civic and community focus of the clubs in previous years.

The results of this study capture some of the spill-over effects that go far beyond the immediate organisational objective. The organisation imbues a sense of responsibility towards fellow members and the

community at large, and in so doing, generates a much broader sense of social connectedness and civic mindedness. It also generates significant increases in human capital, in particular the skills required, not only for saving lives, but also for working in a team situation and developing leadership skills. This growing stock of human capital clearly benefits both the individual member and the community at large and these social impacts appear to operate much like the ripple effect of a stone dropped in a pond. From a core central state of belonging, other impacts develop in consecutive rings of wider social impact moving from the immediate club to the wider community. This does suggest also that charity begins at home, that is, that a strong welcoming culture is the essential precursor to wider social impact.

Importantly, this project will allow the DSLSC to continue servicing the community and visitors with the numerous benefits above in a safer and more comfortable environment and with more space. Better still, the project will enable club growth, increasing attractiveness to prospective members, and facilitating membership through available space, equipment and enhanced infrastructure.

7.2 Environmental Impacts and Benefits

Evidence continues to mount for the scope and scale of human negative impact on the environment into the modern age, with burgeoning populations, technology and industry all straining an already weakened system, threatening to cause irreversible damage to the Earth's delicate balance, climate and ecosystem. The implications of such largescale damage are profound, with severe environmental, economic and social consequences. In recent decades, analyses, promotion and awareness of our impact, and subsequent changes in public perception, have begun to curb some of our more wasteful or destructive behaviours.

Indeed, the DSLSC has a strong affinity with its environment, and is located on a very popular and picturesque beach on the Southern Coastline. In recognition of the importance of its natural surroundings, and in mitigation or preparation for any changes in future environmental conditions, the club has a strong interest in reducing and off-setting the environmental impact of its building, infrastructure and operations. As such environmental consideration has been placed on all levels of discussion and design throughout the planning process. The proposed new building will be constructed to be a solar passive facility, and will also incorporate solar photovoltaic panels for energy generation, water collection and re-use, as well as other key active environmental technologies.

7.3 Economic Impacts and Benefits

Economic benefits relating to the Transformation Project exist in a number of key areas, both direct and indirect. These may include, for example, the overall estimated benefit of surf lifesaving, in value of lives saved and volunteer hours contributed, events capacity, destination attraction and tourism potential, membership growth, residential growth, and more. The more notable economic benefits are explored below, followed by a cost benefit analysis intended to transfer the identified economic value into a conservative estimate of the tangible economic benefit of the DSLSC upgrades to Denmark and the region over time.

7.3.1 Beach Tourism Economic Case Study

The Beach and Surf Tourism and Recreation in Australia: Vulnerability and Adaptation project has produced estimates of economic values for recreation and tourism related to beach amenities across four case-study locations in Australia. Estimates of the non-market consumer surplus values of beach recreation indicate that beach recreation is worth around:

- \$70 million per annum (p.a.) to residents of the Sunshine Coast (Qld),
- \$32 million p.a. to residents of Clarence Valley (NSW),
- \$6 million p.a. to residents of the Surf Coast (VIC) and
- \$4 million p.a. for residents of Augusta-Margaret River (WA).

In addition to the non-market values, real market expenditures are incurred by tourists in order to visit and stay in coastal locations. The value of this tourism expenditure that is specifically related to beach recreation is estimated to be in the order of:

- \$270 million annually for the Sunshine Coast (Qld),
- \$32 million p.a. for Clarence Valley (NSW),
- \$107 million for the Surf Coast (Vic) and
- \$25 million for the Augusta-Margaret River (WA) region.

Market expenditure specifically associated with tourist use of beach and surf recreation amenities is estimated at between 2% and 13% of gross regional product across the four case study regions.⁶³

7.3.2 Surf Lifesaving

Surf lifesaving is iconic and fundamental to Australian culture and outdoor lifestyle. Every year, thousands of volunteer surf lifesavers patrol Australian beaches, guiding the public to swim between the red and yellow flags. Volunteers also help individuals in need, including offering a helping hand in the water or by dressing injuries. These activities, particularly regarding rescue and first aid, are even more important in Denmark, where the DSLSC volunteers are responsible for full rescues, searches, education and training and first aid treatment of major injuries, where paid lifesavers are not available throughout the year or are in much smaller volumes than at other major patrolled beaches around Australia. In 2010/11 PricewaterhouseCoopers was commissioned by surf lifesaving Australia (SLSA) to estimate the economic value of surf lifesaving to the Australian community⁶⁴. This is the primary source of available information on the economic value of surf lifesaving, building upon a 2005 Allen report on the same subject.

Many Australians choose to be part of this culture and so Surf Life Saving (SLS) is one of the largest volunteer organisations in the country. More than 153,000 members spread across over 300 clubs make SLS Australia's major water safety and rescue authority. Between 2002/03 and 2009/10 the growth in membership outstripped the increase in patrolling members, with membership growing at approximately 6% per annum from 106,000 to over 153,000. During the same period, patrolling members increased by 5% per annum.

These surf lifesavers (and SLS's lifeguards) completed almost 12,000 rescues in 2009/10, and through preventative actions avoided a further 6,000 rescues across Australia. Further, volunteer surf lifesavers contribute on a personal level, through volunteer hours to ensure that the extent of these rescues can be completed:

- Members aged 16-49 contribute comparably more volunteer hours per individual than those aged 50 and above
- During the season, over 70% of members volunteer more than 3 hours per week, with almost a quarter of members donating in excess of ten hours per week
- Half of volunteers patrol between 3 and 10 hours per week during the season

7.3.2.1 Valuing volunteer surf lifesavers in Australia

Volunteering delivers a number of benefits for individuals including personal satisfaction, helping others and the feeling of fulfilment from doing something worthwhile for the community. In addition to these personal benefits, volunteering provides positive aspects to society and the local community. Specifically relating to Surf Life Saving, there are non-quantifiable benefits from creating a more cohesive community to quantifiable economic benefits including improving beach safety, awareness and the prevention of drowning.

Given the obvious contribution of members and the services volunteer surf lifesavers provide to the public, it is necessary to quantify the economic benefit of Surf Life Saving in Australia. There are two methods to measuring the activities of SLSA surf lifesavers and lifeguards:

- **Input approach** – focuses on the time that surf lifesavers provide as volunteers and the resources used by surf lifesavers and their clubs
- **Output approach** – this approach focuses on the benefits of the Surf Life Saving services as measured by the likely cost to the public if the service was no longer provided

The flow-on economic impacts to the wider Australian community were measured separately using a Computable General Equilibrium (CGE) model.

7.3.2.2 Input approach

The sum of the value of patrol hours, personal expenses incurred as a result of volunteer activities and the expenditure of Surf Life Saving bodies determine the total value using the input approach. In total, the estimated input value of surf lifesaving is equal to \$163.6 million in 2009/10.

However, the input approach only captures a small aspect of the economic effects and, by focusing on costs, understates the true value of surf lifesaving services.

7.3.2.3 Output approach

Volunteer surf lifesaving services in Australia provide the greatest value in avoiding costs associated with drowning deaths, and overall the total value of lives saved and assisted, using the output method, was more than \$3.4 billion in 2009/10. The estimated value of Surf Life Saving in preventing:

- drowning deaths is \$2.2 billion
- permanent incapacitations is \$1.2 billion, and
- minor injuries and first aid treatments is \$90,000

In addition, the flow-on effects from avoided loss of productivity due to Surf Life Saving services on other sectors of the economy need to be considered in order to understand the full value of surf lifesaving in Australia. Using a CGE model, the flow-on impacts are in the order of \$154 million per year to the Australian economy.

7.3.2.4 Estimated value of Surf Life Saving in Australia

The output approach is the preferred method of capturing the full range of impacts from Surf Life Saving as it accounts for individual benefits and cost savings. When combined with the economic flow-on effects, the total value of Surf Life Saving to Australia is \$3.6 billion per year.

Comparing the output value with the input value provides a cost-benefit ratio (for every dollar spent on Surf Life Saving, what is the value of the lives saved and the injuries avoided):

- Assuming that volunteer surf lifesavers are paid a salary (and included as a cost), the cost-benefit ratio is 21.7 to 1
- Assuming salaries are not paid, the cost-benefit ratio is 29.3 to 1

Under either scenario, the benefits of surf lifesaving far outweigh the costs, further demonstrating SLSA's unique and significant value to the Australian community and economy.

7.3.3 Event Attraction

Tourism, next to agriculture and retail, is the third greatest contributor to gross regional product in the Great Southern region. As such, initiatives to increase visitation and visitor spend will have a significant benefit to

Table 16. Total input approach value (\$million)

Jurisdiction	Total Input Value (2010)
NSW	60.1
NT	1.1
QLD	44.5
SA	6.3
TAS	2.1
VIC	18.9
WA	11.4
SLSA	19.2
Total	163.6

Table 17. Total value of Surf Life Saving (\$million)

Jurisdiction	Total Value (2010)
ACT	4
NSW	1,694
NT	90
QLD	1,146
SA	86
TAS	29
VIC	235
WA	282
Total	3,566

local economies. Surf lifesaving clubs provide significant opportunities for event hosting in a number of sport and recreational fields beyond surf lifesaving competitions, such as surfing, swimming, triathlons or boating. Not only can clubs provide essential safety and supervisory services for such events, they can also provide space and amenity for event-goers.

DSLSC currently runs a number of competitions for juniors, youths and seniors, attracting mostly local residents, such as a number of swim, run and board events for different age groups. There are also opportunities for members to compete in state and national championships. A number of state events have been held at Ocean Beach in the past, such as the annual Stand Up Surf Shop WA Stand Up Paddleboard (SUP) Titles and HIF Longboard Titles. Other events include the Great Southern Performance Clinic. These can be broken down as follows:

Event	Date	Days Held	Significance
Surf Life Saving WA Country Carnival	Feb 2014	2	State
Stand Up Surf WA SUP Titles # 2 - Denmark	June 2015	2	State
HIF Longboard Titles 2015 - Rnd # 2 Denmark	June 2015	2	State
Great Southern Performance Clinic	December 2015	1	Regional
Stand Up Surf Shop WA SUP Titles Rnd # 2	May 2016	2	State
Stand Up Surf Shop WA SUP Titles - Rnd # 2	May 2017	2	State
Southern Ocean Classic Mile (annual)	April 2017	1	Regional
Madfish (now Singlefile) Longboard Competition (Annual)	September 2017	1	Small State

Using the 2014 SLSWA Country Carnival as an example, over 800 competitors headed to Denmark, which proved to be one of the biggest in recent years. Reportedly over 2,500 people stayed at the Ocean Beach Caravan Park over the weekend, with the event bringing a lot of people (and money) to the region and surrounding businesses and communities. In contrast, the Madfish Longboard Competition attracted approximately 30 visiting contenders in 2017, with approximately 70 additional visiting family and friends. For the purpose of the cost benefit analysis, a conservative average of 100 persons per event for small state and regional events is assumed, and 2,000 for larger state or national events. One day events correlate to one overnight stay for each visitor, and two day events are assumed as two visitor nights.

There are significant opportunities to develop event capacity in Denmark, particularly through the transformation of the DSLSC infrastructure and amenity. Ocean Beach offers unique conditions that already have substantial potential for beach-based event attraction, and with the proposed transformation, the available services and suitability to host events will be greatly enhanced. Though Ocean Beach has not in the past held a national level event, there is a great potential to attract significant events, including national or international, with enhanced facilities and open spaces, evidenced by other similar beaches around Australia (e.g. Margaret River) and their ability to host significant events.

It is anticipated that the upgrades could indeed increase event capacity to an additional two regional events per annum, one state level event per annum and one national event perhaps every five years. This is based on the observed increase in capacity at other surf clubs throughout Australia in past decades and on the available amenity and facilities of a site to event organisers. Importantly, events are not limited to beach and ocean events such as swimming, running, surfing and triathlons, but also include cycling and walking events associated with the nearby network of trails, or food, beverage and music festivals and concerts facilitated by the provision of large, open and terraced grassed areas with beautiful natural surrounds.

7.3.4 Regional Investment Potential and Public Realm Enhancement

In assessing the economic impacts that will accrue from public realm revitalisation, it is important to recognise the inter-related social and environmental impacts as well as the wider regional impacts that would accrue. A high-quality pedestrian environment and public realm is considered an essential component of the right business environment⁶⁵. There is a range of evidence that investment in the public realm can have a positive economic effect, through⁶⁶:

- Stimulating the local economy and generating above average private sector returns.
- Having a positive impact on perceptions of the area, especially non-local ones.
- Retaining and attracting workers.
- Attracting more customers and increased consumer spending.
- Increased tourism.
- Increased investment in local business.
- Improved image of businesses.

A high quality public realm has a fundamental role to play in ensuring that regeneration projects are sustainable in the long term. Integral to the success of the public realm is good urban design. CABI's Value Handbook sets out the economic benefits of good urban design in relation to local character, connections, mixed use and high quality public areas⁶⁷:

- **Local character** - helps promote and give identity to towns and regions; contributes a competitive edge by offering difference.
- **Connections** - increases the success of local service shops and facilities; makes a site or area easier to access, increasing land values.
- **Mixed use** - increases value for those preferring a mixed use neighbourhood; uses parking and transport networks more efficiently; increases the success of local shops and facilities; lowers people's spending on transport.
- **High quality public areas** - attracts people and activity leading to an improved economy.

Increasing the public realms quality through better access to high quality, well located services encourages people to walk or cycle through a town rather than use their car. This inspires people to visit businesses along the route to their destination allowing local retailers to benefit from consumer spending. Consumers will be more likely to browse shops that they usually would not frequent promoting positive economic growth. A high quality public realm can also provide opportunities for social interaction; well-designed streets can contribute significantly to the quality of the built environment and can help to create inclusive and sustainable communities. It views streets as social spaces, and states that "*...the public realm should be designed to encourage the activities intended to take place within it...*" – accommodating a range of users, creating visual interest, and encouraging social interaction.

The literature shows that there is a clear typology of economic benefits and impacts arising from improvements to the public realm:

- **Attracting investment** - The quality of the streetscape is important to the ability to attract customers or tenants and is a key factor in occupier decision making⁶⁸. Investment in the public realm can not only attract businesses but also retain them⁶⁹
- **Increasing land and property values** - a high quality public realm contributes to adding value to land and property prices within an area.
- **Attracting visitors** - a high quality public realm in attracting visitors and increasing retail and leisure spend⁷⁰. People are more likely to want to shop in a well-designed and more aesthetic environment. Consumers now have much higher demands and expectations and will subsequently seek a high quality environment in which to spend their leisure time (shopping, eating out, etc.). Therefore, urban areas need to provide an appealing offer in order to successfully compete for customers (residents, businesses, visitors) and subsequently contribute to economic growth.
- **Increasing tourism** - Tourism is particularly reliant on a high quality public realm in order to attract visitors.
- **Improving productivity** - better designed environments beneficially impact on the productivity and the health and satisfaction of the workforce.
- **Enhancing image** - There is recognition that a high quality public realm can help businesses build a good image and reputation which will provide a basis for growth⁶⁹.

These impacts will translate into **investment flows** and **expenditure flows** generated by both consumers and businesses which in themselves will generate the potential for further positive benefits (e.g. additional investment and consumer expenditure supporting further business development and job creation). There are other environmental and social benefits that arise from investment in and the creation of a high quality public realm.

The public realm clearly demonstrates the characteristic of a public good; consumers cannot easily be excluded from public space and so are unlikely to be willing to pay in order to enjoy the consumption of it. With no financial return being provided through the price mechanism, producers have little incentive to invest in the public realm. As with other public goods, intervention by the public sector is justified in order to ensure the more effective supply of publicly accessible space within towns. In addition, positive externalities will arise from investment in the public realm as investment in one area will provide the opportunity to secure spill-over benefits across a wider area and for producers and consumers that are not direct users of the area that has been improved. Similarly, if investment in the public realm is not undertaken and the supply and quality of public open space deteriorates, this may bring negative externalities or spill-over costs across a wider area and to other producers and consumers.

The diagram on the next page illustrates the economic and social benefits that will accrue from the project in the context of a 'theory of change' model, i.e. "*...a systematic and cumulative study of the links between activities, outcomes and context of an initiative...*"⁷¹ It shows how and why the project will cause an effect through economic benefit flows that will translate into further expenditure flows and investment flows by both business and consumers.

Economic development is part of community development, which seeks to build all five community capitals: its economy, environment, social structures, attitudes and assets. Economic wealth is at the core of creating a secure, sustainable environment for people and business to trust each other and reduce disadvantages. It is reduction of competition and the encouragement of collaboration which will bring wealth in many ways to a community.

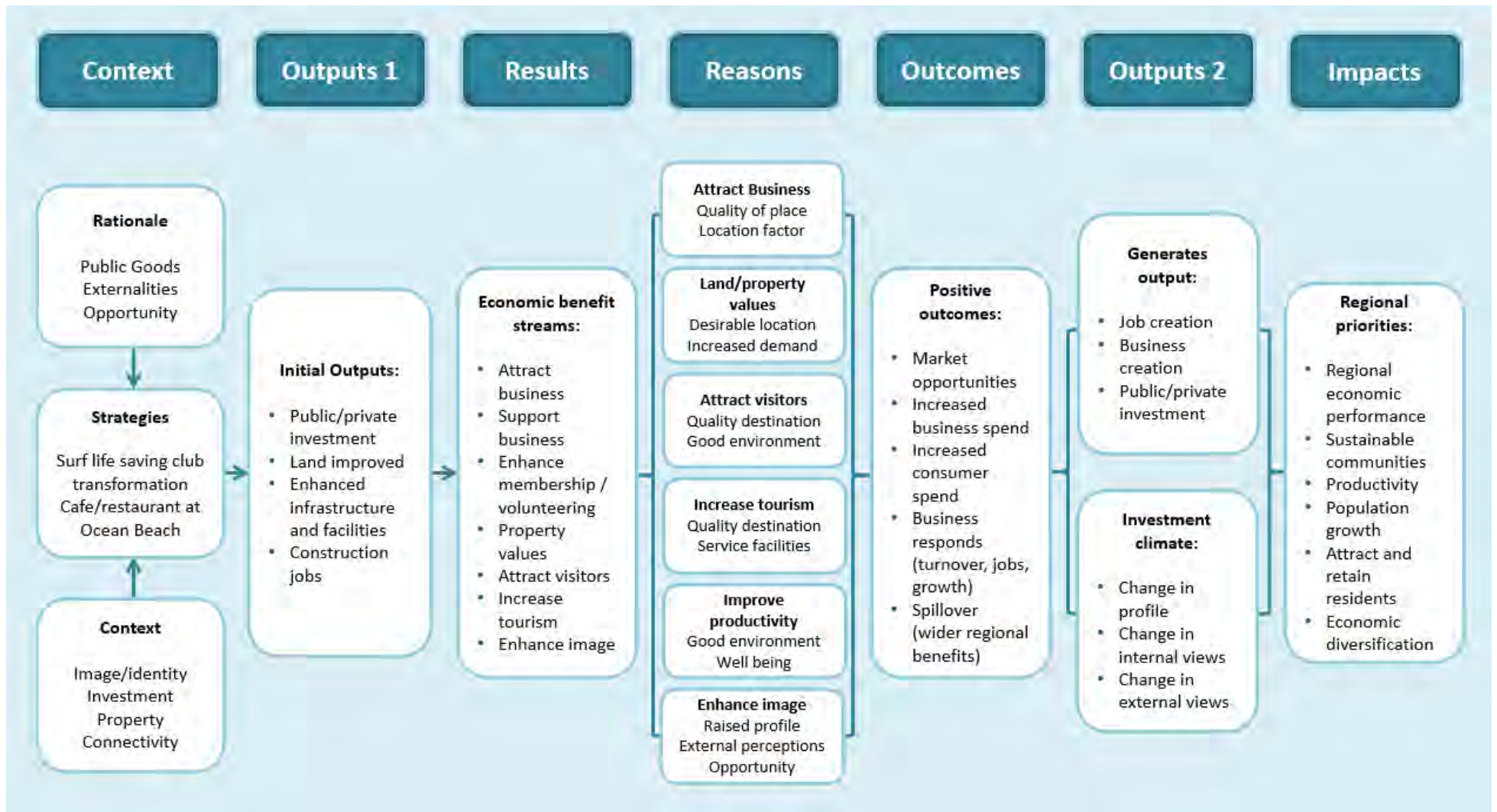


Figure 39. Theory of change model

Regional development, when properly implemented, can be very beneficial to increasing the population and bringing economic growth and sustainability by:

- Promoting regions as a place to invest, work and live;
- Creating and promoting attractions and activities to attract and retain the population or visitors;
- Fostering a positive business environment for business and industry.

Denmark and its region must address the needs of attracting investment, improving living conditions, reducing disadvantage, creating a secure environment for people and business, motivating people whilst encouraging active citizenship and skills improvement, reducing barriers to learning opportunities and raising people's aspirations. This will all be based on developing and improving the existing assets in the community.

Revitalising the DSLSC will create new employment, volunteering and recreational opportunities for those people who wish to move to a regional town such as Denmark. A 2006 inquiry by the Victorian Parliament into Retaining Young People in Regional and Rural Towns and Communities, found that many young people who grow up in rural communities would like to stay if they were provided with more choices and opportunities. The inquiry also discovered that more young people were likely to return to regional areas if they felt supported and valued in their local communities.⁷² The data, though conducted by a different state, extends its noticeable relevance to all regional communities in Australia. Young adults seek work in a more urban environment or larger regional centres due to the understanding that there will be more job opportunities and greater pay. It is of immeasurable importance to retain the young workforce in regional towns for many reasons. First and foremost would be the economic benefit of the younger population creating new families and distributing their income throughout the community. As the younger population increases in a regional area so too does their potential to further populate the region with new family members. In addition to this, a young person may be inclined to recommend a town with suitable opportunities to other acquaintances encouraging additional migration to the area.

7.4 Cost-Benefit Analyses

7.4.1 Introduction

Cost-benefit analysis is a useful economic tool to evaluate the case for a project or proposal against the *status quo*. Importantly, it allows for an assessment in economic terms of intangible values. The impacts of a proposal for investment or intervention in a market are measured in terms of the economic, social and environmental costs and benefits. Costs represent the public's willingness-to-pay to avoid the resulting consequences of the intervention, whereas benefits reflect the public's willingness-to-pay for the consequences. The evaluation of a particular proposal considers the effects on the community as a whole, in order to give a 'global' perspective. As far as possible, costs and benefits are expressed in monetary terms, although assigning monetary values to some intangible effects can prove difficult. The primary purpose of the analysis is to identify the social net benefit of a specific intervention or investment proposal. Essentially, the cost-benefit process aims to determine whether the total estimated benefits resulting from a proposal exceed the estimated costs, and therefore, whether the project would result in an economically efficient allocation of resources. Further background to cost-benefit analysis is provided in Appendix 3.

7.4.2 Benefits in the cost-benefit analyses

Quantifying the total benefits to an economy resulting from an increase in investment or direct spending can be a difficult task. The key benefits included in cost-benefit analyses are:

- The primary economic benefits from enhanced ability to attract events, and growth in memberships and volunteering,
- The secondary economic benefits through increased visitation and spend in the town from events, and
- Indirect benefits through the 'ripple' effect.

Other benefits could potentially be included, such as:

- Environmental benefits, including enhanced beach quality and safety education, club growth and its impact on new environmental programmes and training, and enhanced public realm encouraging walking and cycling over driving, thus reducing and the concomitant reduction in CO₂ emissions.
- Social benefits, including contribution to community wellbeing, cohesion and quality of life which are particularly relevant to rural and regional contexts.
- The balanced integration of social, economic and environmental dimensions, which is a vital first step towards community wellbeing and ecological sustainability”.⁷³

However, it is difficult to estimate these in monetary terms in a robust way. Although estimates of this valuation can indeed be developed, this has not been included in the cost-benefit calculations, which focus on the ‘harder’ economic benefits.

The cost-benefit analyses are not intended to be fully rigorous at a state level. In particular, they take into account the primary and secondary benefits to the **regional economy** that at a state level may not be appropriate. This is because the impacts are highly distributional, with the facility creating high levels of community benefits for the local and regional economy.

7.4.2.1 Uplift in Membership and Volunteering

Current membership is 290, having risen at a CAGR of 2.49% since 2005/06. Despite figures remaining relatively stable at an average of 213 members until the 2016/17 season, the 2017/18 season saw a significant increase, likely resultant from a number of factors such as the conceptual work into a new facility, increased beach safety awareness and increased interest in physical activity, recreation and education.

With heightened interest in club activities, it is conservatively assumed that three new members will be attracted each year until the commissioning of a new facility. Once the facility is built, it is expected that interest in the club would increase further, attracting approximately five new members each year.

For the purpose of this analysis, only on-season volunteer value is considered, due to fluctuations in need for lifesaving services and lower rates of volunteering during other periods. According to the member survey, during the 2017 club season, overall volunteerism was high, with over 42.5% of respondents volunteering more than 15 hours of their time to club activities. A further 38.3% volunteered between 1 and 20 hours of their time. Despite the additional value that can be calculated due to general volunteering activity, this analysis focuses on the value of lifesaving activities only. The wider value of volunteering is not necessary for demonstrating an attractive benefit-cost ratio.

Emphasising the importance of volunteer lifesaving activities, statistics from the 2015/16 season indicated that volunteer lifesavers spent 1,240 hours on duty, carried out 8 rescues, attended 3 major first aid cases and undertook 75 preventative actions.

Of the member survey respondents, nine participants noted beach patrols as a volunteering activity, representing 19% of the total respondents. Assuming this rate is relative to all active and able members of the facility (excluding the 121 junior members – 41.7%), it can be estimated that 32 members volunteer their time to beach patrol duties.

Assuming minor change in duty hours and average membership to the relevant study year (2016/17), it can therefore be estimated that each patrolling volunteer contributes an average of 38.75 hours of their time to lifesaving duties.

According to Surf Life Saving Australia⁶⁴, volunteer surf lifesavers patrolled a total approximately 1.27 million hours on Australian beaches in 2009/10. Considering the model of the SLSA input analysis, the value of volunteer time is \$33.50 per hour per person plus travel and personal expenditure at 13% of forgone salary (adjusted for CPI to 2017/18):

	Hourly Rate		Additional Expenditure (13%)		Total Value	
	2009/10	CPI adjust	2009/10	CPI adjust	2009/10	CPI adjust
Value per hour	\$33.50	\$39.82	\$4.36	\$5.18	\$37.86	\$45.00

The same SLISA economic impact report also identifies an output value for preventative actions, rescues and other aspects relating to beach safety. The report assumes that of the 18,507 rescues Australia wide:

- 5% of total rescues would have resulted in a drowning death,
- 3% of rescues would have resulted in permanent incapacitation,
- 14% of total rescues would have resulted in a minor injury needing first aid treatment, and
- 78% of total rescues would have resulted in no injury or rescue.

Results of the output approach estimated a value of \$3.41 billion, with the prevention of drowning deaths providing the greatest value (\$2.2b). Given the 1.27 million hours spent on lifesaving activities, it is assumed that each hour of lifesaving patrol is worth \$2,687.40 (\$3,194.67 adjusted for CPI).

Thus, the total value of one volunteer lifesaving hour can be estimated as follows:

	Input Value	Output Value	Total Value
Value of one hour lifesaving patrol	\$45.00	\$3,194.67	\$3,239.67

The value of current and additional lifesaving volunteer activity as a result of the project and enhanced member base can therefore be estimated as:

	2017/18 (current) Total Value	Per Annum Increase (5 total members)
Total applicable members (58.3%)	169	3
Number of patrolling volunteers (19%)	32.11	0.57
Total hours spent (38.75 per person)	1244.26	22.09
Input Value (\$45.00 per hour)	\$55,991.81	\$993.94
Output Value (\$3,194.67 per hour)	\$3,975,008.08	\$70,562.27
Total Value (\$3,239.67 per hour)	\$4,030,999.89	\$71,556.21

7.4.2.2 Enhanced Event Capacity

As identified in Section 7.3, the DSLSC hosted two state and one regional/local event in 2017. This figure varies from year to year however, though historically Ocean Beach and the DSLSC have had a strong capacity to attract state level events due to its unique beach conditions and surf lifesaving presence. The current average event capacity is approximately 1.5 state events and 2 regional or local events per annum. The average length of a state event is two days, and local events one day.

Given the capacity of the recent Madfish Longboard Competition to attract 30 visiting contenders with 70 additional visiting friends and family, small state and/or regional events are anticipated to bring approximately 100 persons into the Shire of Denmark. For larger state events, this figure could be much higher, with the 2014 WA Country Carnival attracting 800 competitors. Given a similar ratio of visiting family and friends, it is estimated that over 1,700 visitors accompanied the competitors, which is supported by the reported 2,500 persons in total whom stayed at the Ocean Beach Caravan Park over the weekend. For the purpose of this analysis, more conservative 2,000 additional persons is assumed for large state level events (competitors and their visiting friends and families). The same volume is also assumed for larger national events, though it should be noted that this figure could be considerably higher, for example with a 2014 event in Scarborough attracting 8,000 visitors who spent \$12.4 million.

As evidenced by observed event capacity and attraction increases at other surf lifesaving clubs around the country following infrastructure enhancements (e.g. City of Albany and City of Perth), it is anticipated that the upgrades could increase event capacity to an additional two regional events and one state level event per annum, and one national event perhaps every five years. These assumptions are also based on the

available amenity and facilities of a site to event organisers. Importantly, events are not limited to beach and ocean events such as swimming, running, surfing and triathlons, but also include cycling and walking events associated with the nearby network of trails, or food, beverage and music festivals and concerts facilitated by the provision of large, open and terraced grassed areas with beautiful natural surrounds.

Ocean Beach offers unique conditions that already have substantial potential for beach based event attraction, and with the proposed transformation, the available services and suitability to host events will be greatly enhanced. Although Ocean Beach has not in the past held a national level event, there is a great potential to attract significant events, including national or international, with enhanced facilities and open spaces, evidenced by other similar beaches around Australia (e.g. Margaret River) and their ability to host significant events.

The project is therefore expected to have the following impact on event attraction and visitor numbers. It should also be noted that unlike many other visitor attractions, visitor volumes associated with surf and other similar events are considered special interest visitors, being that their primary purpose for visitation is the event itself. The value of visitation through regional spend is therefore enhanced in contrast to other visitor types.

Event Type	Current Capacity		Expected Per Annum Increase		Total Per Annum (following project)	
	Event	Visitors	Event	Visitors	Event	Visitors
National Events (20% per annum)	0	0	0.20	400	0.20	400
Large state Events	1.5	3,000	1	2,000	2.5	5,000
Small state or regional	2	200	2	200	4	400
Total	3.5	3,200	3.2	2,600	6.7	5,800

7.4.2.3 Uplift in visitation and length of stay

As a result of the DSLSC Transformation project, an increase in visitation and the length of stay of visitors is expected. This principally considers the above event attraction capacity increase. Focusing just on overnight visitors, the value of visitation in the region depending on the type of visitor (intrastate, interstate and international) is presented in Table 18, based on the most recent TRA data.

Table 18. The value of Great Southern visitation ('14/15).

	Visitors	Visitor nights	Av stay nights	Av trip spend	Av nightly spend
Intrastate	497,500	(separate statistics for intrastate and interstate not available)			
Interstate	42,500				
<i>Domestic</i>	<i>540,000</i>	<i>1,845,000</i>	<i>3.4</i>	<i>\$429</i>	<i>\$125</i>
International	52,500	555,300	10.6	\$863	\$82
Total	592,500	2,400,300	4.1	\$467	\$115

Given that the purpose of trip for the majority of relevant visitors would be the event however, the average nights are assumed to be only two nights per state or national event and one night for local/regional events. For these events, the majority of visitors are expected to be domestic. It is possible in some cases that the stay would be longer (particularly for interstate visitors), for example in order to utilise the opportunity to explore more of Denmark and the wider region, however it is not necessary to factor in these assumptions to demonstrate a positive benefit. The increase in annual visitation is expected to result in the following additional visitor spend.

	Visitors	Visitor Nights	Total Visitor Spend (pa)
Large state and national events	2,400	4,800	\$600,000
Small state and regional events	200	200	\$25,000
Total	2,600	5,000	\$625,000

7.4.2.4 Indirect impacts

In addition to the primary economic benefits driven by an uplift in visitation and length of stay, there is a multiplier effect that is expected. That there is a 'flow-on' effect in the economy is self-evident and using the direct tourism contribution alone will under-estimate the total contribution of tourism to the economy. The flow-on or indirect effects are the changes in supply that result from spending of the tourism industry's receipts on goods and services from other industries. However, the quantification of the level of the effect is tricky, exacerbated by the fact that tourism is not an industry in the conventional sense and is defined in the ABS tourism satellite account as an amalgam of other industries including transport, accommodation, food service provision, retail trade, entertainment and education⁷⁴.

Tourism Research Australia has estimated that \$1 million worth of tourism consumption in the Accommodation, Cafes and Restaurants industry generates \$2.042 million worth of goods and services production (throughout the economy) which, in turn, generates around 19.2 jobs⁷⁵, i.e. a multiplier of 2.042. Other analysis by the Australian Government's Department of Resources, Energy and Tourism (RET) on the contribution of the tourism sector to the economy estimates the multiplier as 1.91, larger than other industries such as mining (1.67), retail trade (1.80) and education and training (1.38)⁷⁶. The latter work estimates a total employment multiplier of 11.4 per \$1 million of spend.

7.4.2.5 Other benefits

A number of other benefits could be included in the cost benefit analysis, such as:

- Total value of volunteering, including activities not directly related to surf lifesaving.
- Increased physical activity due to memberships and the value of healthy, active ageing, particularly in children.
- The value of social inclusion, community pride and ownership.
- Visitation increases based on general public realm and amenity enhancement, in particular tourism related to coastal attractions and beach safety enhancement.
- The value of public open spaces.

These other benefits that have been identified have not been included in the cost-benefit analyses. **This is to focus on the principal benefits associated with membership and facilitation of event tourism which, in themselves, are sufficient to demonstrate a highly attractive investment case.**

7.4.3 Costs in the cost-benefit analyses

The costs in the analyses include: the capital costs for the project, phased in line with the plan.

7.4.4 Assumptions

The principal assumptions for the **base case** in the cost-benefit analyses are as follows:

1. The new facility will attract five new members per annum.
2. 58.3% of these new members will not be juniors and are able to volunteer for patrol duties.
3. 19% of the applicable new members (excluding junior members) will volunteer for patrol duties.
4. The average patrol volunteer will donate 38.75 hours of their time to patrolling per annum.
5. The new facility will on average attract one national event every five years, one large state event per annum, and two regional/local events per annum.
6. Small state and/or regional events will bring 100 special interest visitors into the Shire of Denmark.
7. National and/or large state events will bring 2,000 special interest visitors into the Shire of Denmark.
8. Small state and/or regional event visitors will stay an average of 1 night and spend \$125 per night.
9. National and/or large state event visitors will stay an average of 2 nights and spend \$125 per night.
10. Benefits are not realised until after construction and it takes three years after construction has been completed to reach steady state.
11. A multiplier of 1.90 is applied to the additional spend by visitors.

- 12. The discount rate is 7%. This is in line with the Office of Best Practice Regulation 2014 cost benefit analysis guidelines that require use of an annual real discount rate of 7%⁷⁷.
- 13. The calculations are performed over 25 years.

7.4.5 Calculations

Cost-benefit calculations have been performed in order to assess the attractiveness of the proposed development relative to the ‘do nothing’ option. The results are shown in Table 19.

The calculations demonstrate a positive NPV of \$12.0m (BCR of 3.79), clearly deriving from the high level of community benefits from the additional volunteering.

Table 19. Cost-benefit analyses

Denmark Surf Life Saving Club																
New members										Additional Events						
Number of new members per year	5									National events per year	0.20					
Percentage of non-juniors	58.3%									State events per year	1					
Percentage volunteering	19%									Regional events per year	2					
Hours per volunteer per year	39									National/state event visitors	2,000					
Value of volunteering/hour	\$ 3,239.67									Regional event visitors	100					
Number of years to steady state	3									Spend per night	\$ 125					
Year	Capital (\$)	Direct Benefits (\$)										Multiplier on direct visitor spend	Community benefit (\$)	Total Benefits (\$)	Net Benefits (\$)	Discounted Net Benefits (\$)
		Number of new members per year	Cumulative new members	Number of new volunteers	Number of new volunteering hours per year	Value of volunteering	Additional national and state events	Additional regional events	Additional nights	Additional spend						
1 2018/19	\$ 2,112,500	-	-	-	-	-	-	-	-	-	\$ -	\$0	\$0	\$0	-\$2,112,500	-\$1,974,299
2 2019/20	\$ 2,112,500	-	-	-	-	-	-	-	-	-	\$ -	\$0	\$0	\$0	-\$2,112,500	-\$1,845,139
3 2020/21	\$ -	2	2	0.18	7.15	23,176.26	0.4	0.7	1,667	\$ 208,333	\$187,500	\$419,010	\$419,010	\$342,037		
4 2021/22	\$ -	3	5	0.55	21.46	69,528.79	0.8	1.3	3,333	\$ 416,667	\$375,000	\$861,195	\$861,195	\$657,002		
5 2022/23	\$ -	5	10	1.11	42.92	139,057.57	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,326,558	\$1,326,558	\$945,817		
6 2023/24	\$ -	5	15	1.66	64.39	208,586.36	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,396,086	\$1,396,086	\$930,271		
7 2024/25	\$ -	5	20	2.22	85.85	278,115.14	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,465,615	\$1,465,615	\$912,711		
8 2025/26	\$ -	5	25	2.77	107.31	347,643.93	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,535,144	\$1,535,144	\$893,468		
9 2026/27	\$ -	5	30	3.32	128.77	417,172.71	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,604,673	\$1,604,673	\$872,836		
10 2027/28	\$ -	5	35	3.88	150.23	486,701.50	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,674,201	\$1,674,201	\$851,079		
11 2028/29	\$ -	5	40	4.43	171.69	556,230.28	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,743,730	\$1,743,730	\$828,434		
12 2029/30	\$ -	5	45	4.98	193.16	625,759.07	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,813,259	\$1,813,259	\$805,109		
13 2030/31	\$ -	5	50	5.54	214.62	695,287.85	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,882,788	\$1,882,788	\$781,290		
14 2031/32	\$ -	5	55	6.09	236.08	764,816.64	1.2	2.0	5,000	\$ 625,000	\$562,500	\$1,952,317	\$1,952,317	\$757,142		
15 2032/33	\$ -	5	60	6.65	257.54	834,345.42	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,021,845	\$2,021,845	\$732,810		
16 2033/34	\$ -	5	65	7.20	279.00	903,874.21	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,091,374	\$2,091,374	\$708,421		
17 2034/35	\$ -	5	70	7.75	300.46	973,402.99	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,160,903	\$2,160,903	\$684,087		
18 2035/36	\$ -	5	75	8.31	321.93	1,042,931.78	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,230,432	\$2,230,432	\$659,904		
19 2036/37	\$ -	5	80	8.86	343.39	1,112,460.56	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,299,961	\$2,299,961	\$635,958		
20 2037/38	\$ -	5	85	9.42	364.85	1,181,989.35	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,369,489	\$2,369,489	\$612,321		
21 2038/39	\$ -	5	90	9.97	386.31	1,251,518.13	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,439,018	\$2,439,018	\$589,055		
22 2039/40	\$ -	5	95	10.52	407.77	1,321,046.92	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,508,547	\$2,508,547	\$566,212		
23 2040/41	\$ -	5	100	11.08	429.23	1,390,575.70	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,578,076	\$2,578,076	\$543,837		
24 2041/42	\$ -	5	105	11.63	450.70	1,460,104.49	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,647,604	\$2,647,604	\$521,966		
25 2042/43	\$ -	5	110	12.18	472.16	1,529,633.27	1.2	2.0	5,000	\$ 625,000	\$562,500	\$2,717,133	\$2,717,133	\$500,630		
Disc. Rate: 7.0%											Multiplier (tourism): 1.9					
NPV: \$12,512,958											BCR: 4.28					
IRR: 25.6%											Community Benefit: 100.0%					

7.4.6 Sensitivity tests

Key areas of sensitivity are:

- The uplift in membership and volunteerism,
- The percentage of baseline events achieved,
- The per trip spend by overnight visitors,
- The number of years to steady state,
- The multiplier effect, and the discount rate.

The results of the sensitivity tests are given in Table 20.

Table 20. Sensitivity tests on the cost-benefit analyses.

Variable	Value	BCR	NPV (\$k)
The uplift in membership and volunteerism	0	2.49	+6,430
	2	3.01	+8,666
	5	3.79	+12,019

(additional members per year)	7	4.31	+14,255
	10	5.08	+17,608
The percentage of baseline events achieved	25%	1.92	+3,962
	50%	2.54	+6,648
	100%	3.79	+12,019
	150%	5.03	+17,391
The per trip spend by overnight visitors	\$50	2.29	+5,573
	\$125	3.79	+12,019
	\$200	5.28	+18,465
The number of years to steady state	0	4.16	+13,633
	3	3.79	+12,019
	10	2.73	+7,480
	15	2.18	+5,078
	20	1.74	+3,208
Multiplier effect	1.0 (no effect)	2.61	+6,930
	1.5	3.26	+9,758
	1.9	3.79	+12,019
Discount rate	4%	5.37	+19,670
	7%	3.79	+12,019
	10%	2.78	+7,359

- The BCR is sensitive to the number of years to achieve steady state, but even with 20 years to steady state, the calculations remain positive.
- A positive NPV and BCR greater than one is achieved even if one of the components of increased volunteering or additional events is removed. Without any additional volunteerism (i.e. only events), the BCR is 2.49 (NPV \$6.4m). With zero additional events, the BCR is 1.3 and NPV \$1.3m.
- Even with zero volunteers, it takes only 40.2% of the baseline events to be realised to achieve a breakeven (i.e. BCR = 1, NPV = 0).

Further tests looked at the sensitivity of the results to the discount rate. The rate assumed in the cost-benefit analyses (7%) may not reflect the true social opportunity cost of capital. However, even with a discount rate of 10%, the conclusions of the analyses remain unchanged.

7.5 Job Creation

With regard to job creation, this will benefit from both the construction phase and the operational phase.

7.5.1 Construction phase

In the construction phase, the most recent input-output tables available from ABS are for data relating to 1996-97⁷⁸. These show that, for every \$1m spent on construction output (houses, non-residential buildings, etc.) in 1996-97, 9 jobs were created in the construction industry (the initial effect – an initial \$1m of extra output of the construction industry generates additional employment in the industry to produce that output), and a further 28 jobs through a flow-on production-induced effect. The production-induced effect is a combination of:

- A first-round effect - the amount of output and employment required from all industries that supply goods and services to the construction industry in order for that industry to produce the initial \$1m of extra output.
- An industrial support effect - the induced extra output and employment from all industries to support the production of the first-round effect;
- A consumption induced effect - the subsequent inducement for extra output and employment due to increased spending by the wage and salary earners across all industries arising from the compensation received for their labour as part of the other effects above.

For the local economy of Denmark, it is prudent to count just the jobs associated with the initial effect (9) and the first-round effect (3), generating a total of 12 job years per \$1m of construction spend.

Although these data are quite old, they are still being used in recent studies and position papers from, for example, the property industry. However, it is sensible to adjust this by a measure of inflation over the past 20 years. Using a figure of 4.4% per annum escalation, the \$1m would equate to \$2.366m, or \$1m expenditure in 2017/18 dollars would equate to 3.8 direct jobs in the construction industry and 5.1 jobs in the wider local economy. Therefore, the \$4.771 million investment in this project would be expected to **create 18 FTE years of direct jobs in the construction industry and 24.3 FTE years of jobs in the wider local economy**. Since construction is estimated to extend over a two year period, this represents a job effect of 9 direct or 12 direct and indirect jobs per annum for each of the two years.

7.5.2 Operational phase

As a largely volunteer based organisation, it is not anticipated that new direct employment opportunities will be created. Current paid lifesaving and kiosk activities are expected to continue at a steady rate for some time. Any additional visitation related requirements for lifesaving in coming decades is expected to be absorbed largely by the anticipated increase in membership and subsequent rates of volunteering. It is possible that over time new paid lifesavers will be required, particularly in high volume seasons, however this has not been factored into this analysis.

Once operational, jobs will be created as a result of the additional tourism spend in the region. The Department of Resources, Energy and Tourism (RET)⁷⁹ estimate a total employment multiplier of 11.4 per \$1 million of tourism spend. It is therefore estimated that **7 sustainable, long-term FTE jobs will be created in the region**, based on the additional direct tourism spend (identified in the Cost Benefit Analysis – Section 7.4).

8 Implementation Programme

8.1 Project Management Process

The project management process is illustrated in Figure 40.

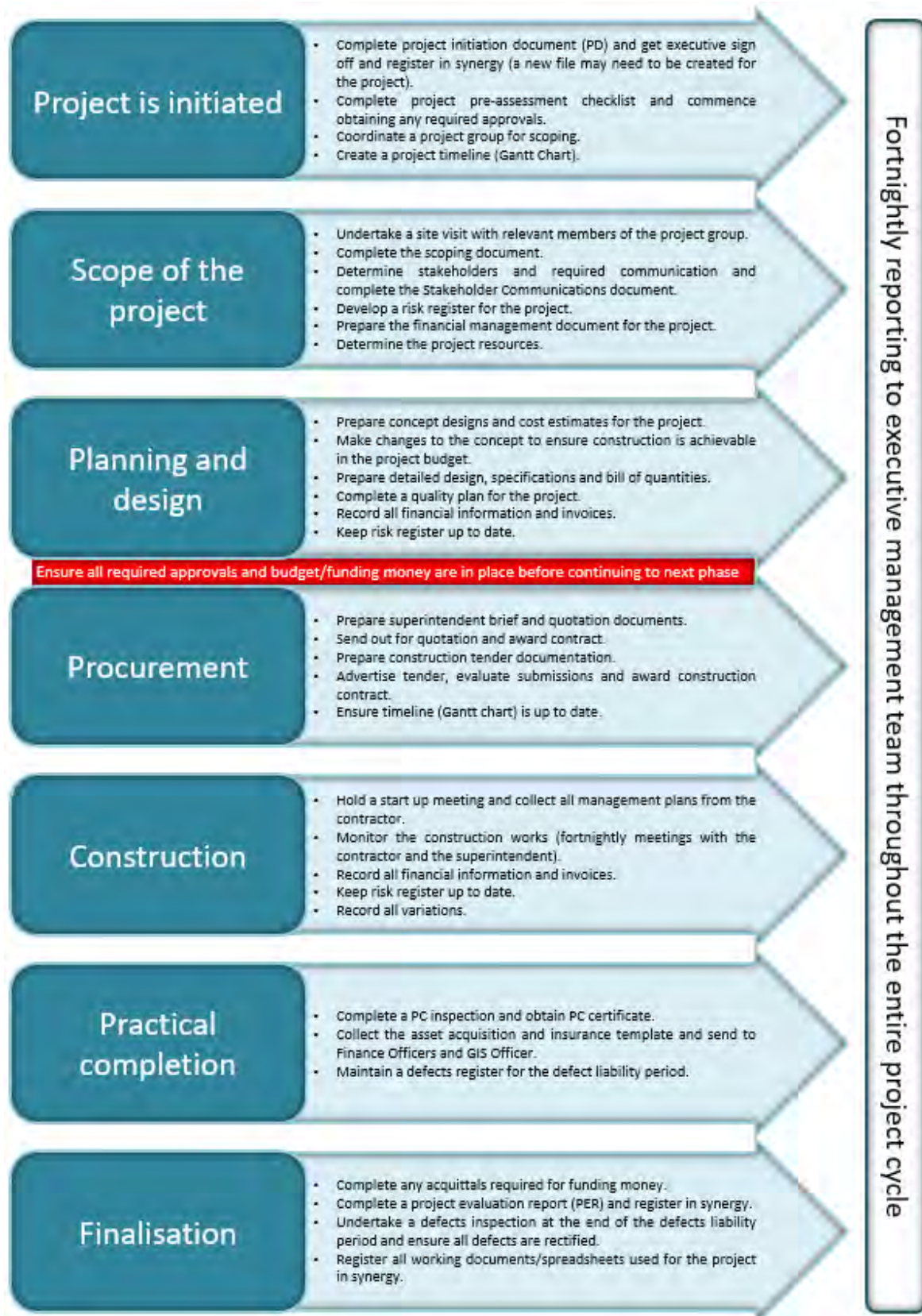


Figure 40. Project management process

8.2 Time Management

The project is expected to run over the course of 20 months from the receipt of all required funds through to the completed construction of a purpose-built facility that is ready for occupation by DSLSC, with a smooth transition. It is anticipated that all funding will be available by July 2018, and that construction will commence in July of 2019, running for 12 months or less, subject to contractor availability, weather and other relevant circumstances. A detailed project plan and timescale will be produced and maintained by the Project Manager and will form a key part of the review process with the overarching Project Control Group.

8.2.1 Project Schedule

The principal deliverable of this project is the construction of purpose-built surf lifesaving club facilities suitable to the needs of DSLSC that is delivered on time and within budget.

Table 21. Key activities/deliverables

Activity/Deliverable	Start Date	End Date
Planning and development application: <ul style="list-style-type: none"> Authority approvals and endorsement process Consideration of early work packages 	January 2019	April 2019
Contract documentation: <ul style="list-style-type: none"> Preparation of detailed working drawings, specification BoQ, etc, ready for market Pre-tender estimates 	April 2019	May 2019
Project procurement tender: <ul style="list-style-type: none"> Request for tender vendor assessment Tender review Negotiated contract offer Contract award 	May 2019	July 2019
Construction: <ul style="list-style-type: none"> Contract administration Ongoing reporting (funding) Construction up to practical completion 	July 2019	July 2020
Commissioning and handover: <ul style="list-style-type: none"> Certificate of Construction Compliance Commencement of Defects Liability Period Management, operational and leasing agreements Finalise funding acquittals 	July 2020	August 2020

Table 22. Key milestones

Milestone	Milestone Date
Building and environmental approvals confirmed	April 2019
Contract documentation in place	May 2019
Construction contract awarded	July 2019
Practical completion of construction	July 2020
Building commissioning and handover	July 2020
Funding acquittals finalised	August 2020

8.2.2 Project Gantt Chart

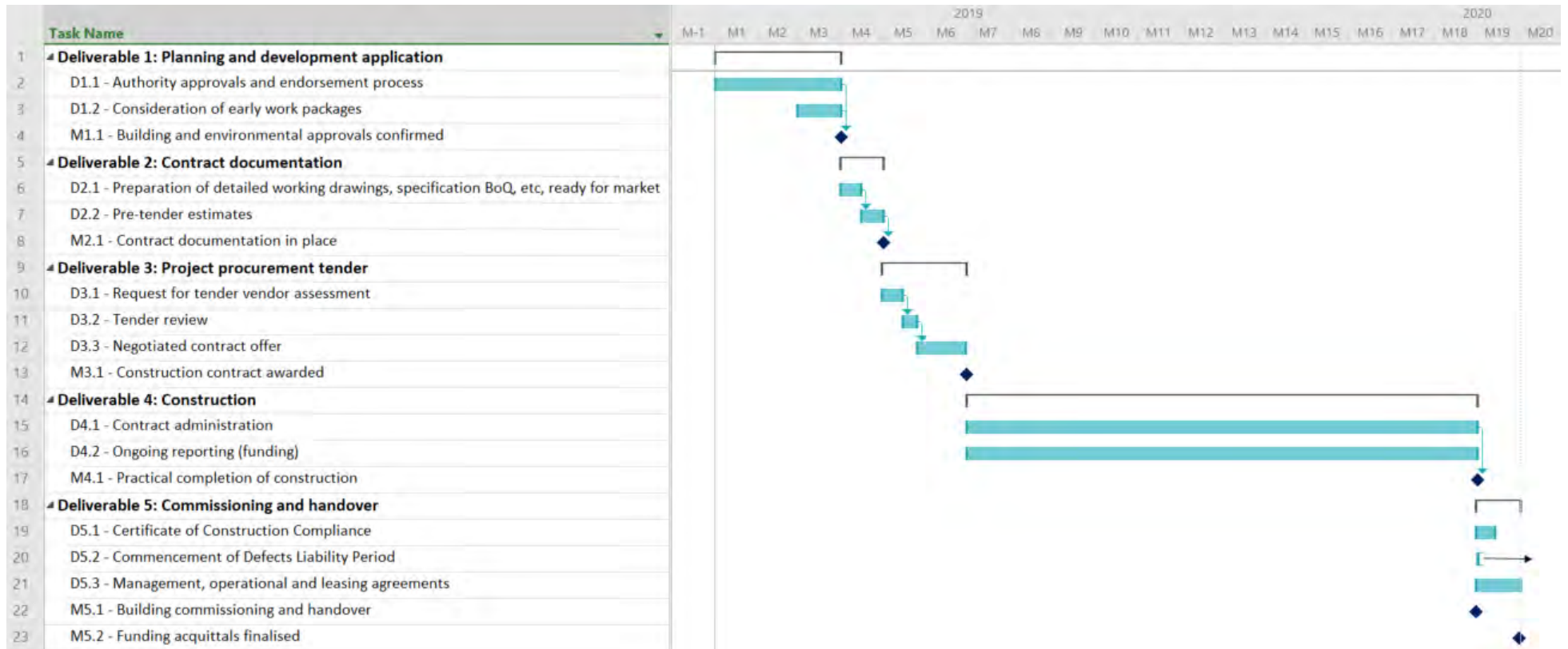


Figure 41. DSLSC Transformation Project Gantt Chart

8.3 Communication Plan

The components of this project represent major community projects and it is expected that they will generate significant interest in the local media. In collaboration with the Shire of Denmark, the DSLSC will utilise this to communicate the project to the community by:

- Regular updates to club members via established information transfer channels.
- DSLSC and Shire of Denmark providing regular media releases to local newspapers (Denmark Bulletin), Radio West, and ABC Regional Radio, e.g. through the shire's current weekly newspaper community updates.
- Placing information regarding the project in newsletters of community groups that have been identified as key stakeholders, and
- Providing signage in the CBD during the redevelopment project to inform the community of the works being undertaken.

Communication with the community will be undertaken throughout the project. A Communication Plan will be prepared by the DSLSC in conjunction with the Shire of Denmark.

Provided the project is successful, funding contribution through various funding bodies and other sources will be referenced in all communication material and representatives will be invited to attend the facility opening upon completion of the project.

8.4 Procurement Strategy

The procurement policy will attempt, where possible, to source construction materials and services from local providers with an aim to re-invest in the regional economy. The DSLSC has some expertise to undertake design and project management, but external expertise will be engaged as required, with a suitable Project Manager employed to oversee the project's implementation (factored into the project budget). Additional employees will be recruited to supplement as required. Procurement will be managed by the Project Manager, who will:

- Ensure that procurements are adequately and timely planned.
- Ensure that for all services, a quotation shall be provided.
- Manage procurement directly to the specification document requirements using traditional procurement lump sum supply and install contract.
- Maintain all quotations and service agreements for procurement items.
- Maintain budgetary planning and monitoring.
- Where services, skills or products are classed as specialised and/or regulated, seek evidence of certification, legislative approval and qualification.
- Manage contract administration.
- Ensure that the construction contingency fund is managed effectively.

The project will follow the Shire of Denmark procurement policy that ensures that purchasing transactions are carried out ethically and with integrity, that the all parties receive value for money, give due regard to environmental and social impacts, and promotes effective governance.

This policy ensures consistency and accountability in all purchasing activities specifically in respect to compliance with the Local Government Act and the Local Government (Functions and General) Regulations and ensures that all project staff are aware of the extent of their purchasing authority, purchasing limits and their role and responsibilities in the purchasing process.

9 Governance

The project will have a management team comprising a Project Manager (superintendent) and Project Control Group (PCG). The Project Manager (see below) will have the overall responsibility for ensuring that the project meets the objectives set, dealing with operational day to day project-related issues. The management of the project will be supported by the use of IT tools to facilitate project management, coordination and dissemination of information among the project’s governance structure and key stakeholders. From time to time, key stakeholders may provide advice and input through an external Advisory Group. The overall project management structure and roles is illustrated in Figure 42, and further broken down in Figure 43.

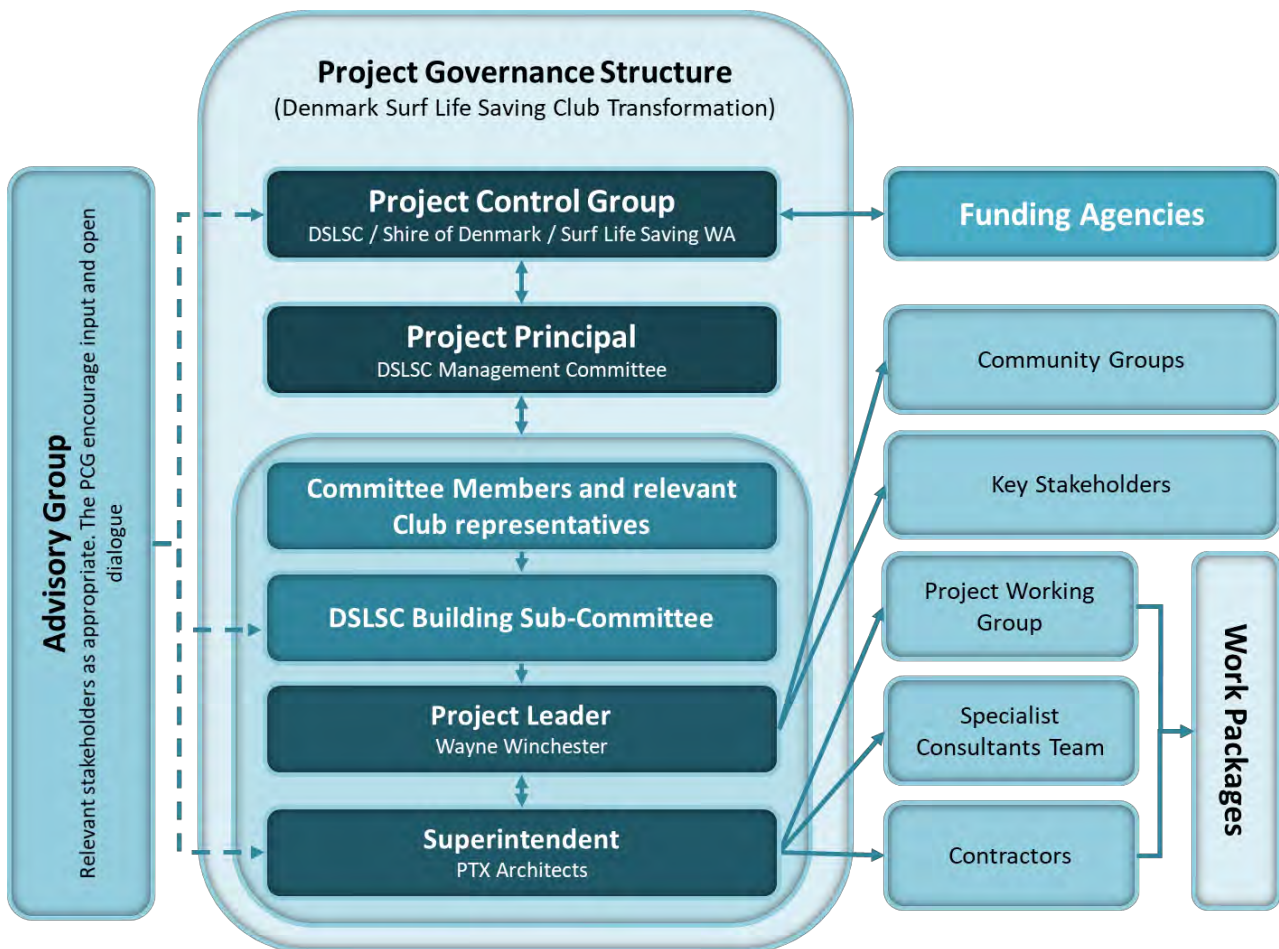


Figure 42. Governance Structure

9.1 Project Control Group

Title	Transformation Project – Project Control Group (PCG)
Chair	Project Leader – Wayne Winchester
Purpose	<p>The Project Control Group is tasked with:</p> <ul style="list-style-type: none"> • Reviewing and finalisation of the project development plan • Detailed planning and design of the project development plan • Overseeing the implementation of the development plan • Ensuring appropriate representation of all views is considered in the development phase • Providing expertise and coordination of the resources to ensure parties receive the best outcome for investment. • Making recommendations as to the communication strategy required to inform the community of changes to the current situation.
Responsibilities	<p>Member responsibilities include:</p> <ul style="list-style-type: none"> • Developing the project scopes, budget and parameters as per the areas of expertise

	<ul style="list-style-type: none"> As required delivering, coordinating and taking the lead on various projects according to skill and scope. Establishing User Groups where appropriate Ensure approved briefs (program and costs) are implemented and all changes to briefs and budgets are reported back to the PM before further implementation Developing project briefs for consultants. Undertake consultant engagement processes, direct and monitor consultants throughout all stages of appointment. Review and endorse project reports submitted by consultants Apply policy and planning objectives Seek additional funds as required
Operating Principles	<p>The following operating principles have been adopted and will be actively applied by the working group. The group will aim to:</p> <ul style="list-style-type: none"> Be pragmatic and flexible in both approach and process to ensure a timely and efficient project delivery; Encourage cooperation, collaboration and sharing of information across all organisations. Identify opportunities to reduce duplication of effort and encourage project efficiencies with internal systems. Deliver a framework which is equitable, transparent, accountable and contemporary Maintain confidentiality including information concerning the planning, processes, development or procedures of the project, confidential and secure.
Accountability and Decision Making Authority	<p>The group consists of members various represented organisations. However, there is also the capacity to invite additional representation from other project stakeholders if and when required. Stakeholders will be invited to assist in issues relevant to their area of operation, interest and expertise.</p> <p>The members of the group are a working group for the project. The chair is responsible and accountable for the recommendations.</p> <p>The members are responsible for communicating the project’s progress back to their relevant managers and teams including:</p> <ul style="list-style-type: none"> Seeking guidance on any issues from their respective teams so that the decision making at the project control group is informed and accurate; Updating their teams and managers on decisions and progress so that future planning and development is informed; and Any other communication as required to ensure directorates are informed and consulted on shared projects. <p>The members of the PCG are involved in decision making for:</p> <ul style="list-style-type: none"> Agreeing and managing the vision, scope and methodology; and Meeting agreed outcomes.
Duration of the PCG	<p>The PCG will commence under these terms of reference from the project start. The terms of reference will be reviewed at the conclusion of the first stage of the project to ensure their relevance in relation to the role, membership and responsibilities of the PCG in the next phases.</p>

The PCG consists of core and permanent members from DSLSC, Shire of Denmark and SLSWA. However, there is also the capacity to invite additional representation and support from other stakeholders if and when required. Stakeholders will be invited to be involved to assist in issues relevant to their area of operation, interest and expertise.

Quorum	To ensure the best outcomes the meetings require the regular ongoing commitment of all core members. Meetings to only progress with all core members present.	
PCG Reporting and Control	Reporting Frequency	Meetings will be convened monthly. It is envisaged that regular meetings and meeting times will be required. Members to come prepared. Agenda items and meeting documents will be sent 24 hours in advanced. Questions regarding the documents and supplementary information to be clarified before the meeting. Minutes will include key issues, action decided upon, deadlines for their completion and who is responsible. To be distributed

	<p>Information Management</p>	<p>to all members for actioning and reporting within 24 hours of the meeting. This document will serve as the basic agenda</p> <p>The documents will be stored in the DSLSC and Shire of Denmark document storage systems.</p> <p>All members of the PCG will be able to access the documents.</p> <p>Changes considered 'in scope' of Project Control Group responsibility will be scheduled on the agenda.</p> <p>To ensure ongoing improvement an evaluation will be conducted and the Terms of Reference for the PCG will be reviewed at the completion of the project.</p>
<p>Agenda Management</p>	<p>Change Control</p>	<p>Agenda items will be called for 3 days before the meeting. Agendas and background papers will be emailed to the PCG members 24 hours before the meeting.</p> <p>Minutes/Actions will be available within 24 hours after a meeting.</p> <p>Agenda format:</p> <ol style="list-style-type: none"> 1. Attendance 2. Apologies 3. Previous Minutes 4. Action List (Deadlines and Responsibilities) 5. Monitoring of project – status report against plan – work completed 6. Work to be completed 7. Other Business 8. PCG Forward Agenda Items <p>Minutes of previous meetings that are accepted by the PCG should be signed as being a true record of the discussions and decisions of the PCG.</p> <p>Agenda preparation and minutes are the responsibility of the secretarial support</p>

9.2 Project Manager

The Project Manager is engaged and appointed to deliver the defined project outputs and will be responsible for organising the project into one or more sub-projects, managing the day-to-day aspects of the project, developing the Project Management Plan(s), resolving planning and implementation issues, and monitoring progress and budget. The prime roles of the Project Manager are to:

- Develop and maintain the Project Management Plan.
- Manage and monitor the project activity through detailed plans and schedules.
- Manage (client/provider/stakeholder) expectations through formal specification and agreement of goals, objectives, scope, outputs, resources required, budget, schedule, project structure, roles and responsibilities.
- Generate project risk assessment procedures and continually assess and mitigate any potential or identified risks to the project.
- Put in place issue reporting structures and implement change control processes and configuration management.
- Undertake the day to day management of the project, having responsibility for any on-going operational issues and the reporting to the PCG on the progress and achievements of the project.

9.3 Project Working Group

The Project Working Group is the team responsible for the day-to-day implementation of the project plan and the management of staff, contractors and consultants working on the project.

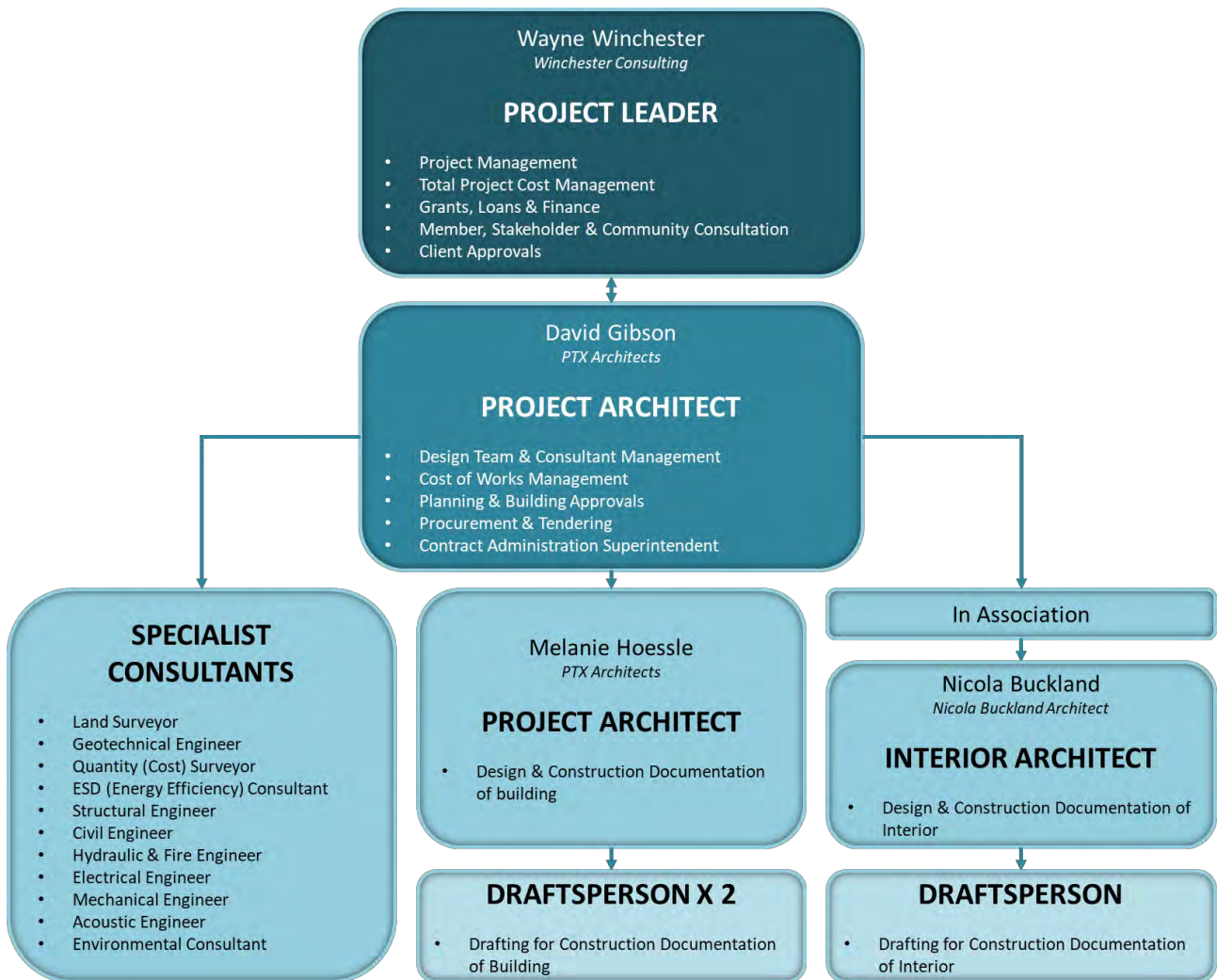


Figure 43. Project Working Group structure and roles

9.3.1 Project Leader

The project leader will be Wayne Winchester, responsible for total project cost. The Project Leader will be responsible for reporting to the relevant funding bodies on the deliverables and milestones of the project, based on the reports and feedback provided by PTX Architects and the Contractors.

9.3.2 Superintendent

PTX Architects will act as the superintendent administering the construction contract. This involves inspecting the works, answering the contractor’s queries, providing supplementary details, reviewing shop drawings and issuing instructions regarding variations, defects, etc. The architect certifies time, cost and quality by assessing monthly progress claims, claims for variations and adjustments to provisional sums and claims for extension of time. The Architect issues certificates and notices such as a monthly progress payment certificates,

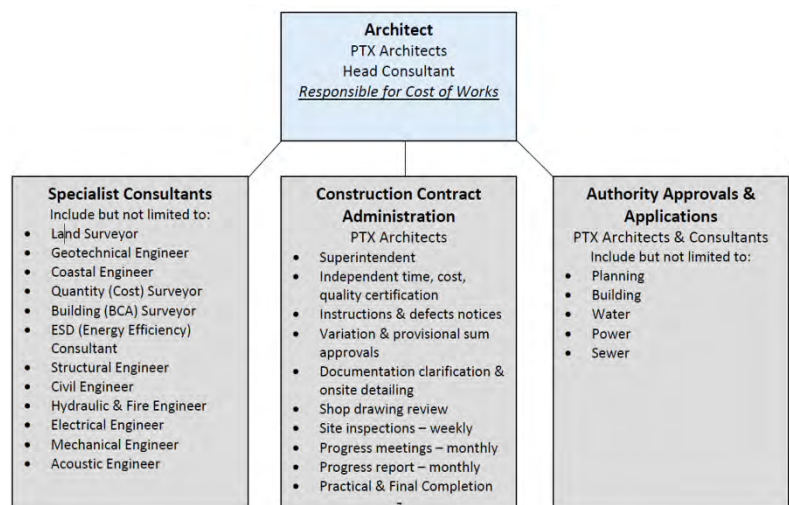


Figure 44. PTX Architecture governance responsibilities

defects rectification notices and notice of Practical Completion.

PTX will inspect the work weekly and speak a couple of times a week to the Project Leader keeping them up to date on the progress. PTX will also seek approvals for non-essential variations. The Project Leader would also attend the monthly progress meeting with the Contractor. Each month, a progress report will be issued which includes time, cost and quality summaries and an anticipated versus actual payments graph indicating potential time problems. The Project Leader will use this for funding reporting.

9.3.3 Contractors

Contractors will be engaged by the DSLSC. Contractors will be employed to provide a specified service in relation to the development of project outputs.

9.3.4 Consultants

Consultants will be engaged by the DSLSC to provide specialist or other expertise unavailable from internal resources. The consultants will report directly to the Project Manager. Such Project Consultants may include architects, quantity surveyors, legal advisors, environmental consultants and engineers.

9.4 Reporting Requirements

Current reporting requirements are:

Table 23. Reporting requirements

Reported by	To whom	Reporting requirements	Frequency	Format
Project Manager	Project Control Group	Status Report	Monthly	Written and verbal
Project Manager	Shire of Denmark CEO	Status Report	Monthly	Verbal
Project Control Group	Project Sponsor / funding bodies	Status Report	Quarterly	Written and verbal

10 Risk Management

10.1 Risk management plan

A risk management plan has been defined for the project, including the cost and time plans for which appropriate contingency management strategies need to be agreed to cover uncertainties. The Risk Management Plan for the project:

- Identifies those risks which might impact the project,
- Provides the basis for plans for containment of risks,
- Ensures that each risk is analysed for probability and impact,
- Ensures that there is an agreed mitigation plan for each risk,
- Identifies appropriate contingencies for high risks,
- Allocates ownership for the risks and its mitigation plan to an appropriate member of the project management team (e.g. Board (B), Finance Manager (FM)),
- Establishes and monitors a procedure for reviewing and evaluating risks on an on-going basis, adding new risks, removing obsolete risks and updating current risks, and
- Reports the status of current risks.

A periodic review by the CEO of the risks identified, and any necessary contingency plans will take place.

Table 24. Project Risk Management Plan

Risk/Threat	Consequences	Probability*	Impact*	Score P x I	Mitigating control actions	Owner
FINANCIAL						
The project exceeds budget	Inability to complete project without securing additional funding	2	4	8	<ul style="list-style-type: none"> • The proposed budget includes a reserve for the mitigation of such 	PM
Financial management of project	Budget exceeded jeopardising completion and/or funding	1	5	5	<ul style="list-style-type: none"> • Engage suitably qualified project manager 	PM/PCG
Interest rates adversely affect initial quotations	Cost increase	2	3	6	<ul style="list-style-type: none"> • The proposed budget includes a reserve for the mitigation of such 	PM
Unforeseen events affect sponsor's ability to fund project	Insufficient funding to complete project	2	4	8	<ul style="list-style-type: none"> • New funding sources to be secured. Possible re-scope of development 	PCG
Scope Creep Risk of budget increase due to design requirements	Increase in costs and timescale	2	2	4	<ul style="list-style-type: none"> • Close project management • Engage suitably qualified project manager 	PM/PCG
Escalation of scope beyond design contingency allowance	Increase in costs and timescale	2	2	4	<ul style="list-style-type: none"> • Close project management • Engage suitably qualified project manager 	PM/PCG
Escalation of construction variations beyond contingency allowance	Increase in costs and timescale	2	2	4	<ul style="list-style-type: none"> • Close project management • Engage suitably qualified project manager 	PM/PCG
Cost Planning - Budget Approval Delays with funding authority and approval	Increase in costs and timescale. Inability to complete project without securing additional funding	2	4	8	<ul style="list-style-type: none"> • New funding sources to be secured. Possible re-scope of development • PCG intervention 	PM/PCG
EXTERNAL SUPPLIERS						

External supplier ceases trading	Contractor unable to start/complete work due to financial/ other factor causes delay	1	4	4	<ul style="list-style-type: none"> Carry out a financial analysis of external suppliers to ensure they are financially stable and viable going forward. 	PM
Interim milestones and key components not delivered within specified timescales	Increase in costs and timescale. Delay to completion.	3	4	12	<ul style="list-style-type: none"> A phased investment approach will be taken with agreed milestones integrated into contract with critical deliverables to incentivise development. A micro-management approach will be taken for the technical development work packages. 	PM
Contractor availability	Delay to completion	3	2	6	<ul style="list-style-type: none"> Project manager to provide direction 	PM
Availability of contractors to provide competitive tender bids	Increase in costs and timescale	2	2	4	<ul style="list-style-type: none"> Close project management Engage suitably qualified project manager Sourcing from outside of region 	PM/PCG
Contractors unable to adequately resource themselves and maintain project momentum on a rural site	Increase in costs and timescale. Delay to completion.	2	2	4	<ul style="list-style-type: none"> Close project management Engage suitably qualified project manager Sourcing from outside of region 	PM/PCG
Underperforming consultants and contractors.	Increase in costs and timescale. Delay to completion.	2	2	4	<ul style="list-style-type: none"> Close project management Engage suitably qualified project manager Sourcing from outside of region 	PM/PCG
LEGAL						
Delay in Planning Approvals impact on project budget	Increase in costs and timescale	3	4	12	<ul style="list-style-type: none"> Early consideration of planning issues and approvals PCG intervention 	PM/PCG
Local planning issues associated with relocation including remediation and disposal of existing site	Increase in costs and timescale	2	4	8	<ul style="list-style-type: none"> Early consideration of planning issues and approvals Board intervention 	PM/PCG
DESIGN AND DEVELOPMENT						
That the design of the building is not suited to deliver intended services	Increased operational costs, further maintenance / redevelopment required.	1	4	4	<ul style="list-style-type: none"> Design consultation with company and third party technical consultants undertaken 	PM
Design obsolescence	The facility would not suit the projected needs, requiring further development, redevelopment or relocation	1	5	5	<ul style="list-style-type: none"> Careful design. Project management expertise. 	PM
Technical obsolescence	Additional costs incurred to provide remedial solution	1	4	4	<ul style="list-style-type: none"> Project focuses solely on construction using standard and regulated technologies and qualified contractors 	PM

Design and selection of building components not appropriate to building life cycle	Building not fit for purpose. PCG do not sign off on project. Project delay. Increased costs.	2	4	8	<ul style="list-style-type: none"> Careful design. Project management expertise. 	PM
Perception of project in the community	Stakeholder disenchantment. Threat to funding.	2	4	8	<ul style="list-style-type: none"> Communications plan 	PM
Design not compliant with OHS regulations	Stakeholder disenchantment. Threat to funding. Delays and additional costs.	2	4	8	<ul style="list-style-type: none"> Communications plan. Formal consultations. Site visits and inspections. 	PCG/PM
OVERALL PROJECT						
Adverse weather conditions delay construction	Increased development costs/delays and potential for reduced service offerings	2	3	6	<ul style="list-style-type: none"> The proposed budget includes a reserve for the mitigation of such. Scheduling has been set during favourable seasons, reducing risk 	PM
Adverse weather conditions damage construction/infrastructure	Increased development costs/delays. Remedial work necessary.	2	3	6	<ul style="list-style-type: none"> The proposed budget includes a reserve for the mitigation of such. 	PM
Environmental damage as result of construction	Delay to completion and costs of clean-up incurred	1	4	4	<ul style="list-style-type: none"> Private operator to carry suitable insurance 	PM
Access to site limited/restricted	Construction vehicles, contractors and materials have insufficient site access	2	2	4	<ul style="list-style-type: none"> Project Manager provides evaluation prior to commencement and seeks necessary authorisation 	PM
Timeline management	Possible delays, exceed budget	1	5	5	<ul style="list-style-type: none"> Engage suitably qualified project manager 	PCG
Events of force majeure adversely affect the ability to complete project	Delays, failure to complete project, funding withdrawn	1	5	5	<ul style="list-style-type: none"> Private operators & project manager suitably insured 	PM
Industrial relations	Delays to project completion	2	4	8	<ul style="list-style-type: none"> Project manager to monitor and manage communications 	PM
General economic downturn	Demand for contracted services effected	3	2	6	<ul style="list-style-type: none"> Private operators to ensure satisfactory financial structure 	PM/PCG
Project Delivery Construction management risks with multiple interfacing packages	Increase in costs and timescale	2	2	4	<ul style="list-style-type: none"> Close project management Engage suitably qualified project manager 	PM/PCG
Project Delivery in Stages Limited expertise in management of complex project with staged delivery	Increase in costs and timescale	2	2	4	<ul style="list-style-type: none"> Close project management Engage suitably qualified project manager 	PM/PCG
Project Communication Misinformation, levels of authority, competing stakeholder interest, personal and public beliefs	Delays. Stakeholder disenchantment. Risk to funding.	2	2	4	<ul style="list-style-type: none"> Close project management Engage suitably qualified project manager Communications Plan 	PCG/PM

& vagaries associated with commercial contracting						
Asset Operations and Management						
Financial stress associated with new building operations	Building and club not sustainable / running at a loss	1	5	5	<ul style="list-style-type: none"> Conservative estimates of operational costs have been made based on QS estimates and PCG experience in asset operations and management. 	PCG
Cost of management, maintenance, cleaning and other operations exceeds estimates	Building and club not sustainable / running at a loss	2	4	8	<ul style="list-style-type: none"> Significant profit is shown that even with large increases to expenditure, sufficient income exists to cover. All indications suggest strong viability. 	PCG
Inability to manage assets outside core club focus	Building and club not sustainable / running at a loss	1	5	5	<ul style="list-style-type: none"> All elements outside core focus will not be managed/operated by the club 	PCG

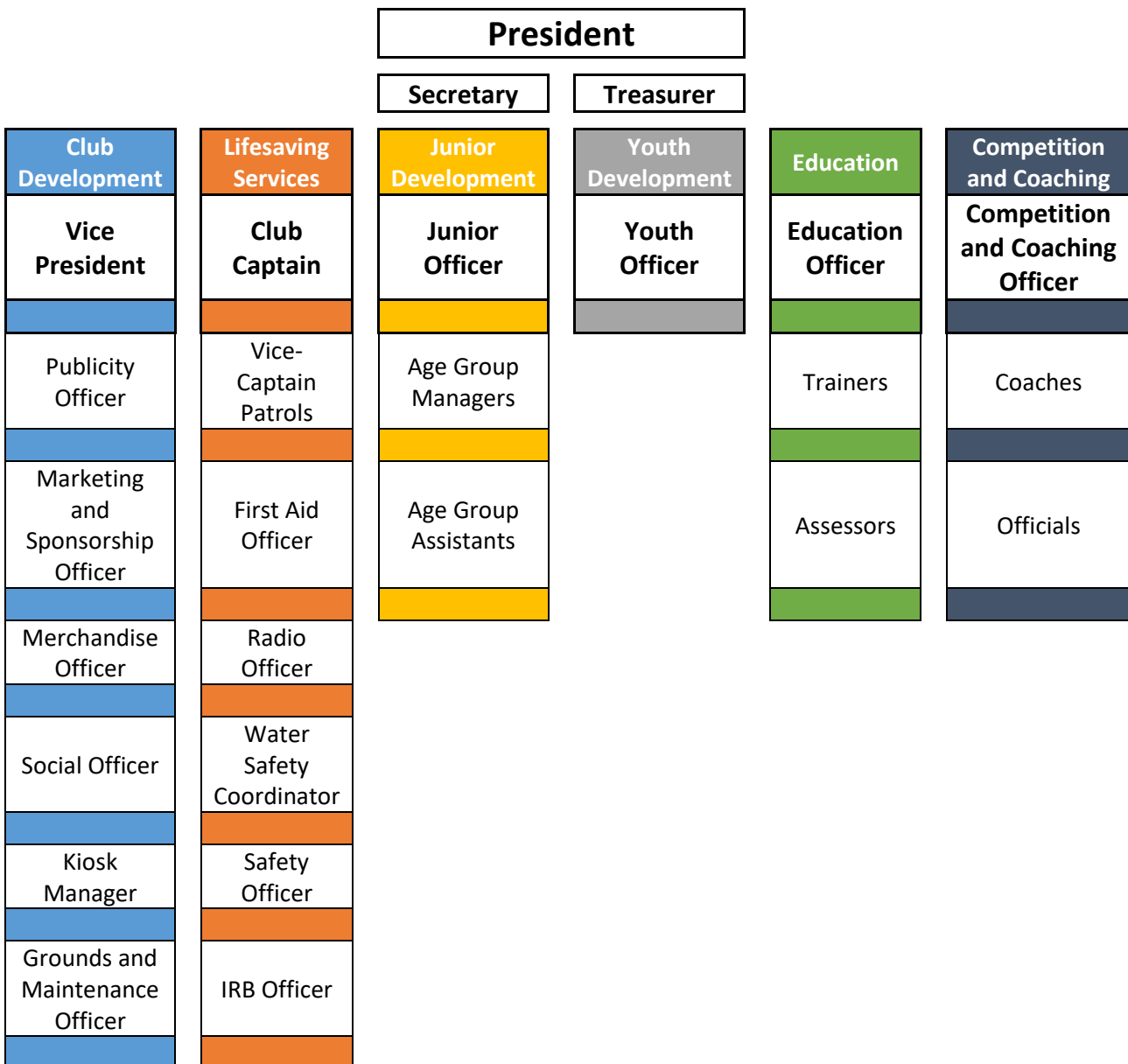
Table 25. Risk Management Descriptions

Probability		
Rank	Description	Level or Probability
0	Almost non-existent likelihood	<1%
1	Extremely unlikely to occur	1-10%
2	Unlikely but not impossible to occur	11-25%
3	Fairly likely to occur	26-50%
4	More likely to occur than not	51-75%
5	Almost certain to occur	>75%

Impact		
Rank	Description	Level or Increase
0	Almost non-existent impact.	1-2 days and/or <1% Financial
1	Minimal loss, delay, inconvenience or interruption. Can be easily remedied	2-10 days and/or 1-5% Financial
2	Minor loss, delay, inconvenience or interruption. Short to medium term effect	11-20 days and/or 6-15% Financial
3	Significant waste of time or resources. Impact on operational efficiency, output and quality. Medium term effect that may be expensive to recover	1-3 months and/or 16-30% Financial
4	Major impact on costs and objectives. Serious impact on output and/or quality and reputation. Medium to long-term effect and expensive to recover.	3-6 months and/or 31-50% Financial
5	Critical impact on the achievement of objectives and overall performance. Huge impact on costs and/or reputation. Very difficult and possibly long-term to recover.	Indefinite and/or >50% Financial

11 Organisational Capacity

The following chart provides an overview of club positions as they relate to the six Core Focus Areas; (i) Club Development, (ii) Lifesaving Services, (iii) Junior Development, (iv) Youth Development, (v) Education, and (vi) Competition and Coaching. Though the DSLSC does not have all relevant experience to implement a project of this scope and scale, it does have a strong organisational structure and clear track record of managing its club operations. Throughout this project, DSLSC will work with the Shire of Denmark and a suitably engaged project manager to ensure all project deliverables and milestones are achieved in a timely manner and within the project budget.



In addition to the above structure, the DSLSC has an authorised Duty Officer, as required by SLSWA.

The specific role of this officer is to provide 365 days a year operational communication, command and coordination, and external liaison in response to the emergence of incidents along the coastline that have the potential to become emergencies or threat to life.

Key Committees - The DSLSC has a Management Committee comprising the following officers:

- President
- Vice President
- Secretary
- Treasurer
- Club Captain
- Junior Officer
- Youth Officer
- Education Officer
- Competition and Coaching Officer

The Management Committee meets on a monthly basis and provides the governance and decision making which guides and oversees the operations of the club. It has the power to make, amend or delete club By-laws and to appoint Sub-committees to oversee any operational aspect of the club.

The DSLSC also has an Executive Committee comprising the following officers:

- President
- Vice President
- Secretary
- Treasurer

The Executive Committee has the ability under the club's Constitution to deal with all urgent matters at a moment's notice if required, without the need to go through the Management Committee.

Constitutional Officers - Constitutional Officers of the club are:

- Patron
- Vice Patron
- President
- Vice President
- Secretary
- Treasurer
- Club Captain
- Junior Officer
- Youth Officer
- Education Officer
- Competition and Coaching Officer

In addition to the club's Management and Executive Committees, a number of areas within the club undertake regular and ad-hoc meetings with key personnel to ensure the efficient and effective operations of their particular area.

Additional sub-committees, specifically the Building Sub-committee, have been established to manage operational components relating to club buildings and strategic initiatives such as the Transformation Project.

Strategic Links - The DSLSC is strategically linked to SLSWA, a community service based organisation that is the peak body for the administration of surf lifesaving throughout WA. In addition, Surf Life Saving Australia provides the overarching governing role across each jurisdiction and for all clubs throughout Australia. The DSLSC also has strategic links to a number of key bodies including:

- SunSmart
- HealthWay
- LotteryWest
- The Shire of Denmark
- Department of Fire and Emergency Services
- Department of Local Government, Sport and Cultural Industries
- Department of Transport
- Denmark Boating and Angling Club
- Denmark Sea Search and Rescue

The club Patron is the Honourable Terry Redman MLA.

The club's Vice Patron is Denmark Shire President, Cr Ceinwen Gearon.

Operational Outcomes

A brief description of the outcomes under each of the club's six Core Focus areas are listed below.

1. **Club Development:** The DSLSC is committed to operating within a framework of quality governance that meets the standards and expectations of SLSWA and Surf Life Saving Australia. The club strives to develop opportunities for its members and provide them with a safe, inclusive and social environment to reach their goals and aspirations.

2. **Lifesaving Services:** The DSLSC provides an essential educational and emergency rescue service to all users of Denmark's Ocean Beach. In addition, the club is a key part of the fabric of Denmark and plays a fundamental role in building a healthy, inclusive and educated community. Through the services provided by the club, we seek to protect life, save lives, and promote healthy lifestyles. The club creates a safe environment in and around Ocean Beach through patrols on, in and above the water and through education and training programs, both at the beach and in the wider community including at schools and workplaces.
3. **Junior Development:** The DSLSC is committed to providing our junior members with a safe, fun and stimulating program that will educate them on surf safety and awareness. We also aim to develop confidence and skills in and out of the water and to ensure our juniors are having fun along the way.
4. **Youth Development:** The DSLSC is committed to retaining our youth members within the club and ultimately the surf lifesaving movement. We aim to motivate, recognise and reward youth, while providing them with the support and encouragement to explore and become involved in a range of opportunities offered by the club and SLSWA. Young people are the future of our club. We aim to provide our younger generation with the opportunity to reach their potential whilst making friends and learning new skills in an enjoyable club environment.
5. **Education:** The DSLSC believes training and education are critical components of the club's very existence. We feel it is our duty to provide knowledge and understanding for both our members and the wider community. A comprehensive range of training programs are delivered through the club, both to our members and by reaching out into the community through school programs and various special community events. The club has a full range of training and education equipment at its disposal and has fully qualified instructors that are committed to ensure positive outcomes are achieved for our members and the community. SLSWA also provides significant training opportunities for the club and its members.
6. **Competition and Coaching:** From nippers to elite Ironmen and Ironwomen, all DSLSC members have the opportunity to participate in local, regional, State, national and international surf sports competitions. The club provides training and support for members wishing to participate in the wide variety of surf sports on offer, including swimming events, board or ski paddling, beach sprints and beach flags events.

12 Key Personnel (PTX Architects)

David Gibson

PRINCIPAL ARCHITECT



PROFILE

David was born in Perth in 1977, and graduated from the University of Western Australia with honours in Architecture in 2000.

He has previously worked for a number of architectural practices in Perth and Melbourne, including the award-winning firms Bollig Design Group and Woods Bagot. Before establishing PTX Architects, David spent three years in the UK working on high-profile projects for renowned international practices Foster + Partners and Rogers Stirk Harbour + Partners.

David is adept at conceptualising and conveying a singular design vision, using 3D modelling and visualisation to communicate the look, feel and functionality of a project.

As PTX Architects' chief project manager, David coordinates specialist consultants and manages approvals, as well as overseeing project procurement and construction.

PROFESSIONAL MEMBERSHIP

- **Registered Architect**
Western Australia 2608
- **Australian Institute of Architects**
A+ Practice Member
- **Association of Consulting Architects**
Practice Member

ACADEMIC QUALIFICATIONS

- **Bachelor of Architecture (Hons)**
University of Western Australia 2000
- **Bachelor of Environmental Design**
University of Western Australia 1997

EMPLOYMENT RECORD

2006	Principal Architect PTX Architects Denmark, Australia
2004 - 2006	Architectural Graduate Bollig Design Group Perth, Australia
2002 - 2004	Freelance 3d Artist Self Employed London, United Kingdom
2001 - 2002	Architectural Graduate Woods Bagot Melbourne, Australia
2000 - 2001	Architectural Graduate Sarris Interior Design Melbourne, Australia
1999 - 2000	Architectural Student CODA Perth, Australia

PROJECT EXPERIENCE

Denmark Surf Life Saving Club 2017 -
\$3.6M - PTX Architects
Design, Documentation & Superintendent

Denmark Riverside Clubs Project 2016
\$2.5M - PTX Architects
Design, Documentation & Superintendent

Denmark Environment Centre 2015
\$1.5M - PTX Architects
Design, Documentation & Superintendent

**Augusta Margaret River Shire Council
Administration Building & Civic Centre
2011**
\$12M - Bollig Design Group
Design Development & 3D Visualisation

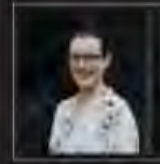
**Saracen Winery & Duckstein Brewery
Willyabrup 2008**
\$9M - Bollig Design Group
Design Development & 3D Visualisation

**City of Mandurah 'Falcon 'E' Library &
Community Centre 2007**
\$4.5M - Bollig Design Group
Design Development & 3D Visualisation

PTX Architects

Melanie Hoessle

DESIGN DIRECTOR



PROFILE

Melanie was born in Munich in 1976 and graduated from the University of Applied Sciences Würzburg-Schweinfurt in 2004 with an Engineering degree, specialising in Architecture.

She has worked for award-winning architectural practices across Australia, including Wood Marsh in Melbourne and Taylor Robinson in Perth, taking part in such projects as the Australian Centre of Contemporary Art in Melbourne and the Scotch College Design and Technology building in Perth.

Specialised in Environmentally Sustainable Design, Melanie is adept at responding to a project's brief with clarity and vision, balancing form and function with the practicalities of construction.

Melanie manages the PTX Architects practice, and is responsible for coordinating the design and documentation for each project, as well as overseeing the implementation of architectural detail during construction.

PROFESSIONAL MEMBERSHIP

- **Australian Institute of Architects**
A+ Practice Member
- **Association of Consulting Architects**
Practice Member

ACADEMIC QUALIFICATIONS

- **Bachelor of Science Engineering**
Dipl.-Ing. (FH) Architecture
University of Applied Sciences
Würzburg-Schweinfurt, Germany 2004

EMPLOYMENT RECORD

2007 -	Design Director PTX Architects Denmark, Australia
2004 - 2007	Architectural Graduate Taylor Robinson Architects Perth, Australia
2002 - 2004	Project Manager Zietz Homola Frankfurt, Germany
2001 - 2002	Architectural Student Wood Marsh Architects Melbourne, Australia

PROJECT EXPERIENCE

Denmark Surf Life Saving Club 2017 -
\$3.6M - PTX Architects
Concept Design, Design Development & Documentation

Denmark Riverside Clubs Project 2016
\$2.5M - PTX Architects
Concept Design, Design Development & Documentation

Denmark Environment Centre 2015
\$1.5M - PTX Architects
Concept Design, Design Development & Documentation

Augusta Margaret River Shire Council Admin Building & Civic Centre 2011
\$12M - Bollig Design Group
Design Development

Scotch College Science, Technology & Learning Centre 2009
\$11M - Taylor Robinson Architects
Design Development & Documentation

Gilmore College 2008
\$35M - Taylor Robinson Architects
Design Development & Documentation

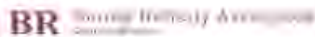
Australian Centre of Contemporary Art 2002
\$10M+ - Wood Marsh Architects
Documentation

PTX architects

Appendix A: Membership Statistics

Season: 2017				Previous Seasons												
Category	Total	Male	Female	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Probationary	5	2	3	7	2	0	0	7	0	0	0	28	6	8	15	10
Junior Activity Member (5-13 years)	121	64	57	77	74	59	55	56	68	89	68	54	78	79	87	49
Cadet Member (13-15 years)	20	15	5	19	24	16	23	17	21	25	23	17	14	14	17	3
Active (15-18 yrs)	16	10	6	12	14	19	17	22	19	19	19	11	9	12	10	4
Active (18yrs and over)	62	31	31	45	48	54	50	54	49	62	47	27	31	41	36	30
Award Member	1	0	1	3	2	3	1	1	1	6	3	0	0	0	0	0
Associate	61	33	28	51	53	50	72	3	1	51	53	40	34	42	47	37
Life Member	4	4	0	3	3	3	3	65	1	2	2	2	4	4	4	4
General							2	2	52	5	16	28	12	23		
Honorary							1	6	2							
Total	290	159	131	217	220	204	224	233	214	259	231	207	188	223	216	137

Appendix B: Full Elemental Trade Breakup – Project Budget



OPINION OF PROBABLE COST

PROJECT: Denmark SLSC

Indicative Cost Estimate 20180307

Item	Description	Qty	Unit	Rate	Total
EXECUTIVE SUMMARY					
1	Building	938	m2	2,473	2,320,000
2	External Works & Services				605,000
3	Fire Tanks and Pumps				120,000
	Subtotal	938	m2	3,246	3,045,000
4	Locality Factor	20	%		609,000
	Total Construction Cost				3,654,000
5	Design Contingency	10	%		366,000
6	Construction Contingency	5	%		201,000
	Subtotal				4,221,000
7	Professional Fees & Disbursements (10% of Construction Cost excluding locality factor)	10	%		305,000
8	Other Costs				115,000
	TOTAL PROJECT COST (At Current Prices)				4,641,000
9	Provision for Escalation to tender (Nov 2018)	1.5	%		70,000
	ESTIMATED GROSS PROJECT COMMITMENT				4,711,000
NOTES & EXCLUSIONS					
10	The FECA/UCA areas used in this Opinion of Probable Cost (OPC) are as per PTX Architects 5.6 Area - Area Analysis received 07/03/2018				
11	The rates used in this OPC are based on the works being procured via a conventional, competitive tendering process				
12	This OPC is not a cost control document and should not be used for construction contract or ordering purposes				
	This OPC has been based on the following documentation:				
13	- PTX Architects Sketch Drawings SK.48 to 54				
	The following has been specifically excluded from this OPC for which separate provision should be made as required				
14	- Demolition of existing SLSC				
15	- Sheet Piling				
16	- Window Treatments				
17	- Upgrading existing access road and carpark				
18	- Works outside the site boundaries				
19	- Beach / BBQ Shelters and Landscaping works not directly associated with the building				

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Borrell Rafterly Associates Pty Ltd
Project No. BRA17100

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OPINION OF PROBABLE COST

PROJECT: Denmark SLSC

Indicative Cost Estimate 20180307

Item	Description	Qty	Unit	Rate	Total
20	- Staging the works				
21	- Temporary Facilities				
22	- ESD Initiatives and Green Roof (other than Solar Power)				
23	- Headworks Fees & Charges				
24	- Goods & Services Tax				

OPINION OF PROBABLE COST

PROJECT: Denmark SLSC

Indicative Cost Estimate 20180307

Item	Description	Qty	Unit	Rate	Total
1	Building				
	FECA				
1.1	Club and Public Amenities (change rooms and toilets)	175	m2	3,350.00	586,250
1.2	Craft and Board Stores	228	m2	1,200.00	273,600
1.3	Club Areas (Gym, Youth Area, Meeting, Training, Office, Patrol, 1st Aid)	143	m2	1,850.00	264,550
1.4	Function Area	178	m2	2,250.00	400,500
1.5	Kitchen and Bar (excluding fit-out & equipment)	58	m2	3,200.00	185,600
1.6	Kiosk (excluding fit-out & equipment)	34	m2	3,200.00	108,800
1.7	Services, Lift, Stairwell, Circulation (excluding lift)	122	m2	1,550.00	189,100
	Subtotal				2,008,400
	Additional Costs (not included in FECA rates)				
1.8	Feature cladding to facade	140	m2	550.00	77,000
1.9	Kitchen fit-out and equipment		Item		50,000
1.10	Surf-ski and surfboard racking		Item		25,000
1.11	Solar power system (5kW)		Item		15,000
1.12	Lift Installation		Item		Excl
	Subtotal				167,000
	UCA				
1.13	Covered Area (paving elsewhere)	60	m2	350.00	21,000
1.14	Terrace / Deck	120	m2	800.00	96,000
1.15	Service & Bins	41	m2	450.00	18,450
	Subtotal				135,450
	To Executive Summary				2,310,850
1.16	Total FECA	938	m2		

OPINION OF PROBABLE COST

PROJECT: Denmark SLSC

Indicative Cost Estimate 20180307

Item	Description	Qty	Unit	Rate	Total
2	External Works & Services				
	SITE PREPARATION				
2.1	Allowance to clear site	1,500	m2	3.00	4,500
2.2	Demolish Public Amenities building	81	m2	80.00	6,480
2.3	Demolish existing bitumen paving	70	m2	20.00	1,400
2.4	Cut to fill	1,500	m3	12.00	18,000
2.5	Remove excess cut from site	700	m3	35.00	24,500
2.6	Limestone retaining wall average 1m high	20	m2	300.00	6,000
2.7	Limestone retaining wall average 1.9m high	82	m2	350.00	28,700
2.8	Retaining wall average 3.8m high	174	m2	450.00	78,300
2.9	Fill (from excavations) behind retaining walls	400	m3	10.00	4,000
	Subtotal				171,980
	ROADS, FOOTPATHS & PAVED AREAS				
2.10	Club hardstand	372	m2	100.00	37,200
2.11	Paved public areas	395	m2	100.00	39,500
2.12	Disabled bay line marking and bollard	1	no	1,000.00	1,000
	Subtotal				77,700
	BOUNDARY WALLS, FENCING & GATES				
2.13	Limestone landscape wall average 1m high	45	m	270.00	12,150
2.14	Feature Fencing	32	m	280.00	8,960
2.15	Double pedestrian gate	1	no	1,700.00	1,700
2.16	Sliding auto vehicular gate	1	no	10,000.00	Excl
2.17	Allowance for signage		Item		5,000
	Subtotal				27,810
	LANDSCAPING AND IMPROVEMENTS				
2.18	Grassed public areas including irrigation	422	m2	60.00	25,320
2.19	Planting & Irrigation	260	m2	60.00	15,600
2.20	External feature seating	46	m	550.00	25,383
2.21	Wash bench including screen and sinks	9	m	1,800.00	16,200
2.22	External showers	6	no	2,000.00	12,000
	Subtotal				94,503
	EXTERNAL SERVICES				
	It is assumed that there are existing services on site and the following provisional allowances are for connecting to and extending the existing services only				

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Borrell Rafterly Associates Pty Ltd
Project No. BRA17100

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OPINION OF PROBABLE COST

PROJECT: Denmark SLSC

Indicative Cost Estimate 20180307

Item	Description	Qty	Unit	Rate	Total
2	External Works & Services				<i>(Continued)</i>
2.23	Allowance for external electrical services		Item		80,000
2.24	Allowance for external stormwater services and connections		Item		30,000
2.25	Allowance for external water services and connections		Item		15,000
	Allow for providing for the following new services:				
2.26	Allowance for grease trap		Item		12,000
2.27	Waste water treatment system, including buffer tank and leach drains		Item		50,000
	Subtotal				187,000
	PRELIMINARIES				
2.28	Preliminaries associated with external works and services	8	%		45,600
	To Executive Summary				604,493

OPINION OF PROBABLE COST

PROJECT: Denmark SLSC

Indicative Cost Estimate 20180307

Item	Description	Qty	Unit	Rate	Total
3	Fire Tanks and Pumps				
3.1	72,000 li water tanks	2	No	30,000.00	60,000
3.2	Dual pump set	1	No	30,000.00	30,000
3.3	Fire brigade booster assembly	1	No	20,000.00	20,000
3.4	Surfites				10,000

OPINION OF PROBABLE COST

PROJECT: Denmark SLSC

Indicative Cost Estimate 20180307

Item	Description	Qty	Unit	Rate	Total
4	Other Costs				
4.1	Point of sale equipment		Item		5,000
4.2	Audio Visual Equipment		Item		55,000
4.3	Loose Furniture		Item		50,000
4.4	Computer & IT Equipment		Item		5,000
	To Executive Summary				115,000

Outdoor spaces	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Parking facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attractiveness of facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accessibility of facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What do you see as the greatest issues with the current facilities / infrastructure?

6. With no changes, how likely do you think it is that the current facilities would attract new members and Club growth?

- Very Likely
- Likely
- Neutral
- Unlikely
- Very Unlikely

7. Please select all improvements you think are necessary at the DSLSC?

- Main club hall/function area upgrade
- Additional storage space
- New/upgraded training areas
- New/upgraded First Aid room
- New/upgraded toilets/changerooms
- Other (Please Specify)
- New/upgraded kitchen facilities
- New/upgraded club office space / meeting rooms
- New/upgraded outside activity spaces
- Dedicated cafe/restaurant
- New/upgraded activity/event space

8. Would new/upgraded facilities encourage you to participate more in club activities?

- Much greater participation
- More participation
- No change
- Less participation

9. With new/upgraded facilities, how likely do you think DSLSC would attract new members and growth?

- Very Likely
- Likely
- Neutral
- Unlikely
- Very Unlikely

10. How likely do you think new/upgraded facilities would positively impact on the Club's ability to better deliver services to its members and the community into the future?

- Very Likely
- Likely
- Neutral
- Unlikely
- Very Unlikely

The responses for type of volunteer activities members participate in included:

- Patrols, fundraising.
- Admin, Patrol, Social
- lawn mowing
- kiosk and publicity
- Maintenance
- Training, Assessing, Patrol
- Southern Ocean classic swim, Sundowners
- Education, patrols and Administration
- nippers and patrols
- Coaching Nippers
- Canteen
- Patrols, general running of the club, maintenance
- Nippers
- Social Member
- Youth support, patrols, training
- Administration, strategic planning, project management, patrol
- cafe
- Sundowners
- Coaching, patrol, busy bees
- Assisting with kids

Additional comments for the state of current facilities are as follows:

- Not enough space, inability to hire (additional source of fundraising) / use as a true function centre.
- Very old and tired. Not enough room for training. Very cold rooms.
- Not enough space for most functions of the club.
- Lack of space for equipment, rodents
- None
- kiosk needs upgrade (mouse-proofing)
- needs updating and expanding so functions better
- Challenges from environmental threats
- Pretty run down. In some cases poorly maintained. It's become outgrown.
- Location, outgrown by members, maintenance, subsidence/ beach erosion
- old, not enough space for a growing club. If it was bigger could also make use of the hall for community events and make money for the club.
- Inadequate/outdated sewerage, ablutions, kitchen, hall presenting associated OHS issues
- I believe they reflect the Denmark community's history and provide what is an adequate facility which would benefit from minor upgrades rather than a complete rebuild which would change the character of the place and impact on the natural surrounds which are its biggest asset.
- space for equipment
- appropriate spaces for gear storage
- Some extra undercover area for sun/rain protection on or next to the grassed area would be great.
- The upper level clubhouse has no room for expansion.
- Weather protection
- Generally meets current needs. Issue with erosion each year.
- Running out of room
- too small for storage of rescue boards skis etc.
- The threat of coastal erosion
- A big revamp to modernise both the aesthetic and functional aspects of the club long term
- Very old. Too old to upkeep. Needs replacement and more space to support volunteers and members.

- Aging, unhygienic toilets & shower area. Club rooms need to be multipurpose for events, functions etc
- Poor changing facilities
- Kiosk area and first aid area need upgrading
- lack of space and connection between facilities
- lack of space
- Tired, run-down and no longer fit for purpose. Insufficient space and generally poor amenity for members.
- age/maintenance
- Not enough parking very poor kitchen space for functions, not enough storage in bar area, not enough space and bad acoustics in main hall area
- Noise in main hall. Kiosk facilities and equipment.
- Old equipment, inadequate storage for equipment, inadequate indoors training facility
- The unappealing nature of the building because exterior and interior club room dated, acoustics and kitchen terrible, toilets and showers downstairs dark and dingy, cramped and aesthetically terrible
- Standards, storage, functionality

Additional responses for areas most needing development include:

- Proper bar area
- Dedicated parking for members on Patrol and Committee members.
- Beach - club access for Jet ski/IRB and wash down area
- Boat/IRB hardstand launch and recovery area
- definitely an upgraded IRB/Jet ski/ATV storage area
- Deal with annual erosion issues
- a new purpose-built facility would be the best option
- clothing store / shop area

Stakeholder Survey

1. Your Details

Name:

Organisation:

Primary interest /
association with the
project:

2. Does your organisation/group utilise the Denmark Surf Life Saving Club facilities or services?

- Yes
 No

If yes, in what way do you currently utilise the facilities (e.g. lifesaving, training, education, social, business, etc.)?

3. How do you rate the current state/condition of facilities and infrastructure at the Denmark Surf Life Saving Club?

- Very Good
 Good
 Satisfactory
 Poor
 Very Poor

Comments, if any

4. If nothing is done to the current Club facilities and infrastructure, how likely do you think it is that the Club will be able to maintain and grow its services as Club membership and visitation to Ocean Beach increases into the future?

- Very Likely
 Likely
 Neutral
 Unlikely
 Very Unlikely

5. How likely do you think it is that new facilities would improve prospects for Club growth and service delivery to its members and the community under the Club's six Core Focus Areas of Governance and Club Development, Lifesaving Services, Junior Development, Youth Development, Education and Awards, and Competition and Training?

- Very Likely
 Likely
 Neutral
 Unlikely
 Very Unlikely

6. If the current Club facilities and the surrounding areas were upgraded, how likely is it that you or your organisation would use the facilities more?

- Very Likely
 Unlikely
 Likely
 Very Unlikely
 Neutral

7. Do you believe that the provision of leasable commercial space in a new Club facility would be a positive outcome for the Club and the community?

- Yes
 No

Comments, if any

8. With adequate provision of commercial space, how attractive do you believe the new facility and the Ocean Beach location would be to a prospective commercial operator?

- Very Attractive
 Unattractive
 Somewhat Attractive
 Very Unattractive
 Neutral

9. In terms of providing best value for money (when considering the community, potential investors and visitors to Denmark), what do you believe is the best option for the current Denmark Surf Life Saving Club facilities and infrastructure at Ocean Beach?

- Do nothing - leave club facilities and infrastructure as they are.
 Refurbish existing infrastructure - upgrade the current building with no provision of additional amenity, storage or commercial spaces.
 New build - providing modern, fit-for-purpose facilities including additional storage, training areas and commercial space.

10. What level of positive impact or change would a new surf lifesaving facility in Denmark have on your organisation / group?

- High Impact
 Some Impact
 Little Impact
 No Impact

Comments, if any

Appendix D: Audited Financial Statements

2016/17



Phone: (08) 9848 9371
 Fax: (08) 9848 3417
 Post: PO Box 904
 Denmark WA 6735
 ABN 11 219 721 400

Independent audit report – Dated 22 June 2017

To the members of the Denmark Surf Life Saving Club Inc.

We have audited the accompanying statement of receipts and payments, being a special purpose report, of Denmark Surf Life Saving Club Inc. which comprises a Profit and Loss and Balance Sheet for the year ended 30 April 2017.

Committee responsibility for the financial report

The Committee are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation is appropriate to meet the requirements of the constitution and rules of the Denmark Surf Life Saving Club Inc. The Committee's responsibility also includes such internal controls as the Committee determines is necessary to enable the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal controls relevant to the committee's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Electronic publication of the audited financial reports:

1 of 5


It is our understanding that the Denmark Surf Life Saving Club Inc. will not electronically present the audited financial report and auditor's report on any internet website. Therefore no action is required with regard to this issue.

Opinion

As with all organisations of this type and nature exact receipts (especially fundraising and in this case kiosk sales) are difficult to vouch because the cost of, and organisation of, controls required may potentially outweigh the benefits for an organisation of this size. Accordingly, as the evidence available to us about revenue from these sources was limited, our audit procedures for donations and other fundraising activity revenue had to be restricted to the amounts recorded in the financial records and bank records. We therefore are unable to express an opinion on whether cash donations and other cash fundraising activity revenue are complete.

Subject to the above it is our opinion, the Profit and Loss and Balance Sheet presents fairly, in all material respects, the financial position of Denmark Surf Life Saving Club Inc. as at 30 April 2017.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee's reporting responsibilities. As a result, the financial report may not be suitable for another purpose.



Lachlan Shaw B. Bus CPA



MYOB / Excel

Denmark Surf Life Saving Club Inc			
PO Box 253 DENMARK WA 6333			
Profit & Loss Statement			
May 2016 To April 2017			
Income			
Membership			
Membership	\$14,888.67		
Total Membership		\$14,888.67	
Administration			
Bank Interest	\$2,329.55		
Total Administration		\$2,329.55	
Club Activities			
Bar	\$2,162.86		
Clothing Shop	\$1,825.91		
Hall Hire	\$3,436.36		
Kiosk Sales	\$34,427.24		
Total Club Activities		\$41,852.37	
Lifesaving and Education			
Lifesaving	\$3,500.00		
Education External	\$5,394.00		
Camps	\$840.90		
Nippers	\$508.36		
Total Lifesaving and Education		\$10,243.26	
Competition			
Accommodation/Travel	\$122.74		
Total Competition		\$122.74	
Funding			
Grants	\$6,972.73		
Fundraising/Donations	\$52,696.65		
Total Funding		\$59,669.38	
Annual Dinner	\$1,427.28		
Total		\$1,427.28	
SOCM			
SOCM Entries	\$5,400.00		
SOCM Bar	\$1,373.45		
SOCM Food	\$695.87		
SOCM Sponsorship	\$4,363.64		
SOCM Donations	\$690.00		
Total SOCM		\$12,522.96	
Total Income			\$143,056.21
Cost Of Sales			
Bar		\$1,551.70	
Uniform Shop		\$1,142.01	
Carnival Sundowner		\$194.83	
Kiosk Supplies		\$14,245.46	
Total Cost Of Sales			\$17,134.00
Gross Profit			\$125,922.21
Expenses			
Membership			
SLSWA Registration	\$3,519.27		
Total Membership		\$3,519.27	
Administration			
Gateway Direct Fees	\$15.03		
Merchant Fees	\$437.71		
Fees Miscellaneous	\$34.91		

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MYOB / Excel

Audit	\$720.00	
Bookkeeping	\$937.50	
Insurance	\$2,844.42	
Depreciation - Note 7	\$20,000.00	
Directors Insurance	\$200.00	
Cleaning	\$1,965.96	
Postage Print & Stationery	\$1,256.84	
Telephone	\$1,929.76	
Repairs & Maintenance	\$11,269.67	
Computer Software - MYOB	\$430.88	
Website	\$140.00	
Shire Rates	\$72.00	
Total Administration		\$42,254.68
Club Activities		
Fuel & Oil	\$291.74	
Gas	\$277.88	
Gas Container Charge	\$372.87	
Compressed oxygen refilling	\$57.33	
Clothing Shop	\$73.64	
Freight	\$1,486.49	
Hall Hire	\$181.82	
Kiosk Wages & Operations Expen	\$5,972.75	
Total Club Activities		\$8,714.52
Lifesaving & Education		
LifeSaving Education Equipment	\$833.13	
Lifesaving Equipment - Note 6	\$8,804.71	
Maintenance - lifesaving equip	\$2,740.20	
Lifesaving IRBs	\$3,100.00	
Lifesaving Vehicles	\$554.19	
Education Internal	\$730.73	
Education External	\$2,508.73	
Camps	\$1,681.82	
Nippers	\$1,510.65	
Total Lifesaving & Education		\$22,464.16
Competition		
Entry Fees	\$872.73	
Accomodation/Travel	\$25.00	
R&M Equipment	\$19,771.27	
Competition Expense	\$1,561.17	
Total Competition		\$22,230.17
Funding Expen		
YIP Expenses	\$273.59	
Registration Day Expense	\$1,008.00	
SOCM Expense	\$3,075.98	
SOCM Goodies Bag Items	\$4,482.50	
Total Funding Expen		\$8,840.07
Club Operations		
Annual Dinner Expense	\$2,499.15	
Volunteers' Pizza Night	\$962.84	
Meeting Expense	\$228.46	
Equipment Expense - Note 3	\$13,504.53	
Trophies And Prizes	\$347.27	
Total Club Operations		\$17,542.25
Wages & Salaries		\$300.00
Award Night Perth		\$400.00
Club Room Extensions - Note 5		\$18,624.14
OB & PB COASTAL HAZARD RISK		\$5,000.00
Total Expenses		\$149,889.26
Operating Profit		(\$23,967.05)
Net Profit/(Loss)		(\$23,967.05)

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MYOB / Excel

Denmark Surf Life Saving Club Inc PO Box 253 DENMARK WA 6333			
Balance Sheet As of April 2017			
Assets			
WESTPAC GENERAL CHEQUE ACCOUNT			\$13,482.71
WESTPAC CASH RESERVE ACCOUNT			\$10,683.74
WESTPAC TERM DEPOSIT			\$95,583.60
Trade Debtors			\$7,226.92
Fixed Assets			
Lifesaving Equipment	Note 2	\$40,000.00	
Less Accumulated Depreciation	Note 7	(\$20,000.00)	
Total Assets			\$146,976.97
Liabilities			
Current Liabilities			
Venue Hire Deposits		\$200.00	
Key Deposits		\$2,070.00	
Total Current Liabilities			\$2,270.00
GST Liabilities			
GST Collected		\$38,346.06	
GST Paid		(\$45,089.53)	
GST Pd/Refunded to ATO		\$6,428.00	
Total GST Liabilities			(\$315.47)
Total Liabilities			\$1,954.53
Net Assets			\$145,022.44
Equity			
Retained Earnings		\$65,642.20	
Current Earnings		(\$23,967.05)	
Historical Balancing Account		\$103,347.29	
Total Equity			\$145,022.44

Notes to the accounts

Note 1. The accounts are prepared on a cash basis but the debtors are included in the accounts.

These accounts are special purpose financial statements prepared for the purpose of informing members only and as such they may not be suitable for any other purpose.

Note 2. Only high value items where the club has true ownership are shown - in this case ATV's.

A register is maintained for all smaller value items and these amounts are expensed.

In the 2017 year items previously shown as assets have been expensed. See notes 3 to 6

This correction in 2017 has resulted in a decrease of overall income of \$40,919.01 which was incurred in previous years

Note 3. Admin Equipment of \$3528.15 has been expensed in the 2017 year which was previously shown as an asset in 2016

Note 4. Competition Equipment of \$15,507.63 was expensed in the 2017 year which was previously shown as an asset in 2016

Note 5. Club room extensions of \$17,424.14 was expensed in the 2017 year which was previously shown as an asset in 2016

The expenditure is not an asset to the club because the underlying land is not owned by the club and no asset has been created.

Note 6. Life Saving Equipment of \$4459.09 was expensed in the 2017 year which was previously shown as an asset in 2016

Note 7. Depreciation of \$20,000 relates to ATV where the committee has established the realisable value of half the original book value

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2015/16

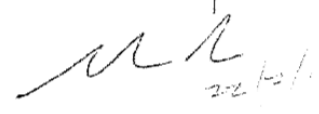
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Denmark Surf Life Saving Club Inc
PO Box 253
DENMARK WA 6333

Profit & Loss Statement
May 2015 To April 2016

Income			
Membership			
Membership	\$14,780.45		
Total Membership		\$14,780.45	
Administration			
Bank Interest	\$111.55		
Total Administration		\$111.55	
Club Activities			
Bar	\$351.82		
Clothing Shop	\$4,102.74		
Hall Hire GST Only	\$418.19		
Hall Hire	\$4,219.54		
Kiosk Sales	\$27,383.27		
Total Club Activities		\$36,475.56	
Lifesaving and Education			
Education Internal	\$1,215.00		
Education External	\$6,137.36		
Camps	\$1,009.08		
Total Lifesaving and Education		\$8,361.44	
Competition			
Entry Fees	\$68.18		
Accommodation/Travel	\$757.42		
Total Competition		\$825.60	
Funding			
Grants	\$7,705.25		
Shire Nom Sportsperson	\$150.00		
Fundraising/Donations	\$13,524.39		
Total Funding		\$21,379.64	
Annual Dinner	\$880.00		
Total		\$880.00	
Lifesaving Books			
SOCM Entries	\$7,254.54		
SOCM Bar	\$2,365.63		
SOCM Food	\$1,043.86		
SOCM Clothing	\$164.43		
SOCM Sponsorship	\$6,578.51		
SOCM Donations	\$1,107.00		
Total Lifesaving Books		\$18,513.97	
Total Income			\$101,328.21
Cost Of Sales			
Bar		\$1,607.29	
Uniform Shop		\$9,526.83	
SOCM Food		\$1,310.30	
Kiosk Supplies		\$13,241.04	
Total Cost Of Sales			\$25,685.46
Gross Profit			\$75,642.75
Expenses			
Membership			
SLSWA Registration	\$3,602.45		
Total Membership		\$3,602.45	

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MYOB / Excel

Administration		
Bank Charges	\$121.72	
Gateway Direct Fees	\$18.28	
Merchant Fees	\$283.65	
Administration contractor	\$4,312.50	
Insurance	\$2,830.60	
Directors Insurance	\$200.00	
Cleaning	\$1,875.00	
Postage Print & Stationery	\$1,436.32	
Telephone	\$1,991.00	
Repairs & Maintenance	\$5,267.87	
Internet Expenses website	\$140.00	
Computer Software - MYOB	\$304.97	
Website	\$12.80	
Shire Rates	\$69.00	
Total Administration		\$18,863.71
Club Activities		
Bar	\$31.82	
Fuel & Oil	\$431.20	
Gas	\$167.76	
Gas Container Charge	\$364.08	
Clothing Shop	\$39.91	
Freight	\$1,281.65	
Kiosk Wages & Operations Expe	\$4,651.69	
Total Club Activities		\$6,968.11
Lifesaving & Education		
LifeSaving Education Equipment	\$5,405.95	
Lifesaving Equipment	\$4,204.28	
Maintenance - lifesaving equip	\$1,996.89	
Lifesaving IRBs	\$1,380.56	
Lifesaving Vehicles	\$209.58	
Education Internal	\$1,135.22	
Education External	\$1,298.32	
Camps	\$2,018.18	
Nippers	\$32.27	
Total Lifesaving & Education		\$17,681.25
Competition		
Entry Fees	\$140.91	
Accommodation/Travel	\$925.00	
Competition Expense	\$1,787.47	
Subscriptions	\$77.27	
Total Competition		\$2,930.65
Funding Expencc		
SOCM Expense	\$3,118.27	
SOCM Goodies Bag Items	\$321.70	
Total Funding Expencc		\$3,439.97
Club Operations		
Advertising	\$636.36	
Annual Dinner Expense	\$1,952.78	
Volunteers' Pizza Night	\$1,110.11	
Meeting Expense	\$145.48	
Equipment Expense	\$1,722.73	
Trophies And Prizes	\$382.27	
Total Club Operations		\$5,949.73
Club Room Extensions		\$4,091.82
Total Expenses		\$63,527.69
Operating Profit		\$12,115.06
Net Profit/(Loss)		\$12,115.06

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Denmark Surf Life Saving Club Inc PO Box 253 DENMARK WA 6333			
Balance Sheet As of April 2016			
		2016	2015
Assets			
WESTPAC GENERAL CHEQUE ACCOUNT		\$21,346.29	\$17,723.15
WESTPAC CASH RESERVE ACCOUNT		\$10,600.67	\$10,500.02
WESTPAC TERM DEPOSIT		\$93,352.27	\$93,352.27
Trade Debtors		\$4,808.28	
Fixed Assets			
Admin Equipment	Note 2	\$3,528.15	\$3,528.15
Competition Equipment	Note 2	\$15,507.63	\$15,507.63
Club Rooms	Note 2	\$89.00	\$89.00
Club Room Extensions	Note 2	\$17,335.14	\$11,662.00
Lifesaving Equipment	Note 2	\$4,459.09	\$4,459.09
Total Assets		\$171,026.52	\$156,821.31
Liabilities			
Current Liabilities			
Venue Hire Deposits		\$200.00	\$200.00
Key Deposits		\$2,060.00	\$2,060.00
Total Current Liabilities		\$2,260.00	\$2,260.00
GST Liabilities			
GST Collected		\$31,226.55	\$23,421.97
GST Paid		(\$40,092.52)	(\$33,068.09)
GST Pd/Refunded to ATO		\$8,643.00	\$7,333.00
Total GST Liabilities		(\$222.97)	(\$2,313.12)
Total Liabilities		\$2,037.03	(\$53.12)
Net Assets		\$168,989.49	
Equity			
Retained Earnings		\$53,527.14	\$20,709.22
Current Earnings		\$12,115.06	\$32,817.92
Historical Balancing Account		\$103,347.29	\$103,347.29
Total Equity		\$168,989.49	\$156,874.43

Notes to the accounts

Note 1. The accounts are prepared on a cash basis but the debtors are included in the accounts.

These accounts are special purpose financial statements prepared for the purpose of informing members only and as such they may not be suitable for any other purpose.

Note 2. Assets have recorded over the years but no asset schedule has been maintained. Further the position of recording extensions in the balance sheet needs to be reviewed because the underlying land does not belong to the club.

It is intended to review these items over the oncoming year and make amendments as required and establish supporting registers.

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Denmark Surf Life Saving Club Inc

PO Box 253
DENMARK WA 6333

ABN: 75 039 691 404

Email: denmarksurf@westnet.com.au

Profit & Loss Statement

May 2014 To April 2015

Income		
Membership		
Membership	\$12,736.37	
Total Membership		\$12,736.37
Administration		
Sale of Assets	\$6,363.64	
Total Administration		\$6,363.64
Club Activities		
Bar	\$5,122.00	
Clothing Shop	\$136.37	
Hall Hire GST Only	\$2,922.75	
Hall Hire	\$590.90	
Kiosk Sales	\$17,278.86	
Total Club Activities		\$26,050.88
Lifesaving and Education		
Education External	\$531.82	
Camps	\$68.18	
Nippers	\$1,002.09	
Total Lifesaving and Education		\$1,602.09
Competition		
Accommodation/Travel	\$1,143.18	
Competition Equipment	\$150.00	
Total Competition		\$1,293.18
Funding		
Grants	\$10,181.82	
Shire Nom Sportsperson	\$100.00	
Bookkeeping Subsidy	\$2,740.91	
Sponsorship	\$1,500.00	
Fundraising/Donations	\$640.00	
Income From Fundraising A/c	\$30,000.00	
Total Funding		\$45,162.73
Annual Dinner	\$1,692.10	
Presidents Roadshow	\$250.00	
Total		\$1,942.10
Lifesaving Books		
Miscellaneous	\$0.01	
SOCM Entries	\$6,270.81	
SOCM Bar	\$2,498.50	
SOCM Food	\$1,071.36	
SOCM Clothing	\$263.64	
SOCM Sponsorship	\$1,972.72	
Total Lifesaving Books		\$12,077.04
Total Income		\$107,228.03
Cost Of Sales		
Bar	\$3,556.77	
Uniform Shop	\$3,172.00	
Kiosk Supplies	\$9,001.78	
Total Cost Of Sales		\$15,730.55

This report includes Year-End Adjustments.

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Denmark Surf Life Saving Club Inc

Profit & Loss Statement

May 2014 To April 2015

PO Box 253

DENMARK WA 6333

ABN: 75 039 691 404

Email: denmarksurf@westnet.com.au

Gross Profit		\$91,497.48
Expenses		
Membership		
SLSWA Registration	\$3,425.10	
Affiliation	\$550.00	
Total Membership		\$3,975.10
Administration		
Bank Charges	\$4.00	
Gateway Direct Fees	\$87.64	
Bookkeeping	\$6,700.00	
Insurance	\$2,470.46	
Cleaning	\$1,994.55	
Postage Print & Stationery	\$1,513.47	
Telephone	\$1,215.27	
Repairs & Maintenance	\$2,966.80	
Internet Expenses	\$157.16	
Website	\$908.75	
Shire Rates	\$144.00	
Total Administration		\$18,162.10
Club Activities		
Bar	\$800.45	
Clothing Shop	\$50.00	
Freight	\$200.00	
Hall Expenses	\$286.73	
Kiosk Wages & Operations Expen	\$2,987.73	
Total Club Activities		\$4,324.91
Lifesaving & Education		
Lifesaving Equipment	\$5,059.78	
Lifesaving IRBs	\$133.37	
Lifesaving Vehicles	\$786.07	
Education Internal	\$2,511.09	
Education External	\$270.00	
Camps	\$2,474.09	
Nippers	\$1,504.54	
Total Lifesaving & Education		\$12,738.94
Competition		
Accommodation/Travel	\$2,169.50	
R&M Equipment	\$330.00	
Competition Expense	\$1,622.72	
Total Competition		\$4,122.22
Funding Expenditure		
YIP Expenses	\$93.00	
Fundraising Expense	\$9.09	
SOCM Expense	\$9,668.29	
Total Funding Expenditure		\$9,770.38
Club Operations		
Advertising	\$1,360.54	
Annual Dinner Expense	\$2,581.05	
Meeting Expense	\$170.45	
Equipment Expense	\$189.00	

This report includes Year-End Adjustments.

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Denmark Surf Life Saving Club Inc

PO Box 253
DENMARK WA 6333

ABN: 75 039 691 404

Email: denmarksurf@westnet.com.au

Profit & Loss Statement

May 2014 To April 2015

Trophies And Prizes	\$1,057.60	
Presidents Roadshow	\$227.27	
Total Club Operations		\$5,585.91
Total Expenses		\$58,679.56
Operating Profit		\$32,817.92
Net Profit/(Loss)		\$32,817.92

This report includes Year-End Adjustments.

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Appendix E: Background to cost-benefit analysis

Background

Cost-benefit analysis is a useful economic tool to evaluate the case for a project or proposal against the *status quo*. Importantly, it allows for an assessment in economic terms of intangible values. The impacts of a proposal for investment or intervention in a market are measured in terms of the economic, social and environmental costs and benefits. Costs represent the public's willingness-to-pay to avoid the resulting consequences of the intervention, whereas benefits reflect the public's willingness-to-pay for the consequences. The evaluation of a particular proposal considers the effects on the community as a whole, in order to give a 'global' perspective. As far as possible, costs and benefits are expressed in monetary terms, although assigning monetary values to some intangible effects can prove difficult. The primary purpose of the analysis is to identify the social net benefit of a specific intervention or investment proposal. Essentially, the cost-benefit process aims to determine whether the total estimated benefits resulting from a proposal exceed the estimated costs, and therefore, whether the project would result in an economically efficient allocation of resources.

Assessing Net benefits

In order to assess the overall value of the net benefits of an investment proposal, three measures are most commonly used. These measures are outlined below:

- **Net Present Value:** The net present value (NPV) of an investment scheme is the sum of the discounted net benefits. The net benefits are simply the expected total costs of a project in one year, subtracted from the expected total benefits in that same year. The stream of net benefits is then discounted to present day values using a discount rate. A reasonable starting point for a discount rate is the government's borrowing rate, i.e. the cost of funds to the government. Note, however, that such a discount rate does not generally reflect the true social opportunity cost of capital, i.e. the return on funds that could be realized by an alternative project or program. The sum of the discounted net benefits will give the net present value of the project. If the NPV is greater than zero, then the estimated total benefit exceeds the estimated total cost and the project will be socially beneficial. A project should go ahead if the NPV is greater than or equal to zero ($NPV \geq 0$).
- **Internal Rate of Return:** The internal rate of return (IRR) measures the yield on investment. It is the interest rate that when substituted into the NPV formula gives an NPV of zero. When the NPV is zero, the IRR is equal to the discount rate and so a positive IRR implies that the project will earn more than the discount rate, or cost of capital. It is an indicator of the efficiency of an investment proposal, whereas the NPV indicates the magnitude of the net benefits that are expected to be generated from the proposal. A particular investment project is socially beneficial if the IRR exceeds the rate of return that is estimated to flow from alternative investments.
- **Benefit-Cost Ratio:** The benefit-cost ratio (BCR) is simply a measure of the present value of the benefits of a proposal divided by the present value of the capital or non-recurrent costs. If the BCR of a project is greater than one, the NPV will be greater than zero and so the project will be socially beneficial.

Efficiency Concepts

The benefits resulting from a proposed project are valued in terms of the public's **willingness-to-pay** for them. A consumer's willingness-to-pay for a good or service consists of two elements: actual expenditure and consumer surplus.

- **Consumer surplus** measures the benefit to a consumer of being able to purchase a product or service at a lower price than what they would have been willing to pay. Consumer surplus is maximized when there is allocative efficiency.
- **Allocative efficiency** refers to the overall efficient allocation of resources. The term refers to the situation where resources are allocated in a way that maximizes net benefit. Allocative efficiency is maximized where the benefit to an individual of consuming the last unit of a good is equal to the cost of consuming that unit, i.e. marginal benefit equals marginal cost.
- **Productive Efficiency** is used to describe the situation where a set of goods or services are produced at the lowest possible cost.
- The costs resulting from a proposed project are valued according to other people's willingness-to-pay for the resources involved. That is, the **opportunity cost** of the resources involved in a particular project.
- **Opportunity cost** refers to the value of a resource in its best alternative use. For example, when evaluating the case for a particular investment scheme, the benefits that may result from investing the resources elsewhere should be assessed. The benefit of investment elsewhere is equal to the opportunity cost of the proposed investment scheme. Note that, the costs of employing a resource should be considered 'sunk' if the opportunity cost is equal to zero.

Distributional impacts

The impacts would be expected to be highly distributional. In order to fully capture the distributional impacts in this case, the local economic benefits for the regions surrounding the development will be taken into consideration, including their local multiplier effects. While taking a state-level view of the impacts may not merit inclusion of local economy multipliers, this approach would mask the highly distributional impacts of the closure of regional primary development.

Assumptions

Discount Rate

Infrastructure Australia requires that cost-benefit analyses are presented for the following real discount rates:

- 4 per cent;
- 7 per cent (central estimate); and
- 10 per cent.

The debate on which rate should be used to discount future benefits and costs in cost benefit analysis has been ongoing for many decades, and there are a range of estimation methods. However, the 7 per cent central estimate proposed by Infrastructure Australia (and sensitivity testing) is in accordance with the majority of national, state and territory guidelines on cost benefit analysis and is based on the opportunity cost of capital in the market sector. The Office of Best Practice Regulation 2014 cost benefit analysis guidelines require use of an annual real discount rate of 7 per cent⁸⁰.

Timeline

A period of 25 years has been assumed for the cost-benefit analyses, corresponding to a reasonable assessment of the time period before further significant capital injections may be required, subject to legislative changes in the meantime.

Multipliers

The multiplier effect refers to the idea that a rise in direct spending in an economy can cause a subsequent rise in secondary spending, leading to an increase in income which exceeds the original rise in direct spending. The multiplier effect is illustrated in the Keynesian Multiplier Model. In cost-benefit analyses, multipliers are often excluded as the impacts at state-level generally balance out if expenditure is merely shifted from one place to another. However, in the current analyses, local multipliers have been retained in order to fully capture the distributional impacts on the local regional economy. A variety of multipliers could be used, depending on the method of measurement and the geographical scope of the multiplier. In this analysis, a conservative multiplier of 1.9 has been used for the tertiary impacts in the local economies surrounding the development for events.

Inflation

Inflation has not been included in the calculations. The costs and benefits are at today's rates. The exception is where capital costs have been escalated, based on the fact that construction costs are increasing much faster than CPI.

Appendix F: Social Impact Factors included in the SLSA Ripple Model

Organisational action <ul style="list-style-type: none"> Health and fitness Sporting competition Club activities Travel opportunities 	Welcoming organisation <ul style="list-style-type: none"> All generations working together Welcoming young through older people/Welcoming all ages Welcoming all ethnic groups Safe space for meeting people
Belonging <ul style="list-style-type: none"> Everyone is equally welcome Like a large extended family Trustworthy people Easy to make new friends 	Organisational social values <ul style="list-style-type: none"> Involvement in local environmental projects Encourages the development of mentoring General public education to make the community safer Develops community service values
Individual social values <ul style="list-style-type: none"> Become a role model to others Gained satisfaction of working together Community respect because of my contributions Greater respect for the natural environment 	Cultural diversity <ul style="list-style-type: none"> Celebrates the cultural diversity of its members Working with people from other cultural backgrounds Develops projects which bring in new people from other communities
Organisational networks <ul style="list-style-type: none"> Directly connected to other non-profit organisations Part of helping in other community activities Contributing economically through community events Networks with local schools 	Individuals networks <ul style="list-style-type: none"> Done a personal favour for someone I have met Received useful personal recommendations Made useful contacts Help for personal problems has been received
Skills <ul style="list-style-type: none"> Gained confidence through taking responsibility Developed communication and goal setting skills Developed training skills Helped out in my local community using the skills I have learnt 	Organisational contributions <ul style="list-style-type: none"> Facilities of this organisation provide a venue for others Club is used by other community groups Supports opportunities for fundraising for other local voluntary organizations Supports fundraising and charity events proposed by members
Individuals contributions <ul style="list-style-type: none"> Members put something back into the community <p>Members are happy to volunteer their time</p>	

Factor Values	Factor Relationship Descriptions
0.8	Individual Skills impacting Individual Social Values AND Vice Versa
0.67	Individual Social Values impacting Individual Networks AND Vice Versa
0.66	Organisational Social Values impacting Diversity
0.64	Welcoming Organisation impacting Organisational Social Values
0.58	Organisational Action impacting Organisational Social Values
0.5	Welcoming Organisation impacting Individual Belonging
0.45	Organisational Diversity impacting Organisational Contributions
0.45	Individual Belonging impacting Individual Skills
0.43	Individual Belonging impacting Individual Contributions
0.41	Individuals Social Values impacting Individuals Contributions
0.38	Organisational Diversity impacting Organisational Contributions
0.38	Organisational Social Values impacting Organisational Networks
0.29	Organisational Social Values impacting Organisational Contributions AND Vice Versa
0.27	Individual Belonging impacting Individuals Social Values
0.25	Organisational Social Values impacting Individual Belonging
0.22	Individual Belonging impacting Individual Networks
0.19	Individual Networks impacting Organisational Diversity AND Vice Versa
0.19	Organisational Action impacting Individual Skills
0.17	Organisational Action impacting Individual Belonging
0.16	Organisational Networks impacting Organisational Contributions AND Vice Versa
0.14	Organisational Action impacting Organisational Networks

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- ³ Western Australian Planning Commission (WAPC), 2004 (www.planning.wa.gov.au)
- ⁴ <http://www.regionalaustralia.org.au/what-is-rai/defining-regional-australia>; Regional Australia Institute.
- ⁵ <http://www.aifs.gov.au/institute/pubs/factsheets/2011/fs201103.html>
- ⁶ Western Australian Planning Commission 2012
- ⁷ Burnley, I., & P. Murphy. 2004. *Sea Change: Movement from Metropolitan to Arcadian Australia*. Sydney: University of New South Wales Press.
- ⁸ Department of Employment, LGA Data tables: Small Area Labour Markets, March quarter 2017
- ⁹ [http://www.treasury.wa.gov.au/uploadedFiles/Treasury/Economic_Data/gsp_2013-14\(4\).pdf](http://www.treasury.wa.gov.au/uploadedFiles/Treasury/Economic_Data/gsp_2013-14(4).pdf)
- ¹⁰ DIIRTE (2013) Australian Small Business Key Statistics and Analysis, December 2012, Australian Government, Canberra
- ¹¹ GSDC (2012) Great Southern Tourism Development Discussion Paper DRAFT, Great Southern Development Commission, Albany
- ¹² TRA (2013) Online National and International Visitor Survey Data, Australian Government, Canberra
- ¹³ Source: Tourism Western Australia 30 June 2014.
- ¹⁴ The statistics in Figure 17 are compiled from Tourism WA data. Note that the methodology for collecting the data was changed in January 2014, affecting the comparability of domestic estimates for 2014 onwards with prior data. In addition, estimates for 2014 and 2015 are provided as an average of the two calendar years in order to increase the sample size and hence reliability.
- ¹⁵ Average nightly spend figures are not provided regionally, only for WA as a whole. It is assumed that the state-wide nightly spend figures will also apply to visitor to the Great Southern.
- ¹⁶ <http://www.australia.com/campaigns/nationallandscapes/Great-South-West-Edge.htm>
- ¹⁷ <http://www.australia2020.gov.au/about/index.cfm>
- ¹⁸ Regional Development Australia Great Southern, *Regional Plan 2010-2020*.
- ¹⁹ The Demography of Regional Australia: Current Trends and Impending Change' to Southern Cross University's 'Regional Futures. Transformational Economic Development' Symposium in August 2010.
- ²⁰ Australia 2020 Summit The Future Of Rural And Regional Australia.
- ²¹ 'Australia to 2050: future challenges' Circulated by The Hon. Wayne Swan MP Treasurer of the Commonwealth of Australia January 2010
- ²² Garnaut, R, 2008, *The Garnaut Climate Change Review*, Cambridge University Press, Port Melbourne.
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- ²⁶ Royal Life Saving Society, National Drowning Report 2016.
- ²⁷ R. Brander, D. Dominey-Howes, C. Champion, O. Del Vecchio, and B. Brighton, Brief Communication: A new perspective on the Australian rip current hazard, *Nat. Hazards Earth Syst. Sci.*, 13, 1687-1690, 2013.
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- ³⁰ Klein, Y. L., Osleeb, J. P., & Viola, M. R. (2004). Tourism-Generated Earnings in the Coastal Zone: A Regional Analysis. *Journal of Coastal Research*, 20(4), 1080-1088.
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- ³³ Department of Foreign Affairs and Trade. (2008). Australia in brief: Visiting Australia. Retrieved from <http://www.dfat.gov.au/aib/tourism.html>
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