



TOWN OF  
VICTORIA PARK



# LATHLAIN ZONE 1 BUSINESS CASE



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## 1.0 EXECUTIVE SUMMARY

In August 2021, council endorsed the set Vision and Aspirations, the development of four high level concept designs ranging from low intervention to high intervention, endorsed a baseline schedule, floor plan and budget as Option 1 of the concept designs, requested briefs for the additional three options be brought back for endorsement and requested a report be brought back to council that considers four concept options, funding options to deliver Concept Options 2-4, outcomes of third party interest and the recommended management model.

In October 2021, an Expression of Interest was released to the market to test for interest in the project. At the December 2021 Ordinary Council Meeting, the elected members endorsed the Wirrpanda Foundation (Now Waalitj Foundation) to progress to the negotiation stage as a result of the EOI process to ascertain third party interest.

Upon that decision, the architect worked with the Waalitj Foundation and considered previous community engagement and the Towns relevant strategic documents to help inform the briefs for the additional three concept plans.

The following options were endorsed by the elected members to develop into concept designs. Additionally, as the project team encountered a number of constraints along the design process, it was deemed appropriate to explore two scenarios for option 1 and 2. Those being:

- 1. Scenario 1:** Given the known constraints a scenario has been explored whereby the redevelopment occurs to the north of the existing facility to allow Perth FC to continue their operations during construction and to allow the Telecommunication leases to continue.
- 2. Scenario 2:** The new facility to be located where the existing facility is located meaning the demolition of existing facility to occur as the first phase of the redevelopment.

### **Option 1: Low Intervention (Scenario's 1 & 2)**

Is the baseline model which delivers the Perth FC infrastructure including a Grandstand as well as community accessible function space. This brief has been endorsed by the elected members at the August 2021 OCM.

### **Option 2: Low Intervention plus future proof (Scenario's 1 & 2)**

Includes all of the elements from Option 1 plus creating provision for the second stage without developing the fit out.

### **Option 3: Medium Intervention**

This was to include all elements from Option 1 plus cater for the known funding as specified in the Waalitj/Banjima EOI submission. This was deemed uneconomical to develop as it wasn't going to deliver additional community outcomes or Waalitj outcomes.

#### **Option 4: High Intervention**

Includes all the elements from Option 1 plus provides provision for the aspirational desired outcomes as set out in the Waalitj EOI and elected member endorsed brief.

#### **Preferred Option**

Concept Design Option 4 is the preferred option based on its ability to meet the principles, vision and aspirations and the overall needs of the community as identified through desk top analysis, community and stakeholder engagement and meeting the strategic needs of the town of Victoria Park. Option 2 is considered the second-best option as it meets some of the community goals however not to the same degree as option 4.

#### **Budget Summary of preferred Option**

For options 4A & 4B a breakdown of the approximate split between the Perth Football Club scope and the Waalitj Community Scope. The Costs are provided in the below tables:

#### **Option 4A – Staged Delivery**

	<b>Perth Football Club Scope</b>	<b>Waalitj Community Scope</b>
Building	\$8,840,000	\$10,614,000
External Works and Services	\$1,293,005	\$1,586,995
Below the Line Costs	\$4,107,086	\$5,040,914
Escalation	\$713,000	\$2,507,000
<b>Total Excl. GST</b>	<b>\$14,953,091</b>	<b>\$19,748,909</b>

#### **Option 4B – One stage**

	<b>Perth Football Club Scope</b>	<b>Waalitj Community Scope</b>
Building	\$8,840,000	\$10,614,000
External Works and Services	\$1,119,706	\$1,374,294
Below the Line Costs	\$4,058,599	\$4,981,401
Escalation	\$701,243	\$848,897
<b>Total Excl. GST</b>	<b>\$14,719,548</b>	<b>\$17,818,592</b>

The above highlights that there are potential cost efficiencies with Option 4 for the Perth Football Club Scope. If Options 1 or 2 were chosen this would represent a significant cost impost to the project.

An additional layer of community engagement is recommended to test the designs and assumptions made from the Social Infrastructure Strategy, previous community engagement and elected member sentiments for the community elements of the design.

The Football stage, however should progress to detailed design ensuring the funding agreement milestones are met.

## **2.0 SITE AND CLUB CONTEXT**

Lathlain Park Redevelopment Project Zone 1 (LPZ1) is home to the existing Perth Football Club Facility and Ticketing Office. It is bounded by Bishopsgate Street to the south, Goddard Street to the west, the existing parklands and on-grade parking to the north, Mineral Resources Oval and the WCE Headquarters to the east. The LPZ1 project involves the redevelopment of the Perth Football Club building and immediate surrounds. It is driven by the requirement to address current sporting code and accessibility standards and modernisation of the 63 year old grandstand to meet these and contemporary community desires.

The newly redeveloped Mineral Resources Park, which is home to the WCE and the PFC has been completed. Containing two AFL sized ovals, administration, and training facilities for both men's and women's football programs, a merchandise store, a start-of-the-art function space, and café, as well as being home to the Waalitj Foundation. Additionally, the newly constructed Lathlain Park is a new public open space featuring an all-abilities playground and nature play area, picnic facilities, fenced dog area and two new multi-sport courts.

In addition to future football infrastructure and the replacement of the grandstand the project will boost both WAFL football and enable the growth of women's football. Importantly, the project involves construction of future facilities that will enhance the local area ensuring a variety of multipurpose spaces that will be available for wider community use such as function spaces, exhibition areas, meeting rooms and education spaces.

## **3.0 PROJECT HISTORY**

The Perth Football Club (PFC) has been the primary occupant and lessee at Lathlain Park since its initial development in 1958. The development has now reached the end of its useful and economic life.

In March 2020, Council endorsed the Zone 1 project mandate due to the existing facilities' dilapidated nature and to assist in the advocacy to secure additional funds required to complete the development.

The mandated Zone 1 project scope according to the 2020 business case is intended to deliver a redeveloped Perth Football Club grandstand, football operations accommodation and infrastructure, and parking and suitable space for safe and legible movement within and between other zones within the Lathlain Park Precinct. Additionally, community uses will be delivered as a part of the works ensuring there is a fitting interface to the community.

In June 2020, Council endorsed the initiation of an Advisory Group with an agreed term of references to oversee and provide development guidance over the mandated scope of works.

In November 2020, Council resolved to list Zone 1 for consideration in the Long Term Financial Plan, nominating an indicative amount of \$5 million. This is approximately one-third of the estimated project cost of the redevelopment of Zone 1 as nominated by the 2020 Business Case.

Funding contributions have been secured from the Federal Government (\$4m excl. GST), State Government (\$4m excl. GST), and West Coast Eagles ground lease contribution (\$1m excl. GST). Funding agreements between the Town and the Federal and State governments have been executed.

In April 2021, council endorsed the recommendation to award the contract for the lead design Architect to Hames Sharley.

In June 2021, Hames Sharley compiled an area schedule for the proposed redevelopment of Lathlain Zone 1. The appointed Quantity surveyor provided a cost estimate against this schedule which identified that there was a significant short fall against the current funding available.

In addition to the cost escalation issues, several other issues facing the project needed resolving before instructing the architects to progress to the concept design phase. These include:

- Confirming the 'Preliminary Principles' and set a clear vision and set of aspirations for the project.
- Confirming the functional brief and schedule to set the baseline spatial requirements to be delivered within the current approved budget.
- An 'In-Principle' management model that clearly delineates responsibility for the management of the facility and the ongoing maintenance
- Confirmation of an expression of interest from external entities.

In August 2021, council endorsed the set Vision and Aspirations, the development of four high level concept designs ranging from low intervention to high intervention, endorsed a baseline schedule, floor plan and budget as Option 1 of the concept designs, requested briefs for the additional three options be brought back for endorsement and requested a report be brought back to council that considers four concept options, funding options to deliver Concept Options 2-4, outcomes of third party interest and the recommended management model.

In October 2021, an Expression of Interest was released to the market to test for interest in the project. At the December 2021 Ordinary Council Meeting, the elected members endorsed the Wirrpanda Foundation (Now Waalitj Foundation) to progress to the negotiation stage as a result of the EOI process to ascertain third party interest.

Upon that decision, the architect worked with the Waalitj Foundation and considered previous community engagement and the Towns relevant strategic documents to help inform the briefs for the additional three concept plans.

At the February 2022 OCM, the elected members endorsed the three additional briefs and can be summarised below:

Stage 2	Linked to Waalitj Foundation/Banjima Charitable Trust funding and future funding commitments.		
Option 2	Includes all of the elements from Option 1 plus creating provision for the second stage without developing the fitout.	TBC	TBC
Option 3	Will include all elements from Option 1 plus caters for the known funding as specified in the Waalitj/Banjima EOI submission. Work will be done to understand the key elements required from the aspirational brief that can fit within this allocated budget.	TBC	<b>\$18.2m (excluding GST)</b>
Option 4	<p>Will include all elements from Option 1 plus provides provision for the aspirational desired outcome accounting for the contribution from Waalitj/Banjima EOI submission as well as other funding partners.</p> <p>The proposal includes the following key elements:</p> <ul style="list-style-type: none"> <li>40. Commercial office space for the relocation of the Waalitj Foundation Burswood Office accomodating up to 35 staff</li> <li>41. Community accessible multipurpose and flexible meeting spaces in a range of configurations</li> <li>42. An Arts Hub and Gallery for Aboriginal and Non-Aboriginal Arts (performing and creative arts)</li> <li>43. Medical Centre complete with consulting rooms</li> <li>44. Youth Hub</li> <li>45. Additional car parking (above the Perth Football Club requirements)</li> </ul>	<p>3442sqm + 3016sqm = <b>6458sqm</b></p>	<b>\$32m (excluding GST)</b>



Below is a summary of Council Decisions:

## TOWN OF VICTORIA PARK COUNCIL DECISIONS



### 4.0 OVERALL PRINCIPLES

As a part of the development of the Lathlain Park Management Plan (LPMP) extensive community engagement took place. This engagement assisted in the definition of preliminary principles for Zone 1 with regards to community uses, the built form and the public realm and landscaping elements. This engagement took place in 2016. Below are the LPMP approved Zone 1 Preliminary Principles.

<b>Community Uses</b>	<ul style="list-style-type: none"> <li>• Opportunities for the provision of multipurpose/shared spaces that can accommodate community events, activities and/or programs are encouraged.</li> <li>• Ensure public access is designed to accommodate a range of users and incorporates universal access design principles.</li> <li>• Ensure the connection between development and the streetscape in terms of pedestrian access, views and vistas to the existing stadium is enhanced</li> <li>• Integration of servicing infrastructure within landscaped and/or public art for the area is encouraged.</li> </ul>
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<p><b>Built Form</b></p>	<ul style="list-style-type: none"> <li>• Facilitate the interpretation of the heritage values of Lathlain Park</li> <li>• New development shall be designed to orientate around the oval and articulated to ensure building bulk is minimised when viewed from the street</li> <li>• Provide for the shared use of facilities where possible</li> <li>• Enhanced public and spectator amenities to Oval 1.</li> </ul>
<p><b>Public Realm &amp; Landscaping</b></p>	<ul style="list-style-type: none"> <li>• Landscaping shall ensure the retention of existing mature trees where possible</li> <li>• Landscaping treatments to be of a high quality (incorporating hard and soft landscaping elements) and incorporate water wise principles / native plant species</li> <li>• Landscaping elements (e.g. public art) themed on cultural heritage is encouraged</li> <li>• Reciprocal (Perth FC/public) use of formal car parking.</li> </ul>

## 5.0 VISIONS AND ASPIRATIONS

The ToVP and the Lathlain Park Advisory Group (LPAG) are working closely with the Perth Football Club and other key stakeholders to deliver a modern, multi-functional facility for use by the whole community. The LPAG is made up of two elected members, two community members, two subject matter experts from the Town, plus representatives from the PFC and the Western Australian Football Commission (WAFC).

Setting the vision and objectives for LPZ1 with the LPAG was one of the early-stage activities undertaken by Hames Sharley in 2021. In undertaking the design for LPZ1 the team and LPAG collaborated and refined the vision and aspirations below. In August 2021 Council endorsed the following guidance for the redevelopment of Lathlain Zone 1:

### **Vision**

Lathlain Park Zone 1 is revitalised as a contemporary, multipurpose centre. A dynamic place, that caters for the diverse needs of its community for generations to come.

### **Aspirations**

*A sympathetic, but unique neighbour*

A development that actively engages with its surroundings, having careful consideration for its interface with existing built form and landscape character.

*Flexible and ready for the future*

A highly functional and multipurpose centre that supports a diverse range of activities and events for use by its community, which includes both the Perth Football Club and local Town of Victoria Park residents.

*A place for everyone*

High-quality architectural and landscape outcome promoting access, safety and participation from all members of the community, irrespective of age, gender, culture or ability.

*A place that tells local stories*

A development that integrates into its community through art and culture celebrating the important role and heritage of Lathlain Park.

*A place that stands the test of time*

A venue that optimises building performance and limits maintenance costs through climate responsive design and use of appropriate building materials.

## 6.0 DESKTOP ANALYSIS

In March 2021, the Town commissioned a desktop community and commercial needs analysis. This report (attachment 1) identified a range of potential uses commercial and community land uses which could be accommodated in the new development.

The key findings from the report identified that there were two preferred tenant types for the precincts. They were:

- Consulting Rooms (150-300 sq.m NLA)
- Private Recreation (300-600 sq.m NLA)

These tenant types were considered to be the most viable for the location and have the highest level of synergies with the other uses within in the Lathlain Park site and broader precinct. Further to this, office and gallery / exhibition space were also considered to be of reasonable viability and have some potential synergies with the other land uses within Lathlain Park.

The key recommendations from the report for advancing the above noted opportunities were:

- 1. Expression of Interest Process:** An EOI or similar process will help to identify potential tenants to negotiate with the leasable floorspace. The Town can leverage known contacts within the industries of each tenant type to ascertain and attract interest, as well as use existing communication channels available to the town. The EOI should focus on the above uses and indicate likely spatial constraints and commercial terms.
- 2. EOI Responses Review:** A review of the EOI responses should include an assessment of the likely viability of proposed uses. This will help inform the preferred tenant/s and commercial

terms. Consideration should be given to the relative advantages of providing space for commercial vs. community tenants, such as financial viability, community benefits (are the chosen tenants going to provide genuine community benefits which meet known community needs) and location (is this the best location for commercial or community tenants, or would the tenants be more ideally located within another part of the Lathlain or another activity centre).

3. **Exclusive Negotiations:** Following the EOI process, the Town should undertake exclusive negotiations.
4. **Execution of Lease Agreements:** Following required internal processes, the lease agreements should be executed.

## 7.0 TOVP SOCIAL INFRASTRUCTURE STRATEGY



In 2021, the Town commissioned a review of the existing Social Infrastructure Strategy. This is now complete and has been endorsed by elected members.

The Social Infrastructure Strategy document has been advertised for public comment and has had considerable input from key stakeholders within the community. Specifically, below is a history of engagement for the Social Infrastructure Strategy:

- Targeted community survey and interviews with tenants and lessees of Town owned social infrastructure (12 – 30 April 2021)
- Staff workshop (Place Planning, Community Development, Asset Management, Property and Leasing and Urban Planning).

- SIS Concept Forum and workshop with EMs to inform SIS actions (June 2021)
- Elected Member Hub Survey (24 June – 1 July 2021)
- Public comment period (2 December 2021 – 7 January 2022)

Within the Social Infrastructure Strategy an entire chapter is dedicated to the Lathlain Centre Neighbourhood Hub of which this redevelopment comprises a large component of the strategy. Of particular note were two of the opportunities that have been recommended to investigate further. These included:

- Community support spaces, particularly office/administration and consultation room spaces suitable for leasing to individual groups or businesses;
- A community meeting space suitable for a large group activity, which may be provided through the on-site function centre.

In addition, one of the key priorities offered for the Lathlain Neighbourhood Hub was:

- Efficient and diverse community meeting and community support offerings within the Lathlain local centre.

Finally, a key recommendation from the strategy with regards to the Lathlain Neighbourhood Hub suggests:

- Work with the West Coast Eagles, Perth Football Club and other stakeholders to improve community access to facilities at Mineral Resources Park/Lathlain Park.

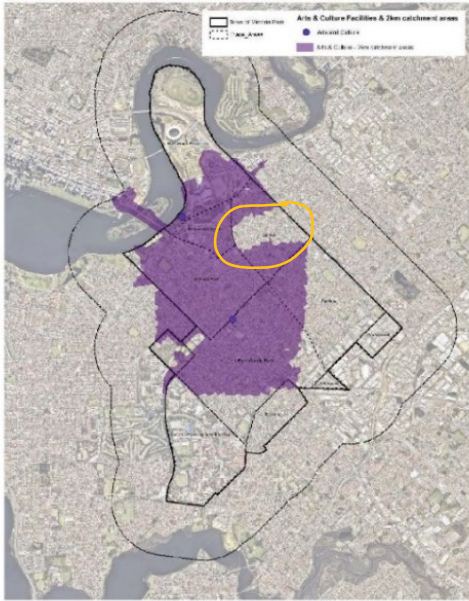
Amongst the key deliverables identified for the Town as a whole in the Social Infrastructure Strategy suggested that the Town has a need for local-scaled arts spaces catering to early-career artists, hobbyists, and locally based creatives, as well as providing activities activity spaces for the local community.

### **Arts Centres**

The Social Infrastructure Strategy (SIS) 2021 assessment concludes that the ToVP is well serviced from a catchment perspective, primarily due to its proximity to regional facilities. However, regional facilities programming choices and accessibility do not offer the potential that a neighbourhood level facility can cater to early-career artists, hobbyists and locally based creatives, plus provide activities and activity spaces for the local community. One way the LPZ1 redevelopment can contribute to this is by provision of flexible local-level spaces in hubs that are suitable for arts activities.

The map below from the Strategy illustrates how this facility could extend the current access (shaded purple) to facilities that support art-based activities (refer yellow circled area).

Figure 6: Arts & Culture Facilities & 2km catchment areas



### Community Meeting Spaces Infrastructure

Rather than considering and delivering infrastructure that is specific to demographic groups, the SIS is founded on the principle of flexible, multi-purpose facilities. Additionally, the report notes that there are advantages to having people from different backgrounds casually mixing within community spaces. This philosophy has likewise been adopted in the LPZ1 design process to future-proof and enable broad usage of facilities within the community.

Additionally, the SIS highlighted valuable amenities, and it is noted that all four concept design options in the LPZ1 redevelopment include furniture and access to food preparation / tea & coffee making facilities. These that will assist in attracting people to hire the spaces.

## 8.0 EXPRESSION OF INTEREST

On October 16th, 2021, an Expression of Interest was released to obtain an understanding of the likely interest in the Lathlain redevelopment. The submission deadline was Monday 8th November. The EOI was shared on many of the Towns social medial platforms including LinkedIn and Facebook. Fifteen potential proponents downloaded the documentation however ultimately two organisations submitted EOI's. After a thorough procurement process, the Wirrpanda Foundation were recommended to the next stage given the community outcomes that were proposed and the significant funding that was on offer to help fund the proposal. The December 2021 OCM, the elected members accepted the Wirrpanda Foundation submission and short listed them to progress to the negotiation stage. This led the consultant team to developing a brief that aligned to the principles outlined, the vision and aspirations as well as the Social Infrastructure Strategy. This brief was presented to the Elected Members at the February 2022 Ordinary Council Meeting and was subsequently endorsed.

## 9.0 COMMUNITY ENGAGEMENT

The provision of these spaces within the future facility is based on a significant amount of community feedback stemming from several key projects including the Lathlain Park Management Plan informing the direction of the Lathlain Precinct Redevelopment Project, and the Social Infrastructure Strategy. These documents have helped identify the need for various types of community infrastructure throughout the Town, including Lathlain. Additionally, more recent, specific engagement feedback that has informed the process and outcomes.

## 10.0 MAKING SPACE FOR CULTURE SURVEY 2021

In relation to the needs of residents and businesses for creative pursuits, the Making Space for Culture Survey (March 2021) was a joint initiative between the ToVP the Cities of Perth, South Perth, and Vincent. The project commenced by seeking information on the spaces and opportunities related to cultural activities to investigate opportunities to support the development of creative maker spaces across the Perth inner city.



The survey included these Perth local government areas and of all respondents, 189 indicated they would be willing to locate in the ToVP. The survey respondents provided information about their creative practice and potential gaps in provision or barriers. Overall, the respondents were primarily young adults with 21% aged 16-29 years and a further 37% aged 30-39 years.

This survey demonstrated that East Victoria Park and Victoria Park were the most popular places to locate within the ToVP, though Carlisle and Lathlain were the next most favoured resulting in potential for LPZ1 to offer facilities that would also be attractive, flexible and meet creative sector needs.

## 11.0 LPZ1 COMMUNITY SURVEY 2022

### LPZ1 COMMUNITY SURVEY 2022

As detailed above, the Lathlain community has been engaged in the past and contributed to a variety of documents including the Strategic Community Plan 2017-2032 so the ToVP is well aware of the gaps, needs and ideas for facilities and activities. ToVP also undertook workshops with the community in August and September 2020 to guide the vision, aspirations, and opportunities. Hames Sharley's Lathlain facilities design responds to the vision and functional area briefings arising from workshops with community members.

As a final means of confirming that the design responds to the needs of the community, an online survey and open day were planned for March 2022 (however only the survey component has been able to be completed so far). The Open Day for additional feedback to complement the survey was scheduled for 19th March but was cancelled due to the COVID-19 peak in Perth. This event is planned to be rescheduled to sometime in the future. Details of the online community survey and the specific space related feedback received to inform the process is provided in the following pages.

### PURPOSE & METHODOLOGY

The online survey has been informed by previous feedback captured by ToVP both within the Lathlain Park Precinct, and through broader engagement as part of the Strategic Community Plan. The survey was created with the understanding that design concepts for the Lathlain Park Redevelopment are primarily being driven by key collaborative partners, with access to funding to ultimately guide final decisions. Therefore, the concepts presented in Hames Sharley's Concept Design Report provide for a series of spaces which will be made available to the community for use. The focus of the survey is to understand the profile of both who will likely use the spaces and how the different groups will do so.

The survey was available to the community online for three weeks via the [ToVP website](#) *Your Thoughts* page from 3 March to 24 March, 2022 and received a total of 66 responses. Community members were made aware of the survey through social media channels such as Facebook and the ToVP website through the *Consultations* page.

By providing the ToVP with a defined user profile, underpinned primarily by quantitative data the survey informs and refines the final design and operational considerations. Additionally, some qualitative (open ended questions) provide further detail to the user profile summary. The attached engagement report captures the survey results to highlight when and how many people are likely to use the facility spaces. Many are flexibly designed to permit several uses or types of activities and the survey indicates the sentiment of community members in relation to each space.



## ENGAGEMENT SUMMARY

### Survey Respondents

- There were 66 total respondents for the online survey.
- 85% of respondents to the survey live within 5 minutes walk of Lathlain Park
- 68% of respondents to the survey are property owners in the ToVP
- 31% of respondents to the survey were members, employees, or players of the Perth Football Club (PFC) and
- The majority of respondents were younger adults aged between 25-44 years

### Survey Results

- The survey posed to respondents a number of potential spaces that could be provided within: LPZ1. The below summary indicates the interest in using each space, what respondents would use the space for and the potential usage time.
- 69% of respondents are interested in using **Function Rooms** at LPZ1. with survey respondents using this space for Celebrations (e.g., birthday party); Community Activities (e.g., fundraising events); Informal Social Events and Passive Sporting Activities such as Yoga. Afternoon and evenings on the weekend were the preferred usage time.
- 44% of respondents are interested in using **Meeting Rooms** at LPZ1 with survey respondents using this space for Formal Meetings, Informal Meetings and Video Conferences. Mornings and Evenings during the week were the preferred time of use.
- 33% of respondents are interested in using **Exhibition Space** at LPZ1 with survey respondents using this space for Art based or Formal Presentations. Afternoon and evenings on the weekend were the preferred time of use.
- 38% of respondents are interested in using **Classroom/Workshop Space** at LPZ1. with survey respondents using this space for Workshop or Training Sessions. Afternoon and evenings on the weekend were the preferred time of use.
- 25% of respondents are interested in using the **Business hub/Co-working space** at LPZ1. with survey respondents using this space for Co-working Space and Informal Meetings. Morning, midday, and afternoons on the weekday were the preferred time of use.
- 17% of respondents are interested in using the **Medical Consulting Rooms** at LPZ1. with survey respondents using this space for Mental Health Support and General Medical requirements. Weekday were the preferred usage time with no clear time of day.
- Respondents noted a preference for using the majority of spaces above on a monthly or yearly basis.

## COMMUNITY ENGAGEMENT NEXT STEPS

To close out the community engagement a further round of community engagement is required to garner deeper understanding and to confirm the proposed outcomes. This is proposed to occur post a council decision to proceed with a preferred concept design option. The purpose of this

engagement share the endorsed concept design and to gain feedback from the community on this design. The design and elements can be refined as a result of this feedback.

ACTION ITEM
<p><b>Further Community Engagement</b></p> <p>Pending endorsement of a preferred concept design, complete a further community engagement session either via workshop or drop in session to help refine design.</p>

## 12.0 TELECOMMUNICATION CARRIERS

As a result of the proposed redevelopment the existing telecommunication carriers need to relocate their existing base station facilities of the roof within the next twelve months to meet the projects timeframes.

The project team has opened discussions with the carriers to ascertain their willingness to relocate their facilities and have received proposals from the carriers which have centred around the construction of two monopoles at the precinct. The carriers have welcomed this approach as, knowing their leases are expiring in less than three years, its an opportunity to secure a further term on an improved platform at the expenses of the lessor. The carriers will be accommodating to Council's requirements, noting that costs will need to be covered by the lessor. These costs have not been discussed openly.

After the initial discussions, a briefing paper and presentation to elected members, the project team remain concerned with the carriers reluctance to collocate and the potential costs the project is to absorb. The project team have considered alternate proposal that would allow the Carriers to remain in place until the expiry of their leases by relocating the proposed grandstand to the north. This is noted as Option 1 – Scenario North in the design report.

The project team determined that continued mobile coverage of the park, the venue and local community is a preferred solution and wants to work with the carriers to achieve this, however not at the expense of the Council.

A summary of the proposed solutions is below:

### 1. Relocation Prior to Lease Expiry – Two Monopole Scenario

Should Option 1 prove to be not workable, and no alternate redevelopment scenarios and identified allowing the continuation of the carriers tenure on the grandstand to their expiry, Council have two options:

- Postpone the development works until the Carriers leases expire, resulting in the loss of the federal grant, or
- Absorb all costs associated with the construction of two monopoles. The estimate from the specialist consultant see quotes to be in excess of \$650,000-\$900,000 for each carrier.

If this scenario is to proceed, it assumes the Council are willing to support the erection of two 30-35m monopoles which will likely invoke significant objection from the local community, unwilling to accept the need for two monopoles.

## 2. Adoption of Grandstand and facility to the north – Tender New Monopole

The project team believe the best mitigation to the problems presented as a result of the telecommunication carriers being located on the existing facility is to stage the redevelopment and build the Football grandstand component of the redevelopment to the north of the existing facility. This option allows the carriers to remain on the existing grandstand to the expiry of their terms. This option provides the Council with the significant leverage to achieve the project outcomes whilst retaining mobile coverage of the site and avoiding costs associated with relocation. The carriers will be forced to work together to occupy a single monopole at the site in the absence of other viable alternatives.

**This removes the Carriers involvement from the project timeline completely, allowing the redevelopment to proceed without further input from the carriers.**

As a separate exercise to the project, the project can implement a strategy to:

- Notify the Carriers that alternate project design plans have been implemented removing the required demolition of the grandstand until 2025.
- Advise the Carriers that their tenure will not be renewed at the grandstand and that they will be required to remove their facilities from the roof prior to or on the date of expiry of their leases.
- Invite carriers, their infrastructure owners and private 'build to suit' investment companies to tender for the right to design a new monopole capable of accommodating all carriers at the site, submit planning documentation and construct the new monopole at their cost prior to expiry of the existing carriers leases. This is to allow commissioning of the new base stations on the monopole allowing continued coverage of the area.
- Whilst Amplitel and ATN will submit proposals, it is recommended the lessor consider an independent private investor willing to deal with both parties.
- Advise the unsuccessful tenderers to liaise with the winning firm to negotiate terms and install equipment prior to the termination of their current sites.

### 3. Host Carriers on New Grandstand

As the redevelopment is still at concept stage, there is an opportunity to consider relocation back onto the new facility. This could be achieved through modification to the design through the design development stage. The potential benefits include:

- Avoidance of a development application with Council for the erection of a new monopole and the potential objection that may create. The carriers could rely on the low impact determination of the Act to install on an appropriately designed roof.
- A suitably designed installation will be much less visually intrusive at the park
- Relocation can be coordinated with the carriers at a suitable time. i.e. The Carriers may remain on the existing grandstand in holdover to meet development timelines.
- As detailed further in the attached Telecommunications report, (Attachment 3) a suitably designed lift motor room core could be utilised to host the Carriers on the site. Shrouding options would also reduce visual impact of the site. Council may also consider electing a third-party infrastructure investor to build the site and manage the Carrier's on Council's behalf.
- As with Option 1, this scenario allows the Carriers to see out their existing tenure on the grandstand and avoids all relocation cost contribution. The additional design modifications, build costs and management of this option will prove to be more than a Monopole scenario, however, it may suit Council's overall objectives as part of the redevelopment of Lathlain Park.

ACTION ITEM
<b>Telecommunication Negotiation</b>
Upon endorsement of preferred Concept Design Option, confirm preferred approach with the assistance of the Property and Leasing team based on the above options.

## 13.0 SUSTAINABLE REDEVELOPMENT PROPOSAL

Throughout the concept phase the TVP issued the endorsed TVP Climate Emergency Plan which outlines a number of sustainability requirements for the TVP. The Plan requires the construction of future council owned buildings and assets to meet either:

- A minimum 5 Star Green Star for New Buildings certification from the Green Building Council of Australia (GBCA) or equivalent, or
- Demonstrate that all minimum requirements under the Green Star for New Buildings Positive category from the GBCA have been met, or
- A minimum 5 Star NABERS Energy and Waste rating for the commercial office space.

The above criteria were reviewed in relation to the suitability for this project. Item 1 listed above will far exceed the budget allocation for the project and therefore was not deemed appropriate for selection, however the sustainability outcome would be the best outcome from all three criteria. Under Item 3 listed above to meet the ratings requirements of 5-Star NABERS Energy and Waste the majority of the council owned asset would be required to be commercial office space which this project is not, resulting in Item 3 not being deemed to be an appropriate selection. The Project Team selected Item 2 listed above as the preferred category for the Sustainability portion of the project. Item 2 requires the below design requirements be met.

### **Upfront Carbon Emissions**

The buildings upfront carbon emissions are at least 10% less than those of a similar building. Achieving the minimum expectation requires a reduction in materials and products global warming potential total (GWPT).

### **Energy use**

The buildings energy use is at least 10% less than that of a similar building. Energy use reduction requires improved façade, and services performance

### **Energy source**

The building provides a Zero Carbon Action Plan  
The building will be provided with Photovoltaic Panels

### **Water use**

The building will be installed with efficient water fixtures or building potable water use is 15% less than a similar building:

- Fixtures in the building will meet WELS ratings of 5-star taps, urinals, and dishwashers, 4-star toilets and washing machines, 3-star showers, or
- Renewable sources of water are provided (Rainwater Collection).

To meet the sustainability requirements listed above will require additional allowance within the project budget for consultant and construction fees, this has been provided within the current Rawlinson's OPC.

Additional sustainability considerations will be undertaken through the design phases of the project, and this will include the consideration around the demolition phase of the existing building/s and the potential re-use of existing materials on-site, the landscape design considering the selection of water hardy, locally sourced plant species and the built form materials selected to with the provision around locally sourced low embodied energy materials within the proposed budget allocation.

ACTION ITEM
<b>Sustainability Approach</b>
Confirm the proposed Sustainability Approach with Elected Members upon the endorsement of a preferred concept design option.

## 14.0 DEMOLITION PROJECT PLAN

A demolition project plan has been included in this document given the complex nature of the redevelopment. The purpose of the demolition project plan is to outline the strategic components, parameters, criteria and implementation measures required to successfully deliver the demolition of the Perth Football Club Grandstand and associated infrastructure.

The following objectives have been established for the demolition project and its success will be measured against them at the conclusion of the works:

1	Remediate in accordance with land use.	An Environmental Consultant's report shall confirm the site has been remediated in accordance with the future land use.
2	Minimise disruption.	The following shall be measured: <ul style="list-style-type: none"> <li>• Minimising impacts to traffic and no traffic accidents involving site vehicles,</li> <li>• Use of dust control to prevent dust monitors going into alarm,</li> <li>• Demolition methodology employed to prevent vibration and acoustic monitors going into alarm,</li> <li>• Stakeholder management controls in accordance with the requirements of an approved management plan.</li> </ul>
3	Maintain programme.	Coordinate and deliver the works in accordance with the approved Project programme.
4	Maintain budget.	Project being completed within the approved budget.
5	Reclaim heritage items for future development.	Remove and retain key heritage items for future re-use in the precinct development. Meet or exceed the sustainability objectives.
6	Retain / do no harm to existing structures.	No adverse impacts to the surrounding heritage buildings/sites.

### SCOPE AND SCOPE MANAGEMENT

The scope of the construction works required to demolish the existing infrastructure across two phases is generally outlined below and includes pre and post demolition works. A detailed scope of works is currently being defined by the project team.

**Pre-demolition:**

- Hazmat survey of existing buildings and infrastructure;
- Heritage Survey to identify any items of high value for retention and re-use;
- Photographic survey of buildings prior to demolition;
- Removal of any items to be re-used;
- Dilapidation survey by approved survey company of buildings and infrastructure within 50m radius of the works; and
- Demolition Permit from Local Authority.

**Demolition:**

- Safe removal of identified hazardous materials prior to wider demolition works;
- Demolition of buildings, infrastructure and services identified on the drawings in a two phased approach;
- Protection and monitoring of adjacent buildings and existing services and infrastructure to be retained; and
- Civil or services forward works (as appropriate).

**Post Demolition:**

- Certification from an appropriately experienced and qualified Environmental Consultant to validate the removal of hazardous materials.

**Important Note**

It is proposed that the Football Club stage of the development be built to the norther portion of the lease area for Scenario’s 1 of option 1 and 2 and option 4. If one of these scenarios is endorsed, it is important to note that a structural engineer has been engaged to identify the structural feasibility of these scenarios. In these scenario’s, the main existing facility will remain in situ whilst the new football facility is constructed. Additionally, it is important to note that the existing staircase on the side of the facility will be removed to allow the new facility to positioned as close to the centre line as possible. The structural engineer has confirmed that this is feasible and will not affect the demolition or the construction of the new facility.

<b>ACTION ITEM</b>
<b>Demolition Project Plan</b>
Confirm the demolition project plan and approach upon Elected Member endorsement of the preferred concept Design Option.

## 15.0 RISK ANALYSIS

The below is a snapshot of the key risks to the project's success. It is proposed that a risk workshop is conducted (post elected member endorsement of preferred concept design option) to ensure all risks are captured and updated and aligned to the Towns Risk Management Policy.

<b>RISK</b>	<b>LEVEL (LOW, MEDIUM, HIGH)</b>	<b>MITIGATION</b>
<b>TIME AND COST ESCALATION DUE TO RELOCATION OF TELECOMMUNICATION TOWERS.</b>	<b>HIGH</b>	<ul style="list-style-type: none"> <li>• Work in close collaboration with Telstra and Vodafone in procuring a mutually agreed outcome</li> <li>• Post endorsement of preferred concept option, confirm approach as noted earlier in the business case.</li> </ul>
<b>COMMUNITY DISSATISFACTION WITH THE DESIGN AND LEVELS OF COMMUNITY AMENITY IN THE NEW BUILDINGS</b>	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>• Consult with residents (focus group) on the proposed design elements and incorporate feedback.</li> <li>• Organise additional community engagement session post endorsement of preferred concept design option.</li> </ul>
<b>SATISFACTION WITH THE LEVEL OF CONSULTATION AND INVOLVEMENT IN DECISION-MAKING</b>	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>• Work with the community groups to confirm the comprehensiveness of stakeholder mapping and continue to add stakeholders to the stakeholder register throughout the project.</li> <li>• Use the Town's stakeholder email database to send regular updates.</li> <li>• Prepare communications and start engaging early prior to the commencement of demolition / construction activities</li> </ul>
<b>INCREASED PRESSURE ON LIMITED CARPARKING</b>	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>• Ensure the Town's parking requirements are incorporated into the design of the new building/s</li> <li>• Set aside area for contractor parking.</li> <li>• Require contractors to use designated parking areas only</li> <li>• Communicate the number of additional bays being added to the area.</li> <li>• Improved wayfinding from the station for game / feature days</li> </ul>



<p><b>PERTH FOOTBALL CLUB RELOCATED FOR MORE THAN TWO SEASONS</b></p>	<p><b>HIGH</b></p>	<ul style="list-style-type: none"> <li>• Strategic Projects Manager and Lead design consultant to work closely with approval authorities including the town to ensure time efficiencies</li> <li>• Strategic Projects Manager and Lead design consultant to develop program that includes touch points with council</li> <li>• Strategic Projects Manager and Lead design consultant to investigate time savings that can be achieved through innovative procurement models for contractors.</li> <li>• If scenario 1 for concept design option's 1 &amp; 2 or Option 4 are endorsed, this will be mitigated.</li> </ul>
<p><b>NO AGREEMENT REACHED ON THE MANAGEMENT MODEL AND PFC BEING DISSATISFIED.</b></p>	<p><b>HIGH</b></p>	<ul style="list-style-type: none"> <li>• Develop model with PFC involvement and if required procure an independent consultant with relevant experience.</li> <li>• Continue to work with stakeholders post endorsement of preferred concept design option to reach a mutually agreed outcome.</li> <li>• Use the advice contained in this paper as the starting point for negotiations.</li> </ul>
<p><b>GENERAL DESIGN RISKS</b></p>	<p><b>LOW</b></p>	<ul style="list-style-type: none"> <li>• A Risk and Value Management workshop will be held with the Lead design Architects to identify any further design risks</li> <li>• Obtain industry advice to ascertain the best time to procure contractors to mitigate paying a premium due to the current economic factors leading to high escalation.</li> </ul>
<p><b>CONTRACTOR PROCUREMENT RISKS</b></p>	<p><b>LOW</b></p>	<ul style="list-style-type: none"> <li>• Only WALGA pre-approved Tier 1 and 2 panel contractors will be invited to tender.</li> <li>• Financial assessment will be undertaken on preferred contractor before contract award</li> </ul>
<p><b>GENERAL CIVIL CONSTRUCTION RISKS</b></p>	<p><b>LOW</b></p>	<ul style="list-style-type: none"> <li>• A pre-works risk workshop will be held with the appointed contractor and all project stakeholders to identify project risks and agree mitigating measures over the course of the program of works.</li> </ul>
<p><b>TRAFFIC MANAGEMENT AND LOCAL ACCESS, SAFETY, ACCESS AND CONVENIENCE FOR ROAD USERS</b></p>	<p><b>MEDIUM</b></p>	<ul style="list-style-type: none"> <li>• Work with contractor to ensure traffic management issues are included in the broader stakeholder communications, specifically, communications related to site deliveries, traffic and parking disruption and changes.</li> </ul>

## 16.0 PROJECT DELIVERABLES BY QUARTER

The below is a project timeline of project deliverables to guide the project.

<b>Quarter 1 2022/23</b>
<ul style="list-style-type: none"> <li>• Refine concept design based on feedback</li> <li>• Council Endorsement of preferred Concept Design</li> <li>• Design development of preferred Concept Design</li> <li>• LPAG Presentation of preferred Concept Design</li> <li>• Prepare DA submission and Approval Process for grandstand component</li> <li>• Confirm Demo Project Plan</li> <li>• Community engagement testing endorsed option</li> </ul>
<b>Quarter 2 2022/23</b>
<ul style="list-style-type: none"> <li>• DRP 2 – Documentation and Presentation</li> <li>• Design Revisions from DRP 2</li> <li>• Final Concept Design Report for Council Endorsement</li> <li>• Prepare DA submission and approval Process</li> <li>• Detailed Design Development</li> <li>• Demo Contract Award - Demolition</li> </ul>
<b>Quarter 3 2022/23</b>
<ul style="list-style-type: none"> <li>• Detailed Documentation</li> </ul>
<b>Quarter 4 2022/23</b>
<ul style="list-style-type: none"> <li>• Contractor Procurement – Construction New Facility</li> <li>• Demolition PC</li> </ul>
<b>Quarter 1 2023/24</b>
<ul style="list-style-type: none"> <li>• Commence New Facility Construction</li> </ul>
<b>Quarter 2 2023/24</b>
<ul style="list-style-type: none"> <li>• Construction of new Facility</li> </ul>
<b>Quarter 2 2025/26</b>
<ul style="list-style-type: none"> <li>• Practical Completion of new facility</li> </ul>
<b>Quarter 3 2025/26</b>
<ul style="list-style-type: none"> <li>• Commissioning of new facility</li> <li>• PFC move into their new accommodation</li> </ul>

## 17.0 SUMMARY OF OPTIONS

The following options were endorsed by the elected members to develop into concept designs. Additionally, as the project team encountered a number of constraints along the design process, it was deemed appropriate to explore two scenario's for option 1 and 2. Those being:

- 3. Scenario 1:** Given the known constraints a scenario has been explored whereby the redevelopment occurs to the north of the existing facility to allow Perth FC to continue their operations during construction and to allow the Telecommunication leases to continue.
- 4. Scenario 2:** The new facility to be located where the existing facility is located meaning the demolition of existing facility to occur as the first phase of the redevelopment.

### **Option 1: Low Intervention (Scenario's 1 & 2)**

Is the baseline model which delivers the Perth FC infrastructure including a Grandstand as well as community accessible function space. This brief has been endorsed by the elected members at the August 2021 OCM.

### **Option 2: Low Intervention plus future proof (Scenario's 1 & 2)**

Includes all of the elements from Option 1 plus creating provision for the second stage without developing the fitout.

### **Option 3: Medium Intervention**

This was to include all elements from Option 1 plus cater for the known funding as specified in the Waalitj/Banjima EOI submission. This was deemed uneconomical to develop as it wasn't going to deliver additional community outcomes or Waalitj outcomes.

### **Option 4: High Intervention**

Includes all of the elements from Option 1 plus provides provision for the aspirational desired outcomes as set out in the Waalitj EOI and elected member endorsed brief.

## 18.0 OPTION 1 – LOW INTERVENTION (SCENARIO'S 1 & 2)

### **DESCRIPTION**

Option 1 has been endorsed by the elected members and acknowledges that it meets the requirements of the Federal Grant. It is also noted that it represents the low intervention option. All additional options include this concept design however are expanded upon in terms of delivery outcomes.

The accommodation schedule meets the requirements of similar exemplar facilities and aligns with the Australian Football Leagues (AFL) 2021 Venue Guidelines and other state sporting body requirements. The AFL 2021 Venue Guidelines determines requirements based on the category of sporting venue. Minerals Resource Park is a Category 4 venue as it can host an AFLW, Pre-Season

Competition Match and/or is recommended for State League Centres of Excellence. With the increase in participation by women in football and the Perth Football Clubs decision to be included in 2025 to the WAFLW fixture, the accommodation schedule makes provision for a dedicated Women's Home Changeroom and facilities for women's football with the Away Changeroom being designed as a Unisex Changeroom to be utilised by both Male and Female Away Teams. The accommodation schedule also aligns with the current National Construction Code (NCC). This accommodation schedule was reviewed by Rawlinson's to ensure that areas proposed aligned with the projects current budget allocation.

To consider the suitable siting for the future PFC facility noted as Concept Option 1, this report presents two scenarios noted as Scenario 1 North and Scenario 2 South these are explained below and evaluated as to the preferred scenario for the redevelopment of LPZ1.

## **FUNCTIONAL ELEMENTS – BRIEF**

Concept Option 1 has been presented to stakeholders of the PFC. Concept Option 1 stretches over three levels which includes the Ground Floor located level to the Oval, the First Floor which is located level to Goddard Street and the Second Floor which is located one floor above the Goddard Street Level. The following text identifies the functions on each level reflecting the provided design documents.

### **Ground Floor/Oval Level**

The Ground Floor/Oval Level is designed in three distinct zones indicated as Public, Players/Umpires and Staff. Access to this level is provided by lift and stairs from the Goddard Street Lobby or restricted access from the external lift and stairs to the north of the building. Access from service vehicles including Ambulance and Equipment Vehicle on Game Day is from the southern entry to the corridor from this level.

### **Public Zone**

The Public Zone fronting the Oval includes toilet facilities for patrons to the football and direct Players and Umpires access to the Oval. To ensure safety for all Players, Staff and Umpires temporary removable fencing is provided to create unimpeded access by Players, Football Staff and Umpires to the Oval.

### **Players/Umpires Zone**

The Players Zone includes all Football Home and Away Changerooms and includes Umpires Changeroom, Players Gymnasium, Warmup Space and dedicated Medical Room. These spaces are designed to meet the Category 4 Venue Guidelines along with the current AFLW standards. A necessity was to provide a Gymnasium and Warmup Space for PFC direct to the Oval to enable training to be managed effectively across both the Oval and Warmup/Gymnasium Space. Additionally, whilst in use both Changerooms can be accessed from the adjacent corridor. Changerooms for PFC are equipped with lockers and bench seating for players with direct access to toilets, showers and ice baths.

## **Staff Zone**

The Staff Zone includes Coaches' Office, Theatre, and Doctors'/Drug Testing Room, Laundry, and Equipment Storerooms specific for PFC. Additional PFC Staff facilities within this zone include PFC Staff Changerooms and End of Trip Facilities (EOTF), Coolroom, Dry Store, Storerooms and Communication Room. A corridor extending the length of the building provides ease of access on game day for coaches and players and is secure at specific locations to maintain appropriate levels of security.

## **Goddard Street Level**

The Goddard Street Level is designed in three distinct zones indicated as Seating, Function and Administration. Access to this level is provided direct from Goddard Street to the west through the Lobby or through the future Public Entry to the south. Access for Service vehicles including Ambulance and Equipment Vehicle on Game Day is from the southern end of the building down a ramp to the Ground Floor/Oval Level or via the existing crossover to the north. Further information is provided in this report in relation to access provisions for this option.

## **Seating Zone**

The Seating Zone fronting the Oval is typical covered tiered seated stadium for 800 patrons. This seating is divided into four main areas on game day with allocation to VIP's, Members, General Patrons, and Away Team Members and Patrons. Locations of seating for wheelchair and universal requirements are distributed evenly across the length of the top tier of seating and meet current AS1428.1 and DDA requirements. Access to the seating is provided from the Function Zone, the future Public Entry to the venue or via a number of staircases from Oval Level.

## **Function Zone**

The Function Zone includes all Function Rooms including Bars, Commercial Kitchen, Served, Coolroom, Dry Store, Chair and Table Storerooms and Toilet Facilities. The Function Rooms are designed to act independent of each other with direct access to all facilities needed to run a standalone function. Alternatively, these Function Rooms can be joined together to hold larger functions up to 280 people seated with direct views of the Oval and Darling Ranges to the distance. Access to the Function Zone is direct from the Goddard Street Lobby with staff restricted access to Lift and Stairs. The Engagement Report (Hames Sharley, 2022) indicated a number of spatial requirements for community members interested in utilising the Function Rooms and these have all been provided within the Function Zone.

## **Administration Zone**

The Administration Zone includes the Lobby and Office Administration space for the Perth Football Club and WAFC Staff.

The Lobby is accessed from Goddard Street and has direct line of sight to the Oval. The Lobby is utilised as the main meeting space for those accessing the facility throughout the week and is maintained by the PFC Reception and PFC Merchandise Area. The Lobby doubles as the major gallery space for the Perth Football Club with the exhibition of memorabilia, cups, footballs, framed photos,

prints and guernseys etc presented within the wall space of the Lobby. Access to other areas on the Goddard Street Level and upper and lower floors within the building is maintained through appropriate levels of secure access i.e., swipe card.

Adjacent the Lobby is the Administration Area. The current number of dedicated workstations is still to be determined through discussions with PFC and WAFC however the space allocated is suitable and has been discussed with PFC and WAFC Stakeholders. The types of activity undertaken in this area are akin to a standard office work setting i.e., desktop computer, desks and filing cabinets and will include a kitchenette and meeting areas as required.

### **Second Floor Level**

The Second Floor Level includes all Coaches Rooms, Statisticians, Timekeepers, Umpires' Box, Media, and Print rooms for Game Day. These rooms will be acoustically controlled with access to all media, satellite, and electronic needs in line with the AFL Venue Guidelines and in close consultation with Media and Print organisations.

These spaces are provided with clear unobstructed sight lines to the Oval. To maximise the utilisation of these spaces on non-game day these are utilised as office space during the week by PFC with workstations secured in lockers on game days. Access to this level is from the external staircase and lift to the north of the building which is provided direct access to the Oval for quarter time and three-quarter time and into the Ground Floor Oval Level prior to the game, Half time and upon completion.

### **Pedestrian Access**

Pedestrian Access is maintained for the length of Goddard Street with variations to the existing footpath. Main pedestrian access points to LPZ1 are to the Lobby and the Main Public Entry fronting Goddard Street. All pedestrian access locations and footpaths meet the current DDA requirements.

### **Vehicle Access**

Access to the existing secure parking to the north of LPZ1 is maintained by the retention of the existing crossover at Goddard Street. The access to this section of parking will be accessible throughout the construction period.

Additional vehicle access is provided into LPZ1 by a dedicated and controlled ramp from Goddard Street this will only be utilised on game day by the Ambulance and Equipment Store Vehicle. The location of this ramp has been carefully considered to minimise removal of existing vegetation fronting Goddard Street.

### **Carparking**

Permit Only on Street Parking is proposed along Goddard Street for use by PFC. All parking is suitably located between existing trees on site or distributed evenly along Goddard Street with a future well shaded tree canopy provided every three car bays. This proposal of parking has been initially discussed with the Director of Planning at ToVP and the ToVP Design Review Panel.

**ToVP Waste Collection**

The Bin Storage Area is proposed to the current location to the northern edge of LPZ1. A future solid gate and fence have been proposed to mitigate the unsightly view of the Bin Storage Area from the more public areas of the surrounding area. Bins are located at Ground Level adjacent the Oval for use on Game Day and in the Commercial Kitchen and Bar areas.

**Private Grease Trap Access**

The future Grease Trap is proposed to be in the Bin Storage Area fronting Goddard Street with use of the existing retained crossover for access by private collection.

**CONCEPT DESIGN**

OPTION 1

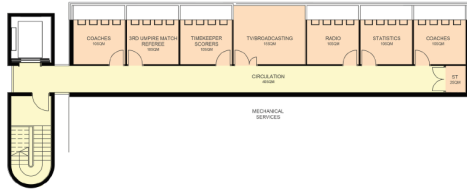
**Oval Level Ground Floorplan**

Scale 1:200



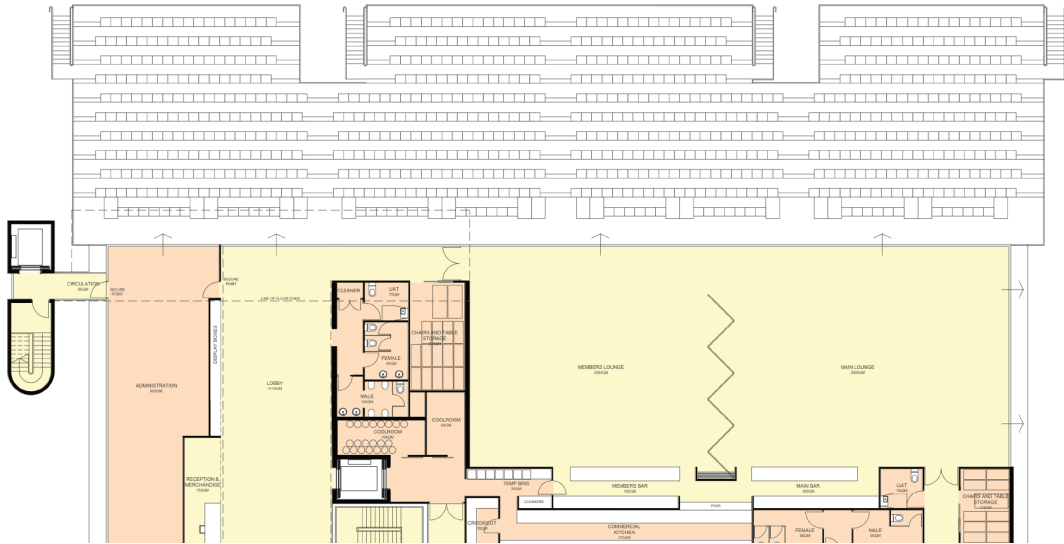
## Second Floorplan

Scale 1:200



## Goddard Street First Floorplan

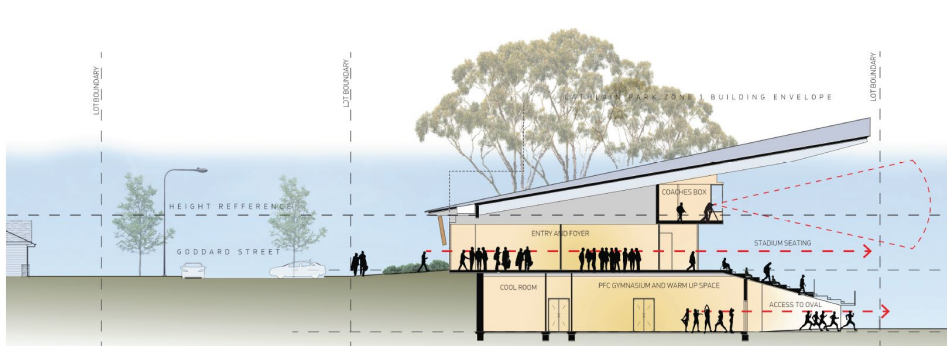
Scale 1:200



OPTION 1

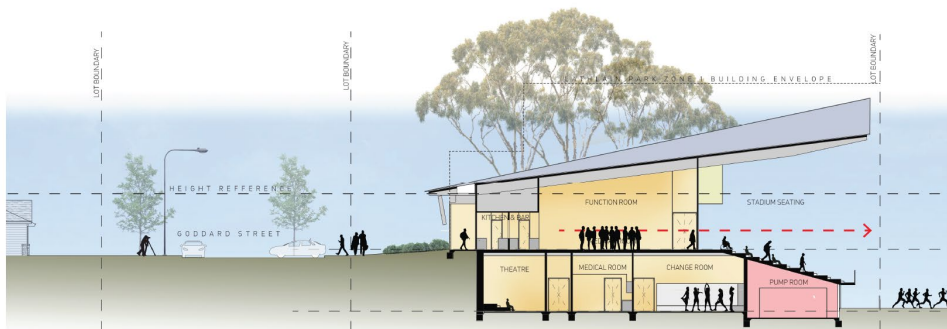
## Section A

Scale 1:300



## Section B

Scale 1:300



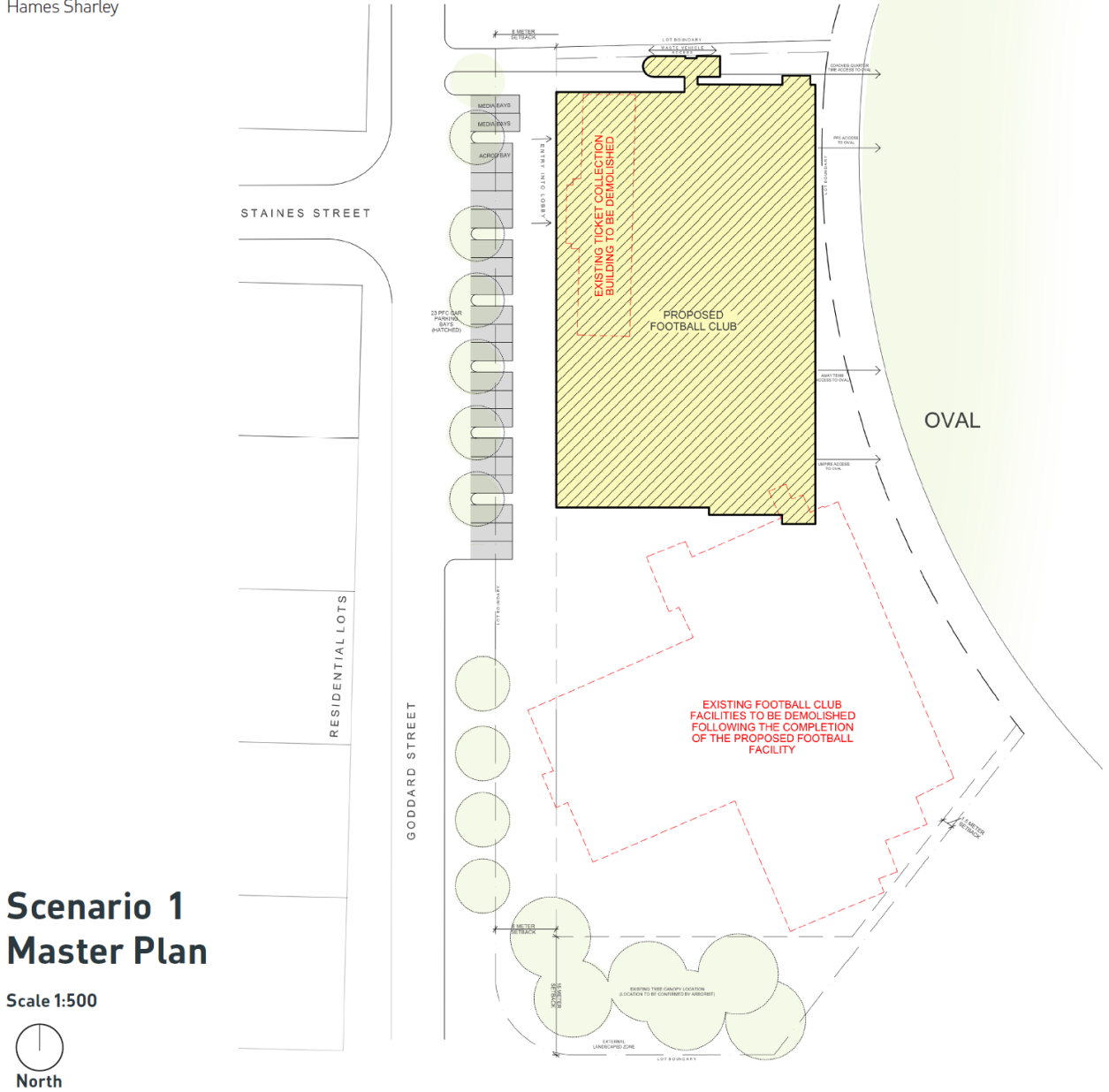


**SCENARIO MASTER PLANS**

Two Scenarios have been developed for Option 1 and Option 2. The scenarios have been developed in response to a number of site and development constraints.

Scenario 1 Master Plan – North

Hames Sharley



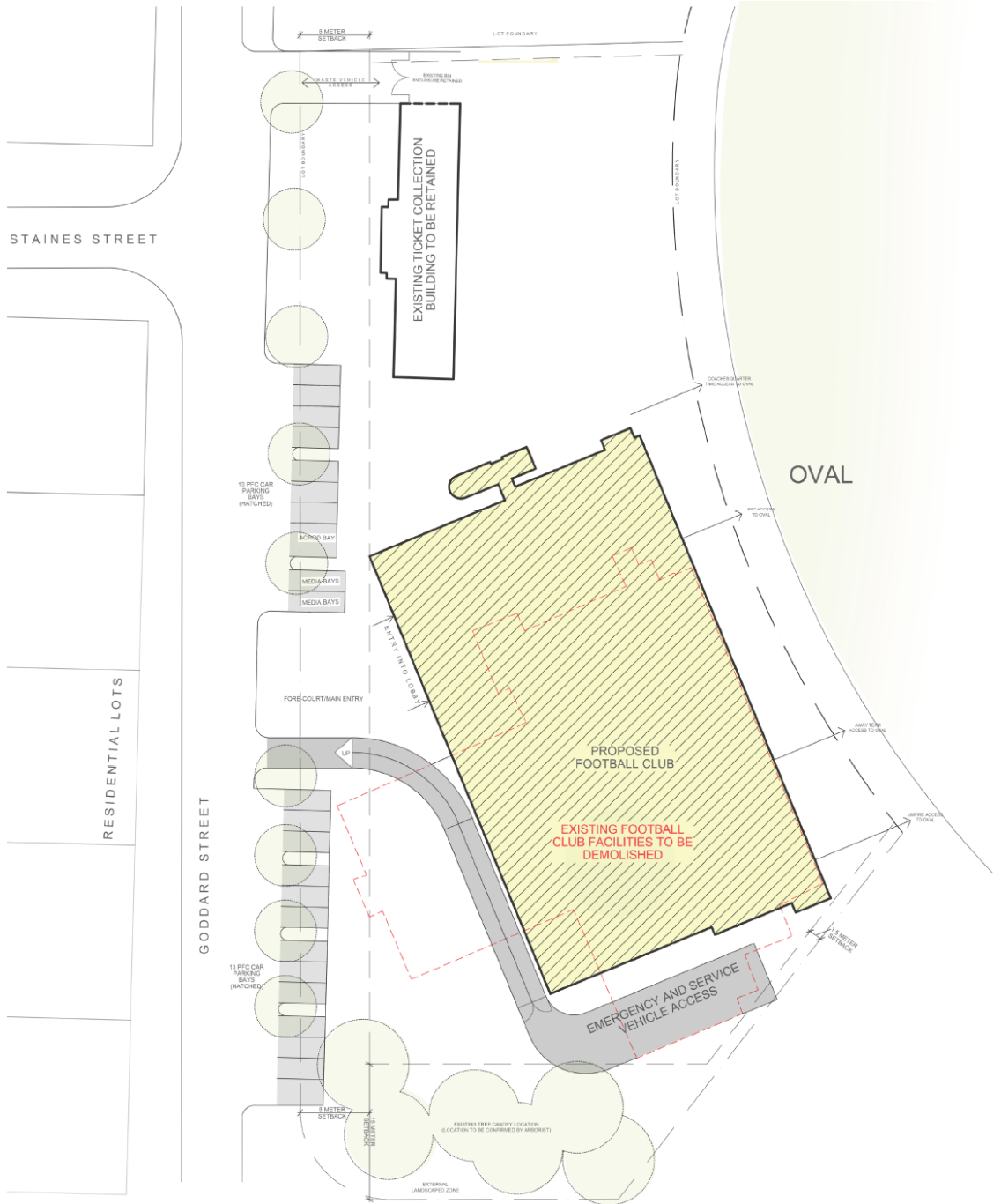
**Scenario 1  
Master Plan**

Scale 1:500



Scenario 2 Master Plan – South

OPTION 1



## Scenario 2 Master Plan

Scale 1:500



## Scenario 1 North

This scenario proposes siting the future PFC facility to the north of LPZ1. In this scenario the existing PFC Ticketing Building will be required to be demolished prior to construction starting of the future PFC Facility with the Main Patron Entry on Game Day to utilise the existing Entry from the north-eastern corner of Mineral Resources Park.

### Advantages

This scenario provides a number of advantages to the redevelopment of LPZ1 which include:

- Retains the use by PFC of their existing facility throughout the construction period.
- Potential to minimise temporary relocation costs for PFC.
- Enables a longer-term process for ToVP to finalise the telecommunications contracts and relocation of services from the existing PFC facility.
- Retains potential revenue sources for PFC via retention of the Function Centre and Game Day Food/Beverage offerings and Game Day Presidents Lounge and Members Seating (TBC by PFC).
- Provides adequate development opportunities to the south of the future PFC facility for potential ToVP long term development opportunities or PFC long term expansion.
- Maintains the same level of training and coaching throughout the construction period through the retention of their existing PFC facility; and
- Maintains the use of facilities for visiting teams throughout the construction phase.

### Disadvantages

This scenario presents disadvantages to the redevelopment of LPZ1 which include:

- Stadium Seating and Function Spaces are located further north than the more preferred location to the wing location of Mineral Resources Park,
- Relocation of the Main Patron Entry on Game Day to the existing north-eastern Entry to the field throughout the construction period. This is considered a longer walk to the main attraction areas around the Oval. Potential access could be provided through the Function Centre however this is not preferred and does not meet current DDA Compliance.
- Requires the removal the existing at grade parking bays north of the existing PFC facility within LPZ1, with enabling works required for future at grade perpendicular street parking prior to construction starting.
- Provides a staged long term construction timeframe for the completion of LPZ1.
- Presents a perceived half complete redevelopment until future development is initiated with the southern portion of LPZ1 remaining as green space; and
- Removes large areas of grassed tiered seating area minimising the potential revenue stream of patrons on Game Day (TBC by PFC).

## Scenario 2 South

This scenario proposes siting the future PFC facility to the south of LPZ1 over the existing footprint of the PFC Facility. In this scenario the existing PFC Ticketing building will remain as the Main Patron Entry on Game Day.

### Advantages

This scenario provides a number of advantages which include:

- Stadium Seating and Function Spaces located directly opposite the wing in the preferred location.
- Retains the existing PFC Ticketing Building for use throughout the construction period and beyond.
- Removes a large area of grassed tiered seating area minimising the potential revenue stream of patrons on Game Day (TBC by PFC).
- Provides a single-phase short-term construction time frame for the completion of LPZ1.

### Disadvantages

This scenario presents disadvantages which include:

- Requires the demolition of the existing PFC Facility with the provision of temporary PFC Office and Changeroom facilities throughout the construction phase.
- Requires off site storage or additional onsite accommodation by PFC.
- Increases the relocation costs for PFC (TBC by PFC).
- Requires earlier decision making and compromised negotiation position for ToVP for the telecommunications contracts and relocation of services from the existing PFC facility.
- Prohibits the potential for PFC to maintain adequate levels of training and coaching throughout the construction period through the early demolition of their existing PFC facility.
- Impacts visiting teams using temporary facilities throughout the construction phase.
- Potential loss in revenue sources for PFC through the loss of the Function Space, Game Day Food/Beverage Offerings and Stadium Seating throughout the construction period (TBC by PFC). and
- Prohibits additional large scale development opportunities post construction to LPZ1 for potential ToVP long term development opportunities or PFC long term expansion

## CAPITAL COST

The Capital Cost estimate for the construction of the new facility has been prepared by the consultant quantity surveyors in Rawlinson's. The budget for this option was set in August 2021 of \$14.2m plus GST. Since then due to a range of external economic factors there has been a significant rise in escalation for building materials and labour costs. Further work will be required with the project team

and elected members to finalise the budget, design and cost estimate. The following table reflects a summary of the key project costs, scope, inclusions and general allowances.

### Option 1 - Scenario 1

Item	Project Budget
Grandstand and associated building	\$8,840,000
External Works and Services incl. Preliminaries	\$3,262,000
Design Contingency @ 5%	\$606,000
Construction Contingency @ 7.5%	\$960,000
Relocation Costs	\$25,000
Positive Category GBCA	\$775,000
Fit out costs – Lump Sum	\$600,000
Headworks and Statutory Charges	\$190,000
Professional Fees incl. Contingency – Lump Sum	\$1,300,000
Building Act Compliance	\$41,000
ToVP Fees	\$480,000
Public Artwork @ 0.5%	\$61,000
<b>Total Project Cost</b>	<b>\$17,134,000</b>
Escalation to March 2023	\$858,000
<b>Total Project Estimated Cost excl GST.</b>	<b>\$17,992,000</b>
GST	\$1,799,200
<b>Total Estimated Cost Excl. GST</b>	<b>\$19,791,200</b>

### Option 1 – Scenario 2

Item	Project Budget
Grandstand and associated building	\$8,744,000
External Works and Services incl. Preliminaries	\$2,706,000
Design Contingency @ 5%	\$573,000
Construction Contingency @ 7.5%	\$902,000
Relocation Costs	\$25,000
Positive Category GBCA	\$775,000
Fit out costs – Lump Sum	\$600,000
Headworks and Statutory Charges	\$190,000
Professional Fees incl. Contingency – Lump Sum	\$1,300,000
Building Act Compliance	\$39,000
ToVP Fees	\$480,000
Public Artwork @ 0.5%	\$58,000
<b>Total Project Cost</b>	<b>\$16,392,000</b>
Escalation to March 2023	\$820,000

Total Project Estimated Cost excl GST.	\$17,212,000
GST	\$1,721,200
Total Estimated Cost Excl. GST	\$18,933,200

## LIFECYCLE COSTS

Includes the Football grandstand and associated football infrastructure including a community function centre. This cost analysis covers both scenario A and B.

The lifecycle Cost Analysis has been developed through analysis of the options and consideration of the typical asset inventory for each. Each asset is reviewed and allocated:

- A forecast end-of-life date and replacement cost based on the typical useful life and probable order of cost of the asset. This constitutes the Renewable Plan, and
- Planned Preventative Maintenance task(s) and cost(s) based on Australian Standards and Industry Guidance documentation.

In addition, Operational Cost has been included but only relating to utility costs.

Option 1					
Lifecycle	2025	2026	2027	2028	2029
Renewals	\$0	\$0	\$0	\$0	\$0
Planned Preventative Maintenance	\$36,306	\$33,892	\$35,079	\$36,306	\$35,577
Operational	\$108,277	\$112,015	\$115,936	\$119,993	\$124,193
Lifecycle	2030	2031	2032	2033	2034
Renewals	\$0	\$0	\$0	\$109,896	\$0
Planned Preventative Maintenance	\$39,320	\$40,254	\$41,662	\$43,121	\$44,630
Operational	\$128,540	\$133,039	\$137,695	\$142,515	\$147,503

In general, the rule of thumb for the breakdown of the operational life cycle cost would see the renewals and the planned preventative Maintenance sit with the Town and the Operational costs to sit with the lessee. This is based on the fact that all services / utilities are an ongoing cost related to the operation of the building by the lessee. The renewals apportionment should largely be related to significant building infrastructure with the exception of equipment and security which is used on a day-to-day basis to generate income and manage the facility. The renewal and preventative maintenance of those large items which are integral to the buildings fabric such as the electrical system, lifts, fire, aircon etc. would normally be the responsibility of the building / landowner (the Town should ensure HSE obligations are met and maintain a record on an ongoing basis of the quality of the asset). The only exception may be mechanical where it relates to non-fixed equipment which are used to generate income for the operator. The full lifecycle report is referred to as attachment 7.

## POTENTIAL INCOME

The Perth FC are currently on a hold over lease and pay a peppercorn rent for use of the facility whilst also receiving a subsidy in the order of \$50,000 (two instalments per year) from the Town.

Given this will be a brand-new facility it proposed that this will change. Advice has been sought from an independent sport specialist consultant and a licenced property valuer to ascertain what potential future rent could be achieved for the proposed facility. Whilst there are precedents set around Western Australia and in the eastern states of Australia, each circumstance is quite different and specific to different local authorities.

A detailed analysis sits within this paper regarding the proposed management model for each of the options. The proposed management model takes into account a number of factors to help understand what an appropriate rental fee is acceptable to the Perth FC. It recommends getting valuation advice to help underpin the proposed rent.

This rental advice was obtained in May 2022 and advised a proposed a high-level estimate rental range of between \$30,000 and \$75,000 pa. exclusive of maintenance and all other variable outgoings/consumption charges and GST.

It is noted that this range does not capture the impacts of several factors including the impact of community use free of charge.

## COST BENEFIT TO THE TOWN

A high-level operational cash flow has been completed for this option. It assumes a rental income of \$75,000 pa. with a nominal increase of CPI of 3% every year. It is noted that review clauses would need to be agreed to however for the benefit of this analysis it looks at the first 5 years with no review. The costs to the town have been calculated using the above lifecycle costings only accounting for what the Town is liable for under this proposal.

	Year 1	Year 2	Year 3	Year 4	Year 5
Income	\$75,000	\$77,250	\$79,568	\$81,955	\$84,414
Expenditure	\$36,306	\$33,892	\$35,079	\$36,306	\$35,577
Net Surplus	\$38,694	\$43,358	\$44,489	\$45,649	\$48,837

Across the first five years of the life of the asset, the Town will net \$221,027. It is noted that as the age of the asset increases the more lumpy renewal items need replacing. The rental income can act as a sinking fund to account for these costs and potentially contribute to the replacement cost of the entire asset in the long-term future.

## FUNDING

This option has committed funding of \$14.2m plus GST. This is made up of \$4m from the federal government, \$4m from the state government. \$1m from the West Coast Eagles and the Town has committed \$5m in the long-term financial plan for this project. Funding Agreements have been executed with the Federal and State governments. The federal government have advised that their funding contribution needs to be spent and acquitted by June 30, 2026.

Additionally, the Western Australian Football Commission has committed \$200,000 to the project.

## **19.0 OPTION 2 - LOW INTERVENTION PLUS FUTURE PROOF (SCENARIO'S 1 & 2)**

### **DESCRIPTION**

This option proposes the development on LPZ1 for a future Perth Football Club Facility and maintains the location, design and accommodation schedule as proposed in Option 1. Following recent engagement and upon review of previous data provided by ToVP it was deemed necessary to explore the potential for creating potential space to be owned by ToVP within the PFC Facility and designed to be flexible for fit out as required. The Community Engagement Report (Hames Sharley, 2022) indicated an interest by the community for a number of facilities including function spaces, meeting rooms, workshop and studio spaces and these spaces could be provided within the ToVP Future Fit Out Space.

Option 2 proposes an expansion of the Second Floor located above the Goddard Street Level with the retention of all Coaches Rooms, Statisticians, Timekeepers, Umpires' Box, Media, and Print spaces by PFC as indicated in Option 1 with the expansion to the west of a cold shell space fronting onto Goddard Street for the management of ToVP. The extent of floor space has been determined by the current NCC requirements for fire egress with the existing fire stair to the north utilised as the main path of egress along with the current building envelope for LPZ1 indicated under the Lathlain Park Management Model. The ToVP Future Fit Out Space is provided with adequate amenity and has been calculated to provide the ToVP flexibility in potential future use. Access to the ToVP Future Fit Out Space is through the Lobby and staircase on the Goddard Street Level.



**CONCEPT DESIGN**

OPTION 2

**Oval Level Ground Floorplan**

Scale 1:200

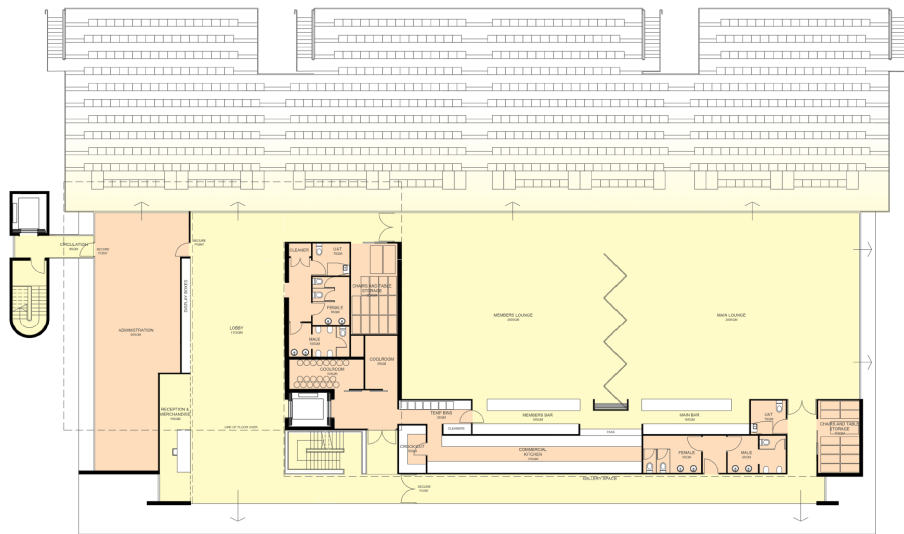


Hames Sharley

June - 2022

**Oval Level Ground Floorplan**

Scale 1:200





**Section A**

Scale 1:200

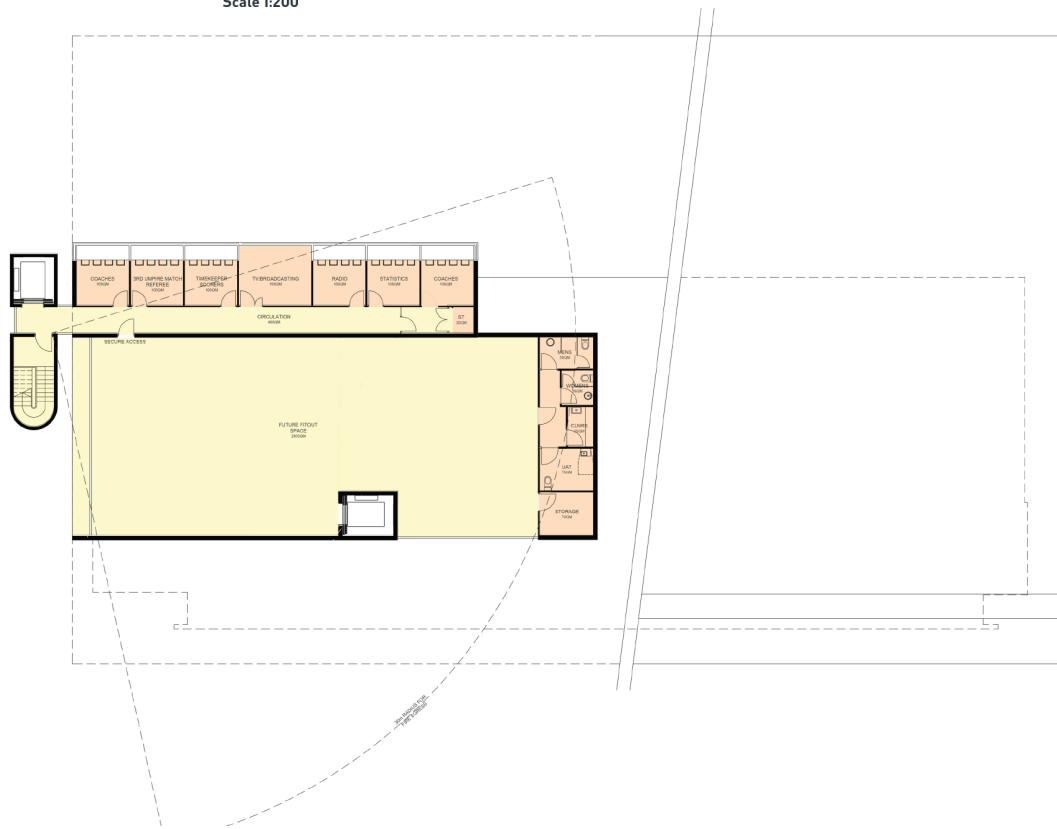
OPTION 2

**Oval Level Ground Floorplan**

Scale 1:200



North



## SCENARIO MASTER PLANS

Two Scenarios have been developed for Option 1 and Option 2. The scenarios have been developed in response to a number of site and development constraints.

### CAPITAL COSTS

#### Option 2 – Scenario 1

Item	Project Budget
Grandstand and associated building	\$9,161,000
External Works and Services incl. Preliminaries	\$3,262,000
Design Contingency @ 5%	\$622,000
Construction Contingency @ 7.5%	\$979,000
Relocation Costs	\$25,000
Positive Category GBCA	\$775,000
Fit out costs – Lump Sum	\$600,000
Headworks and Statutory Charges	\$190,000
Professional Fees incl. Contingency – Lump Sum	\$1,300,000
Building Act Compliance	\$43,000
ToVP Fees	\$480,000
Public Artwork @ 0.5%	\$63,000
Total Project Cost	\$17,500,000
Escalation to March 2023	\$876,000
Total Project Estimated Cost excl GST.	\$18,376,000
GST	\$1,837,600
Total Estimated Cost Excl. GST	\$20,213,600

#### Option 2 – Scenario 2

Item	Project Budget
Grandstand and associated building	\$9,066,000
External Works and Services incl. Preliminaries	\$2,706,000
Design Contingency @ 5%	\$589,000
Construction Contingency @ 7.5%	\$928,000
Relocation Costs	\$25,000
Positive Category GBCA	\$775,000
Fit out costs – Lump Sum	\$600,000
Headworks and Statutory Charges	\$190,000
Professional Fees incl. Contingency – Lump Sum	\$1,300,000
Building Act Compliance	\$40,000
ToVP Fees	\$480,000

Public Artwork @ 0.5%	\$59,000
Total Project Cost	\$16,758,000
Escalation to March 2023	\$839,000
Total Project Estimated Cost excl GST.	\$17,597,000
GST	\$1,759,700
Total Estimated Cost Excl. GST	\$19,356,700

## LIFECYCLE COSTS

Includes the elements included in Option 1 plus a shell on the third floor for future fit out. This cost analysis covers both scenario A and B.

The lifecycle Cost Analysis has been developed through analysis of the options and consideration of the typical asset inventory for each. Each asset is reviewed and allocated:

- A forecast end-of-life date and replacement cost based on the typical useful life and probable order of cost of the asset. This constitutes the Renewable Plan, and
- Planned Preventative Maintenance task(s) and cost(s) based on Australian Standards and Industry Guidance documentation.

In addition, Operational Cost has been included but only relating to utility costs.

Option 2					
Lifecycle	2025	2026	2027	2028	2029
Renewals	\$0	\$0	\$0	\$0	\$0
Planned Preventative Maintenance	\$37,460	\$34,969	\$36,193	\$37,460	\$38,771
Operational	\$113,939	\$117,927	\$122,055	\$126,327	\$130,748
Lifecycle	2030	2031	2032	2033	2034
Renewals	\$0	\$0	\$0	\$120,921	\$0
Planned Preventative Maintenance	\$40,555	\$41,532	\$42,986	\$44,490	\$46,047
Operational	\$135,324	\$140,061	\$144,963	\$150,036	\$155,288

In general the rule of thumb for the breakdown of the operational life cycle cost would see the renewals and the planned preventative Maintenance sit with the Town and the Operational costs to sit with the lessee. This is based on the fact that all services / utilities are an ongoing cost related to the operation of the building by the lessee. The renewals apportionment should largely be related to significant building infrastructure with the exception of equipment and security which is used on a day-to-day basis to generate income and manage the facility. The renewal and preventative maintenance of those large items which are integral to the buildings fabric such as the electrical system, lifts, fire, aircon etc. would normally be the responsibility of the building / landowner (the Town should ensure HSE obligations are met and maintain a record on an ongoing basis of the quality of the asset). The only exception may be mechanical where it relates to non-fixed equipment which are used to generate income for the operator. The full lifecycle report is referred to as attachment 7.

## POTENTIAL INCOME

The Perth FC are currently on a hold over lease and pay a peppercorn rent for use of the facility whilst also receiving a subsidy in the order of \$50,000 (two instalments per year) from the Town.

Given this will be a brand-new facility it proposed that this will change. Advice has been sought from an independent sport specialist consultant and a licenced property valuer to ascertain what potential future rent could be achieved for the proposed facility. Whilst there are precedents set around Western Australia and in the eastern states of Australia, each circumstance is quite different and specific to different local authorities.

A detailed analysis sits within this paper regarding the proposed management model for each of the options. The proposed management model takes into account a number of factors to help understand what an appropriate rental fee is acceptable to the Perth FC. It recommends getting valuation advice to help underpin the proposed rent.

This was obtained in May 2022 and advised a proposed a high-level estimate rental range of between \$30,000 and \$75,000 pa. exclusive of maintenance and all other variable outgoings/consumption charges and GST.

It is noted that this range does not capture the impacts of several factors including the impact of community use free of charge.

In addition, this option has the potential rental income from the top floor that has been added over and above option 1. This equates to 280 sqm of net lettable area. This could be rented out to a third party at a commercial rate of \$200 sqm to help offset costs. This equates to an additional \$56,000 pa. exclusive of maintenance and all other variable outgoings/consumption charges and GST.

## COST BENEFIT TO THE TOWN

A high-level operational cash flow has been completed for this option. It assumes a rental income of \$75,000 pa. with an increase of CPI of 3% every year for the football club component and \$56,000 for the additional floor of lettable area. It is noted that review clauses would need to be agreed to however for the benefit of this analysis it looks at the first 5 years with no review. The costs to the town have been calculated using the above lifecycle costings only accounting for what the Town is liable for under this proposal.

	Year 1	Year 2	Year 3	Year 4	Year 5
Income	\$131,000	\$134,930	\$138,978	\$143,147	\$147,441
Expenditure	\$37,460	\$34,969	\$36,193	\$37,460	\$38,771
Net Surplus	\$93,540	\$99,961	\$102,785	\$105,687	\$108,670

Across the first five years of the life of the asset, the Town will net \$510,643. It is noted that as the age of the asset increases the more lumpy renewal items need replacing. The rental income can act as a sinking fund to account for these costs and potentially contribute to the replacement cost of the entire asset in the long-term future.

## **FUNDING**

This option has committed funding of \$14.2m plus GST. This is made up of \$4m from the federal government, \$4m from the state government. \$1m from the West Coast Eagles and the Town has committed \$5m in the long term financial plan for this project. Funding Agreements have been executed with the Federal and State governments. The federal government have advised that their funding contribution needs to be spent and acquitted by June 30, 2026.

Additionally, the Western Australian Football Commission has committed \$200,000 to the project.

## **GOVERNANCE AND MANAGEMENT MODEL**

The following relates exclusively to the concept designs for Options 1 and 2 whereby primarily the principal tenant of the redevelopment will be the PFC. In exploring the potential management options for the proposed stadium development, it is prudent to assess the potential financial capability of Perth Football Club (PFC) to operate viably at the new facility.

Option 4 of the concept designs indicate a potential stage 2 development to the south of the stadium.

The main income generating infrastructure for PFC is based on the first-floor components with the ground floor components being dedicated to game day / training purposes. PFC is assumed to have no effective control or responsibility for the oval space as this is managed and maintained by others (nominally the West Coast Eagles). The main focus of the management model research is on the use of the stadium facility by PFC and to determine:

- Future leasing or licensing arrangements
- Realistic expectations in respect of likely club income generation having regard to the likely number of events which may be attracted to the venue and the hiring of infrastructure based on current and projected future use (for commercial and community use).
- Consideration for future expanded activities and implications in respect of community use / partnerships.

## Club Context

To underpin the management assessment and to inform the Town of Victoria Park decision making process the requirements of Perth Football Club were discussed with the club. The following represent their requirements:

### Essential:

- The club need control over the bars and function areas.
- Serco bring in \$150k venue hire annually as a training group – this is consistently good money and should not be impacted upon by any new program / initiative / community use.
- There is a necessity to have someone on site at the venue to manage the bookings / hire obligations and contractors. 100% of someone's time is required (and more).
- WAFLW run at a loss – this is not a viable proposition without the WAFC subsidy.
- The main issue is who is paying for what – all elements cost i.e. toilets and supplies which invariably are not covered by community hire. They currently do not always charge at a commercial rate.
- There needs to be an MOU drafted to cover costs – this needs to be between the Town and PFC.
- The facility should be hired at a commercial rate in the first instance. Community use however must reflect the true bottom line. The club is happy for community use provided it is based on a true cost recovery.
- There is a need to rationalise asset maintenance / replacement. Reference is made to learning from the Peel model for asset replacement (this document contains the schedule of responsibilities currently agreed between Peel Thunder Football Club [PTFC] and the City of Mandurah together with the consultants' comments relating to typical long term lease obligations of clubs).

### Operational - constraints:

- PFC cannot take bookings in advance as the fixtures only come out in Feb. This limits the level of bookings which can be made during the football season.
- West Coast who operate in the WAFL use their own ground under their current agreement. This doesn't benefit PFC as it was originally envisaged.
- The club need to obtain a long-term lease obligation from the Town with an agreed schedule of responsibilities which takes into account subsidized use by community groups. There is a need to determine obligations / expectations of the club and those which are to be taken on by the Town.
- The preferred lease = 20 + 20 + 10 – for use of building. Negotiation for the fee for the lease needs to be established and this needs to be fair and equitable to all parties and enable the club to be a viable entity.
- Currently the club receive \$25k +\$25k from the Town to contribute to the maintenance of the building and surrounding assets. This will not be available after the new facility is developed.

On the basis of their current operational requirements the club insist that they must have control over everything that's in the building. The club accept that they are not getting any additional space (they currently have five bars but will be down to two in the new building). While the reduction in bar areas and enhanced functionality will provide efficiencies and reduce the number of casual staff required to service each area, income may also be impacted upon.

### **Management Considerations: Summary Overview**

The main lessons to be learnt from the review of significant investment in the Eastern states (most notably Victoria) is the importance of balancing community access with that of an elite user group. It is evident that the Town of Victoria Park will need, in conjunction with PFC, to establish clear roles and responsibilities within any management agreement. Key areas of concern are:

- The importance of enabling PFC to generate commercial income which can then be re-invested back into the facility and at a minimum cover annual operating and asset management costs is critical to the future viability of the club and facility. This would preclude a shared management model with another community group.
- Invariably the willingness to share infrastructure and provide broad community group access meets with resistance. This however needs to be factored into any facility which requires significant public investment. The management solution must factor in community access of facilities and the financial model be adaptable to subsidised community use (particularly at off-peak times).
- A management committee may be required above the facility management body to ensure that there is a balance between the use and accessibility provided to service the WAFL Club and the use and financial implications of community use. The experience created at Arena Joondalup for West Perth should be avoided by providing a clear understanding of balancing the commercial requirements of a WAFL club and an adequate balance through servicing limited community access. This will require a commitment from the Town of Victoria Park to be actively involved in the management committee.
- Management principles will need to be outlined within the lease (and if necessary, an accompanying agreement). The principles need to establish the management framework and be supported by clarity on roles and responsibilities in respect of the management of the asset.
- Priority will need to be given to club usage at key times and acknowledgement that these are often restricted by the delayed announcement of fixturing on a year-to-year basis. Out of season there will be a greater degree of flexibility in the use of the infrastructure which will require increased marketing to a wider non-football client base.
- Town of Victoria Park may need to consider a nominal subsidy to facilitate community use. This should be dealt with as a separate matter to the lease (which should be developed on the basis of a quasi-commercial user of the facility) and based on likely usage hours. This may require a sub-tenancy agreement with the club if the usage is to be a regular community hire. The lower cost return of community activities needs to be factored into the lease agreement.



- PFC should be responsible for general building maintenance and all of the operational expenditure (outgoings) at the venue. This may change over time, subject to the subsequent phases of the development being realised.
- Any lease entered into by the Town of Victoria Park should explicitly identify the core purpose of the facility (sport, recreation, community and ancillary social activities which incorporates education and training).
- The management / lease agreement will need to be reflective of the club's lack of control of the oval space and ability to market the ground. The financial model will need to reflect the benefit of not having to divert resources to oval maintenance but also to any restrictions which may be placed on the use of the building when WCE training / games are being played on the oval.
- The financial projections need to consider that the new facility will be more marketable and provide the opportunity to facilitate an increased number of events annually. Notwithstanding the football season, the facility will be available for at least 6 months of the year to operate as a function venue for a variety of corporate and celebrational events. It would not be unreasonable to assume this would be in excess of an additional 24 functions annually.

### **Determining the Management Model**

This section provides an overview of the management options having regard to four different scenarios:

- Management by the Town of Victoria Park with PFC as a tenant / licensee.
- Management by an independent not-for-profit entity (management body such as Bluefit, Belgravia, YMCA etc.)
- Strategic management by a consortium representing the key tenant / lessee organisations or users (potentially for consideration as part of the Phase 2 development)
- Management by key user (Perth Football Club) as a lessee or through a licence

This has been split between the short-term management solution (Phase 1 development only) which considers PFC as the single user of the stadium facility and the longer-term management solution (all potential phases and community organisations incorporated) which considers a consortium of potential user groups. Three concept design options are currently being considered which include:

- **Option 1: Football club only with function space**
  - Scenario A: Building to the north, landscaping/parking to south
  - Scenario B: Building on currently facility location

Management considerations are to be based on a short to long term solution with a single operator.

- **Option 2: Football club, with function space place a shell for future development**
  - Scenario A: Building to the north, landscaping/parking to south

- Scenario B: Building on currently facility location

Management considerations are to be based on a short-term solution with a single operator.

- **Option 4: Full development of the precinct including football club, Waalitj, art centre, medical suites etc.**

- As per current plans unless a better alternative emerges.

Management considerations are to be based on multiple operators and a long term solution.

### Short Term Considerations

The table below identifies the different management options having regard to three of the four considerations referenced above. This merely references the phase 1 development of the stadium (Options 1 and 2 above) and assumes any future development is subject to separate discussions and fundraising (with other organisations).

### Short Term Management Options – Pluses, Minuses and Issues

Management Option	Pluses	Minuses	Issues
<b>Option 1:</b> <b>Management by Local Government (Town of Victoria Park)</b>	<ul style="list-style-type: none"> <li>• Opportunity to maximise focus on recreational and community benefit, diversity of usage and access to the stadium.</li> <li>• Leverage other events and opportunities through the Town of Victoria Park and potential partners.</li> <li>• Town of Victoria Park already has significant facility management resources internally</li> </ul>	<ul style="list-style-type: none"> <li>• Stadium management is not considered to be a high priority for local government.</li> <li>• Capacity and expertise in stadia management unlikely to exist within the Town resources to perform this role which will require a different skill set.</li> <li>• Would need to recruit resources for stadium</li> </ul>	<ul style="list-style-type: none"> <li>• The Town will not be in a position to maximise all commercial opportunities.</li> <li>• The Town of Victoria Park would need to be willing to underwrite the operation of the facility and take on all associated risks.</li> <li>• This is likely to be a high risk where an experienced sporting user</li> </ul>

	<p>(Aqualife and Leisurelife).</p>	<p>management role.</p> <ul style="list-style-type: none"> <li>• It would detract significantly from the viability of WAFL club marketing and generating income from the Stadium.</li> <li>• Will lack the support of PFC who are the key users of the facility.</li> </ul>	<p>with management capabilities exists which has the ability to manage a single use facility more effectively.</p>
<p><b>Option 2: Management under contract by a not for profit management body to operate the Stadium / or a group of leisure facilities</b></p>	<ul style="list-style-type: none"> <li>• Management bodies are generally set up to deliver a financial return and therefore long-term planning is unlikely to be a focus.</li> <li>• There is potential to bring on specific personnel with skills and capability in stadium management.</li> <li>• A professional management team operating under contract would ensure an efficient and effective management structure is in place.</li> <li>• There are potential cost</li> </ul>	<ul style="list-style-type: none"> <li>• A management body would detract from the viability of PFC using the Stadium.</li> <li>• There would be significant costs associated in setting-up the contract and ongoing management of the contract.</li> <li>• Overheads of a management body could be cost prohibitive.</li> <li>• There are limited number of operators within the market such that economies of scale may be achieved (at least initially).</li> <li>• It would lack the support of PFC.</li> </ul>	<ul style="list-style-type: none"> <li>• A management body, would be detached from the day to day management issues associated with a WAFL club. On a predominantly single use facility a clear focus on the user group is essential.</li> <li>• The management body would need representation from PFC.</li> <li>• Current experience with management bodies is</li> </ul>

	<p>savings by incorporating a specialist management body working across a range of sport and recreation facilities</p>	<ul style="list-style-type: none"> <li>The facility is unlikely to be of a size which is attractive to a management group with a diverse facility portfolio and with a club based tenant.</li> </ul>	<p>mixed and does not necessarily absolve the Town of asset management responsibilities.</p> <ul style="list-style-type: none"> <li></li> </ul>
<p><b>Option 3: Management by Perth Football Club</b></p>	<ul style="list-style-type: none"> <li>Understand the tenant issues based on current experience and facility knowledge base.</li> <li>Are likely to maximise commercial benefit to PFC as their survival is dependent on the club being involved in the management and use of the facility.</li> <li>Potential to co-opt members with a strong Commercial understanding.</li> <li>Most likely to ensure that role of club is maintained.</li> <li>Have an existing professional management structure to manage facility on their behalf.</li> <li>Will maximise club and member</li> </ul>	<ul style="list-style-type: none"> <li>It could detract from viable usage of potential community users of the stadium infrastructure as they will be focussed on maximising the financial return.</li> <li>The club is operated on a traditional basis and may have limited commercial expertise to maximise commercial returns of a new facility.</li> <li>Conflict of interest with other potential users and the financial viability of the Stadium.</li> </ul>	<ul style="list-style-type: none"> <li>In all similar developments, sports clubs are more likely to have self interest in managing facility. This would need to be addressed in any lease / license agreement with the Town.</li> <li>The club may have limited resources internally to be able to cover the full range of management expertise necessary to drive the optimum community and commercial return.</li> </ul>

	support for the Stadium and the future growth of the club.		
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Development options 1 and 2 are solely related to the development of the stadium infrastructure and as a result, it comfortably sits within the remit of the current incumbents PFC to continue to manage the facility. It would not be appropriate for the Town to manage a facility where it has limited expertise, albeit the Town do have capabilities within the staffing structure at Leisurelife and Aqualife but extending their remit is likely to adversely impact on availability of resources. These community facilities are incorporate multiple user groups and a diverse range of services. A stadium has a limited clientele and requires dedicated expertise to extract the maximum financial return.

It is recognised however that PFC are likely to have their own interests at heart and are likely to need to generate high levels of income to offset the ongoing operational costs. The current management structure within the club is based on a skeletal staffing framework and on limited investment into the asset. It must however be stressed that a component of the staffing compliment is subsidised through grant funding but those members of staff are not critical to the financial viability of the stadium operations. It will therefore be important under the short-term solution (or short to long term solution if the stadium is to be the only managed development on site) for the Town of Victoria Park to established a management framework / MOU / lease which incorporates a monitoring and reporting framework which protects the ongoing management and maintenance of the asset for both commercial and community use. This may include a basic monthly lease fee which could be offset by the hours of availability provided for general community group use (i.e. during off-peak times where the use does not impact on the existing and potential future commercial contracts operated by PFC).

### **Management Roles and Responsibilities: Options 1 and 2**

The decision about access and use is required to be consistent with other Town of Victoria Park leased leisure facilities while having regard to the principle function of the facility being to service elite sport (WAFL). This will mean the ongoing leasing fee will go direct to the council and fees for use would be retained by the lessee.

This assumes the following key roles and responsibilities:

- A Council will retain overall responsibility for lease/licence, including negotiation and execution of Head Lease Agreement (and any accompanying MOU).
- The Head Lessee is responsible for venue management, bookings, charging policy, for rostering and training venue supervisors as required daily, providing oversight of the building presentation, including maintenance and cleaning. This role acts as the first point of contact with users and future lessees if/as needed and assists with business growth and development.

- The Head Lessee is responsible for business growth and development subject to KPI established by the Town of Victoria Park annually and in accordance with an agreed fees and charges program. For example:
  - securing third party operators / users.
  - Attracting, community, school or other use to the venue in off-peak periods.
  - consideration of functions food and beverage opportunities.
- The Head lessee will act as the person in charge. They provide customer service, handle queries as they arise, manage conflict as required, and provide first aid and emergency response.
- Provision of staff to supervise the facility when in use. No provision of staff is assumed as necessary if a lessee(s) requires the use of meeting/Board/administrative space.

### **Recommendations**

Based on the above analysis it is considered that the Town should:

- Undertake a property valuation based on the current market conditions.
- Confirm the appropriate annual rental value which is necessary to maintain the asset in accordance with the recommended asset schedule contained at Appendix 2, noting each parties suggested obligations.

The Town should then enter into detailed negotiation with PFC to:

- Confirm the terms of any lease agreement. It is suggested that this should be for a minimum 10 years plus ten year option.
- Confirm the roles and responsibilities for the management of the stadium asset through agreeing the Town and PFC obligations.
- Agree the asset management obligations of the Town and PFC.
- Agree a performance management solution to offset the lease charge which recognises the subsidised use of the facility by local community groups.

In the event that further development is considered and funding secured within the broader precinct it is recommended that the Town enter into separate lease agreements with the proposed operators and establish an overarching Strategic Management Body to oversee the full precinct operations. This will need to incorporate ongoing reporting and review powers together with a dispute resolution process to enable current and future occupiers to maintain governance over their individual facility and collectively manage recognised shared areas.

<b>ACTION ITEM</b>
<b>Management Model</b>

Subject to endorsement of preferred concept design option, the town will need to commence negotiations based on the recommendations depending on which option has been endorsed.

## 20.0 OPTION 3 – MEDIUM INTERVENTION

### DESCRIPTION

This option provides a staged approach to the development of LPZ1. This Concept Option 3 proposes the development of a future PFC Facility based on Option 1 to the north of LPZ1 with a future facility for the Waalitj Foundation consortium (The Consortium) to the south of LPZ1 based on the agreed funding confirmed in the December EOI. The ToVP advertised an Expression of Interest in late 2021 to establish a potential multi-use community facility. The Consortium were endorsed as the preferred applicant in December 2021 by the ToVP. The Consortium includes the Waalitj Foundation, The Banjima Charitable Trust/ Banjima Native Title Aboriginal Corporation, Aboriginal Art Centre Hub, Western Australia and Propel Youth Arts, Western Australia. To determine a suitable design brief for the creation of concept designs a proposal was provided to the ToVP in late December by Hames Sharley, this proposal to determine formalised design brief for the development in line with the EOI Response from the Consortium. The Waalitj Foundation Design Brief (Hames Sharley, 2022) was completed by Hames Sharley and approved by The Consortium in January 2022.

Upon review of the funding allocation by The Consortium proposed within the EOI Response it was confirmed that the agreed funding as currently stands would not provide an outcome which meets the provision noted by The Consortium within the EOI Response and in line with the Waalitj Foundation Design Brief (Hames Sharley, 2022).

To meet the requirements requires a larger funding allocation provided by The Consortium. Additionally, the funding allocation within the EOI Response does not provide an adequate benefit above Option 2 for the community when reviewed against the ToVP Strategic Community Plan, Social Infrastructure Plan 2021, and the recent community engagement data. Therefore, it was considered that Concept Option 3 was not suitable in meeting the aspirations for the development of LPZ1. Further assessment of Option 3 is provided in The Community Engagement Report (Hames Sharley, 2022).

Additionally, during the design process the consortium was rationalised to include just the Waalitj Foundation. Negotiations between the Waalitj Foundation and Banjima have resulted in Banjima no longer being a part of the consortium.

## 21.0 OPTION 4 – HIGH INTERVENTION

### DESCRIPTION

This option provides a full build out of LPZ1 meeting all the obligations within the December 2021 EOI Response with a larger funding allocation. Concept Option 4 proposes the development on LPZ1

for a future PFC Facility based on Option 1 with a future facility for the community to the south of the future PFC Facility.

Concept Option 4 was undertaken with engagement with The Consortium and their stakeholders and will be presented to The Consortium and stakeholders executive management groups in May 2022. It is proposed to complete the construction work for the community facility either in a staged approach or in one contract with work proposed to start for the staged approach upon the completion of the future PFC facility and the demolition of the existing PFC Facility.

The siting, design and accommodation schedule of the Perth Football Club provided in Concept Option 1 are retained in Concept Option 4 with the southern portion of LPZ1 developed for the community extending over two levels connecting into the Future PFC Facility at Oval Level. The intent behind Concept Option 4 is to provide a fully integrated built form outcome with the introduction of a Covered Forecourt at the Goddard Street Level between the future PFC facility and the community facility. This Covered Forecourt acts as the Main Public Entry on Game Day for Patrons, provides a Large Outdoor Covered Function Space, Mitigates the bulk of the development whilst providing views from Goddard Street to the Oval and Darling Ranges to the distance.

## **FUNCTIONAL ELEMENTS – BRIEF**

### **Ground Floor/ Oval**

The Ground Floor/Oval Level provides all requirements of Option 1 for PFC with the community building located to the south of LPZ1 and designed in three distinct zones indicated as Administration, Players and Back of House. Pedestrian access to this level is provided by lift and stairs from the Courtyard Space from Goddard Street or restricted access from the internal lift and stairs. Vehicle access for service vehicles including Ambulance and Equipment Vehicles on Game Day and parking for staff and visitors is via the vehicle ramp from Goddard Street. **The following text reflects the additional areas provided in Concept Option 4 above the future PFC Facilities provided.**

### **Administration Zone**

The Administration Zone fronting the Oval includes flexible administration space for the Waalitj Foundation and includes space for workstations and dedicated meeting and focus room space with direct visual connection to the Oval. These spaces align with the Waalitj Foundation Design Brief (Hames Sharley, 2022) in relation to functional and aesthetic requirements.

### **Players Zone**

The Players Zone includes a Changeroom and dedicated Medical Room. This Changeroom and Medical Room is designed to meet the Category 4 Venue Guidelines along with the current AFLW standards. The location of the Changeroom aligns with main north south corridor to the Perth Football Club facility. This option results in the provision of four dedicated player changerooms and will enable a host of game day opportunities for Mineral Resources Park with a variety of male and female football games to occur throughout the day.

### **Back of House**



The Back of House Zone provides suitable vehicle parking for the Waalitj Foundation along with an Arts and Community Storeroom and Workshop Space. All Staff EOTF facilities including Showers, Toilets, Drying Stations, and Bicycle Stores are also located in this zone. Parking on Game Day is provided for players along with Ambulance and Equipment Vehicles with direct Oval access provided for the Ambulance as required.

### **Firstfloor/Goddard Street Level**

The Ground Floor/Oval Level provides all requirements of Option 1 for PFC with the community building located to the south of LPZ1 and designed in four distinct zones indicated as Education, Administration, Art Centre and Health. All four zones are distributed around an External Courtyard into an integrated built form outcome. Pedestrian access to this level is provided direct from Goddard Street to the Reception and to the External Courtyard for access to the Art and Health Zones.

### **Administration Zone**

The Administration Zone fronting the Oval includes the main public administration space for the Waalitj Foundation these include workstation spaces, various sized meeting rooms, focus rooms and informal space. These spaces align with the Waalitj Foundation Design Brief (Hames Sharley, 2022) in relation to functional and aesthetic requirements. A number of meeting rooms have been located with direct access from the Forecourt to the north and are designed to be utilised by the community.

### **Education Zone**

The Education Zone fronts onto Goddard Street and provides two dedicated classrooms akin to a high school or college classroom with adjacent toilet facilities. To the north of the classrooms is a Lounge Space and oversized Kitchen used for mentoring, partnerships, small and large events and meetings and fronts onto both Goddard Street and the Covered Forecourt. These Education Zone can be utilised by the community and have been located appropriately for easy access outside of working hours.

### **Art Centre Zone**

The Art Centre Zone fronts onto the existing retained trees to the south of LPZ1 which retain the character of this portion of Lathlain Park and includes the Art Gallery/Exhibition Space, Art Administration and Studio Space. These spaces are accessed from the bridge extending from Goddard Street into the Courtyard Space. Spaces within the Art Centre Zone are flexible to cater for varying sizes of functions and exhibitions. The design outcome is akin to a regional Art Centre however the design outcome provides a good connection to landscaped spaces with the aim to minimise the white box gallery exhibitions space outcome generally provided in gallery and exhibition spaces.

### **Health Zone**

The Health Zone is located in the south eastern corner of LPZ1 and fronts onto the Courtyard Space, it includes a Reception and Waiting Area, Standard Clinician Rooms, a Mental Health and Treatment Room, Administration Space and suitable Storage. The design outcome is akin to a Local GP Clinic however the design prioritises a connection to landscaped spaces with the aim to minimise the clinical sterile environment generally provided in GP Clinics.

### **Access**

All access outcomes for PFC within Concept Option 4 are consistent with Concept Option 1. Additionally, the below access provision is provided.

### **Pedestrian Access**

Pedestrian Access is maintained for the length of Goddard Street with variations to the existing footpath. Main pedestrian access points to LPZ1 are to the Lobby and the Main Public Forecourt for Game Day and access to the Waalitj Foundation Administration and Education Zone. An additional pedestrian bridge access is provided to the Art Centre and Medical Centre Zones to the south of LPZ1. All pedestrian access locations and footpaths meet the current DDA requirements. The bridge access is secured outside of general business hours.

### **Vehicle Access**

Access to the existing secure parking to the north of LPZ1 is maintained by the retained existing crossover at Goddard Street. The access to this section of parking will be accessible throughout the construction period.

Additional vehicle access is provided into a 38 bay undercroft naturally ventilated carpark at Oval Level by a dedicated and controlled ramp from Goddard Street. The carpark may be utilised on Game Day by Players, Staff, Ambulance and Equipment Store Vehicle. Throughout the week the carpark is accessed by The Consortium staff. The location of this ramp has been carefully located to minimise removal of existing vegetation fronting Goddard Street.

### **Carparking**

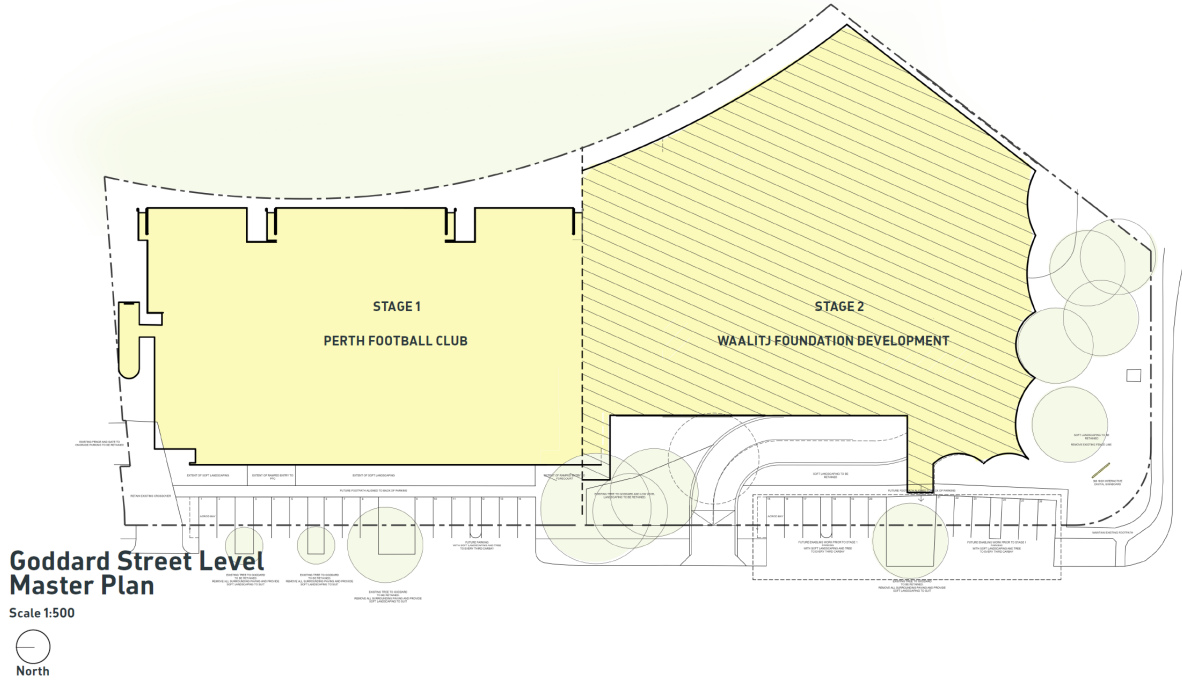
Permit Only on Street Parking is proposed along Goddard Street for use by PFC and the Waalitj Foundation. All parking is suitably located between existing trees on site or distributed evenly along Goddard Street with a future well shaded tree canopy provided every three car bays. This proposal of parking has been initially discussed with the Director of Planning at ToVP and the ToVP Design Review Panel.

### **ToVP Waste Collection**

The Bin Storage Area is proposed to the current location to the northern edge of LPZ1. A future solid gate and fence have been proposed to mitigate the unsightly view of the Bin Storage Area from the more public areas of the surrounding area. Bins are located at Ground Level adjacent the Oval for use on Game Day and in the Commercial Kitchen and Bar areas.

## **CONCEPT DESIGN**

Goddard Street Level Master Plan

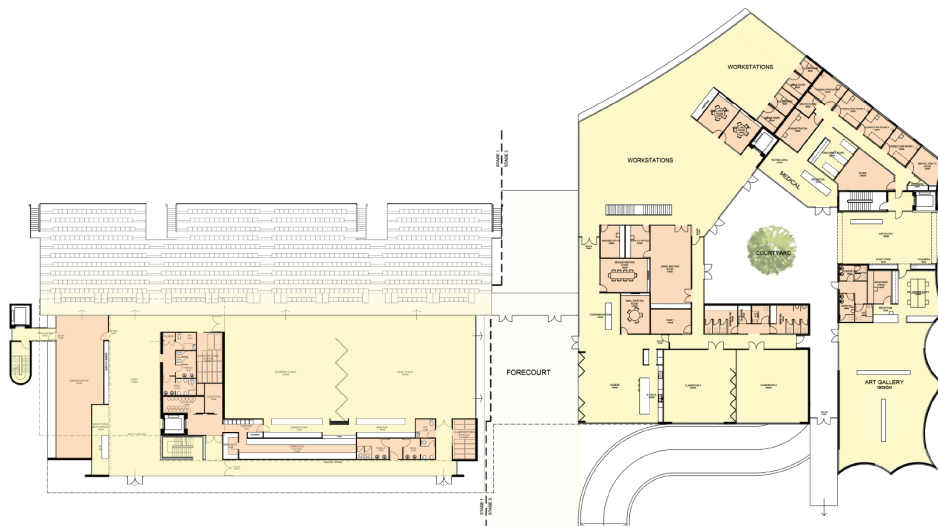


Hames Sharley

June - 2022

**Goddard Street Level Floorplan**

Scale 1:400



OPTION 4

## Oval Level Floorplan

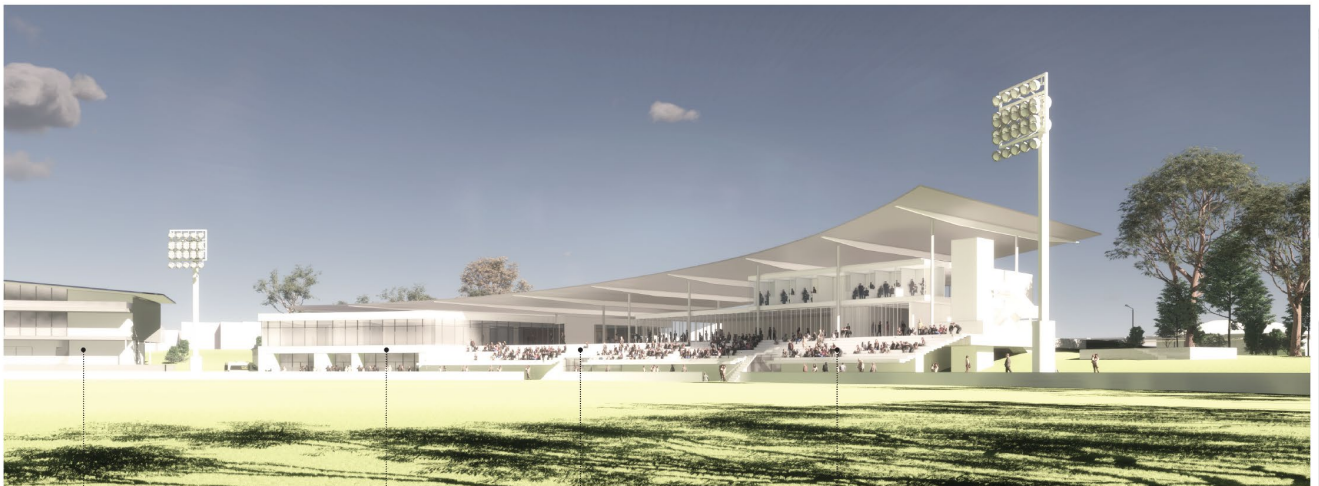
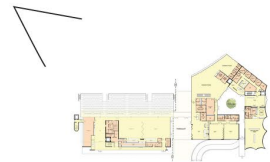
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Hames Sharley

June - 2022

## Perspective From Northern Edge of Oval



West Coast Eagles Headquarters

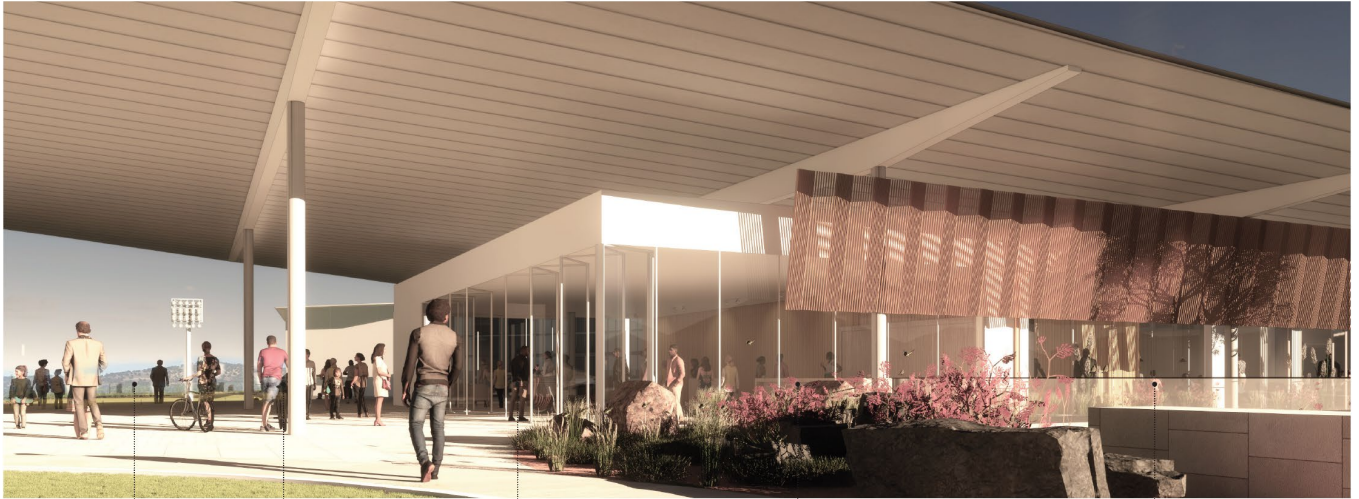
Waally Foundation

Covered Forecourt

Perth Football Club

OPTION 4

**Perspective from Goddard Street to the Forecourt**



Darling Ranges

Covered Forecourt

Reception Foyer and Meeting Rooms

Mentoring and Collaboration Space

Education Spaces

Hames Sharley

June - 2022

**Perspective from Goddard Street to the Art Centre**



Mentoring and Collaboration Space

Education Spaces

Access to Art Centre and Medical Centre

Art Centre

Retained Vegetation

## CAPITAL COST

The capital cost estimates for the construction of this option has been prepared by the consultant Quantity Surveyors Rawlinsons.

### Option 4A

This option represents if the building was constructed in a staged approach with a nominated gap of two years between the construction of the grandstand component and the community stage. Extra escalation has been applied to Option 4A to capture delayed start of Community scope until March 2025.

Item	Project Budget
Grandstand and associated building	\$8,840,000
Waalitj Funded Component	\$10,614,000
External Works and Services inc. Preliminaries	\$2,880,000
Design Contingency @ 7.5%	\$1,676,000
Construction Contingency @ 7.5%	\$1,801,000
Relocation Costs	\$50,000
Positive Category GBCA	\$930,000
Fit out costs – Lump Sum	\$1,200,000
Headworks and Statutory Charges	\$240,000
Professional Fees inc. Contingency – Lump Sum	\$2,581,000
Building Act Compliance	\$78,000
ToVP Fees	\$480,000
Public Artwork @ 0.5%	\$112,000
<b>Total Project Cost</b>	<b>\$31,482,000</b>
Escalation to March 2023 – Football Scope	\$713,000
Escalation to March 2025 – Waalitj Scope	\$2,507,000
<b>Total Project Estimated Cost excl GST.</b>	<b>\$34,702,000</b>
<b>GST</b>	<b>\$3,470,200</b>
<b>Total Estimated Cost Excl. GST</b>	<b>\$38,172,200</b>

### Option 4B

This cost estimate represents if the construction was completed as one package.

Item	Project Budget
Grandstand and associated building	\$8,840,000
Waalitj Funded Component	\$10,614,000
External Works and Services inc. Preliminaries	\$2,494,000
Design Contingency @ 7.5%	\$1,647,000
Construction Contingency @ 7.5%	\$1,770,000

Relocation Costs	\$50,000
Positive Category GBCA	\$930,000
Fit out costs – Lump Sum	\$1,200,000
Headworks and Statutory Charges	\$240,000
Professional Fees incl. Contingency – Lump Sum	\$2,536,000
Building Act Compliance	\$77,000
ToVP Fees	\$480,000
Public Artwork @ 0.5%	\$110,000
Total Project Cost	\$30,998,000
Escalation to March 2023	\$1,551,000
<b>Total Project Estimated Cost excl GST.</b>	<b>\$32,539,000</b>
<b>GST</b>	<b>\$3,253,900</b>
<b>Total Estimated Cost Excl. GST</b>	<b>\$35,792,900</b>

## LIFECYCLE COSTS

Includes Option 1 plus the addition of the Waalitj funded component community facility.

Option 4					
Lifecycle	2025	2026	2027	2028	2029
Renewals	\$0	\$0	\$0	\$0	\$0
Planned Preventative Maintenance	\$57,182	\$53,380	\$55,248	\$57,182	\$59,183
Operational	\$131,464	\$136,065	\$140,827	\$145,756	\$150,858
Lifecycle	2030	2031	2032	2033	2034
Renewals	\$0	\$0	\$0	\$180,193	\$0
Planned Preventative Maintenance	\$62,109	\$63,398	\$65,617	\$67,914	\$70,291
Operational	\$156,138	\$161,602	\$167,258	\$173,112	\$179,171

In general the rule of thumb for the breakdown of the operational life cycle cost would see the renewals and the planned preventative Maintenance sit with the Town and the Operational costs to sit with the lessee. This is based on the fact that all services / utilities are an ongoing cost related to the operation of the building by the lessee. The renewals apportionment should largely be related to significant building infrastructure with the exception of equipment and security which is used on a day-to-day basis to generate income and manage the facility. The renewal and preventative maintenance of those large items which are integral to the buildings fabric such as the electrical system, lifts, fire, aircon etc. would normally be the responsibility of the building / landowner (the Town should ensure HSE obligations are met and maintain a record on an ongoing basis of the quality of the asset). The only exception may be mechanical where it relates to non-fixed equipment which are used to generate income for the operator. The full lifecycle report is referred to as attachment 7. The above costs would need to be apportioned to the area of building and infrastructure related to the Waalitj Foundation building (option 4 without Option 1) and stadium building (Option 2) separately.

ACTION ITEM
<b>Lifecycle costs</b>
Upon endorsement of preferred concept design option, breakdown of responsibility of costs will need to be agreed to and included in the leasing documentation.

## POTENTIAL INCOME

The Perth FC are currently on a hold over lease and pay a peppercorn rent for use of the facility whilst also receiving a subsidy in the order of \$50,000 (two instalments per year) from the Town.

Given this will be a brand-new facility it proposed that this will change. Advice has been sought from an independent sport specialist consultant and a licenced property valuer to ascertain what potential future rent could be achieved for the proposed facility. Whilst there are precedents set around Western Australia and in the eastern states of Australia, each circumstance is quite different and specific to different local authorities.

A detailed analysis sits within this paper regarding the proposed management model for each of the options. The proposed management model takes into account a number of factors to help understand what an appropriate rental fee is acceptable to the Perth FC. It recommends getting valuation advice to help underpin the proposed rent.

This was obtained in May 2022 and advised a proposed a high-level estimate rental range of between \$30,000 and \$75,000 pa. exclusive of maintenance and all other variable outgoings/consumption charges and GST.

It is noted that this range does not capture the impacts of several factors including the impact of community use free of charge.

In addition, Waalitj/Community facility in this option has the potential to derive an income as well. Discussions with the Waalitj Foundation have indicated that they would be reluctant to commit to paying a commercial rate given the significant upfront capital contribution. However, a negotiation would need to be completed to ensure all parties are comfortable with the arrangement.

The Art Centre and the medical centre proposed in this option also have the ability to generate an income. Valuation advice has been received for all additional elements contained within this option 4. If the Waalitj Foundation were to pay a commercial rate it could be in the range of \$205,000 and \$290,000 pa. based on a rate of \$125-\$175/sqm.

Art Centre's tend to leased to not-for-profits and therefore tend to range from a peppercorn rent to an arbitrary amount.



Medical centres if located well tend receive a premium and the valuers have indicated a range of between \$50,000-\$60,000 pa.

### **COST BENEFIT TO THE TOWN**

A high-level operational cash flow has been completed for this option. It assumes a rental income of \$75,000 pa. with an increase of CPI of 3% every year for the football club component. If Waalitj were to pay a commercial rent the Town could expect to receive in the vicinity of \$205,000 and \$290,000 however given the upfront capital contribution a peppercorn lease may be more realistic for this option. However, it may be more conceivable to negotiate the Waalitj Foundation pay for all outgoings and maintenance of the facility thus ensuring a net zero cost effect to the town.

Art Centre provide a community benefit and therefore is less likely to attract a commercial return. For the purposes of this analysis the income from this asset will assume \$1.

Medical centres if located well tend receive a premium and the valuers have indicated a range of between \$50,000-\$60,000 pa. For the purposes of this evaluation the higher end has been adopted at \$60,000.

It is noted that review clauses would need to be agreed to however for the benefit of this analysis it looks at the first 5 years with no review. The costs to the town have been calculated using the above lifecycle costings only accounting for what the Town is liable for under this proposal.

	Year 1	Year 2	Year 3	Year 4	Year 5
Income	\$135,000	\$139,050	\$143,222	\$147,519	\$151,944
Expenditure	Nil	Nil	Nil	Nil	Nil
Net Surplus	\$135,000	\$139,050	\$143,222	\$147,519	\$151,944

Across the first five years of the life of the asset, the Town will net \$716,735. It is noted that as the age of the asset increases the more lumpy renewal items need replacing. The rental income can act as a sinking fund to account for these costs and potentially contribute to the replacement cost of the entire asset in the long-term future.

### **FUNDING**

This option has committed funding of \$14.2m plus GST which is quarantined for the Football club grandstand and infrastructure. This is made up of \$4m from the federal government, \$4m from the state government. \$1m from the West Coast Eagles and the Town has committed \$5m in the long term financial plan for this project. Funding Agreements have been executed with the Federal and State governments. The federal government have advised that their funding contribution needs to be spent and acquitted by June 30, 2026.

Additionally, the Western Australian Football Commission has committed \$200,000 to the project.

For the Waalitj Foundation Community Hub to progress a significant contribution is required to fund the project.

Early indications and discussions surrounding this matter have indicated the Waalitj Foundation could cover the proposed capital cost of the construction. This would require confirmation in writing from the Foundation. If there is a shortfall the Waalitj Foundation would need to advocate for the extra funding. This appears to be achievable given the standing in the community and the notable achievements of the foundation to date.

<b>ACTION ITEM</b>
<b>Funding</b>
Confirm funding from the Waalitj Foundation prior to entering into any official agreements.

## **GOVERNANCE AND MANAGEMENT MODEL**

The below explores the potential management options for the proposed community facility development at Lathlain to service the needs of the Waalitj Foundation (WF). The intent of the research was to establish the WF needs with regard to the community building and to assess the potential financial capability of the WF to operate viably at the new facility and in conjunction with other organisations likely to be operating within the broader community precinct.

To underpin the assessment process a series of benchmarks are referenced having regard to the management and operation of community facilities for a range of services and providing for open an unfettered community access.

### **Waalitj Foundation History and Governance**

Formerly known as the Wirrpanda Foundation (established in 2001), the Waalitj Foundation is currently located at West Coast Eagles Football Club at Mineral Resources Park. The WF is wide-reaching, with operations in Western Australia, Victoria and Queensland. The team has grown to over 120 staff, of which 80% are Aboriginal or Torres Strait Islander. The WF aims to be a leading force for strengthening First Nations communities through education, employment and business across Australia.

The original foundation was located at Subiaco Oval and in 2011 moved the head office from Subiaco Oval to Central Institute of Technology in Leederville. In 2016 a decision was made to move to Cannington to be closer to participants and readiness for the transition to the new Lathlain Facility which is an integral part of the West Coast Eagles administration and training ground development. In 2020 WF opened the Wirra Hub: a WA Indigenous Business and Employment Hub in Burswood, WA, supporting over 100 Indigenous Businesses. The name change to the Waalitj Foundation occurred in 2021. The WF reports to a board. The current board includes the following:

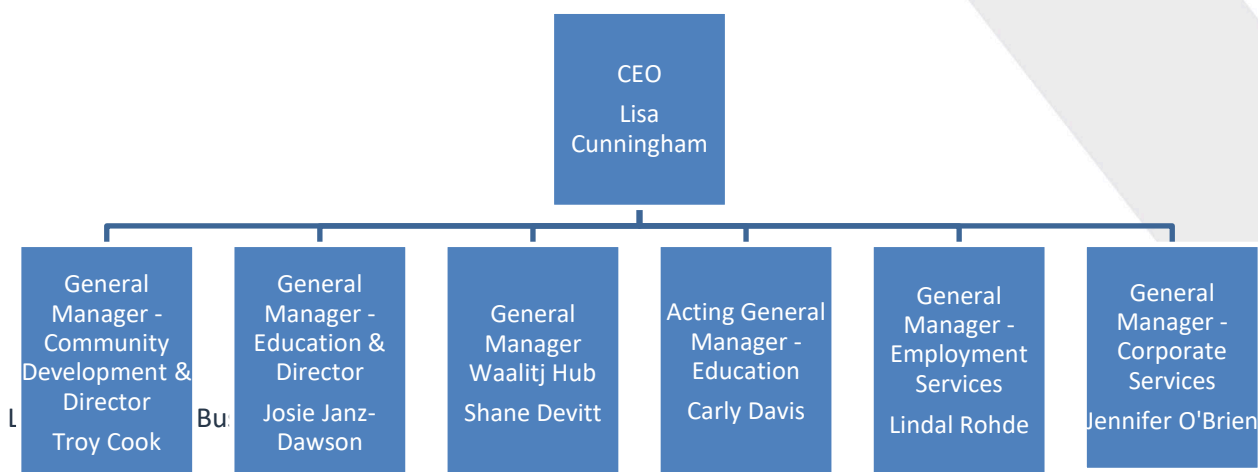
- Alan Cransberg Chairman Former Chairman of the West Coast Eagles Football Club, Former President of Alcoa Australia, Adjunct Professor in Corporate Strategy at the UWA Business School.
- Trevor Nisbett Deputy Chairman Chief Executive Officer and Managing Director of the West Coast Eagles Football Club.
- Richard Godfrey Company Secretary and Director, Chartered Accountant and Chief Operating Officer of the West Coast Eagles Football Club.
- Troy Cook Director Former AFL Footballer and General Manager of Community Development at the Waalitj Foundation.
- Josie Janz-Dawson Director Former Professional Netballer and General Manager of Education Programs at the Waalitj Foundation
- Michael McNulty Director, Office Managing Partner Western Australia at Deloitte.
- Amanda Healy Director of engineering group, Warrikal and Chief Executive Officer of clothing brand, Kirrikin.
- Brad Collard, Director Aboriginal Liaison Officer at Western Power.

Current programs assist in a number of areas including:

- A range of Employment programs.
- Aboriginal and Torres Strait Islander mentors
- Provision of short-term office space including bookable offices, meeting rooms, training rooms and workstations.
- Business, commercial advice and support to connect Aboriginal and Torres Strait Islander people with existing mainstream and Aboriginal and Torres Strait Islander-specific business and employment support services.
- Healthy lifestyle programs
- Family Support Programs
- Remote School Attendance Strategy
- Engagement programs for local youth

These programs continue to diversify and respond to different community needs with program bases throughout WA and interstate.

The current leadership structure of WF is identified below:



## Waalitj Foundation Consultation

At the start of the assessment process consultation was undertaken with the Waalitj Foundation representatives to determine how they operate and what they were seeking from the management review process. The outcome of the discussions identified the following critical considerations:

- The WF currently support 140 staff.
- At Lathlain they currently house 25 people although up to 30 people use the facility as an office base at any one time.
- They have 3 classrooms which are currently used to service their range of programs within the current infrastructure at .
- The WF also operate from a Warehouse in East Victoria Park where the focus is on their justice programs and they have 12-15 staff present at any one time. These are to be relocated to the Lathlain Community Hub.
- They run a series of programs along the streams of Education (schools program with 17 staff and outreach services); Employment with offices in Bunbury, Kalgoorlie, Leonora – this is where the justice program is supported) and the Business Hub.
- The intention is to collocate all of their services to create a one stop shop to enable all programs to be undertaken under one roof.
- It is likely that the new site will need to accommodate 50/50 staff at any one time plus visitors
- Currently there are 80 bays allocated for car parking at the current site adjacent. There is also a large amount of street car parking locally and it is not anticipated that this is an issue.
- Fundraising is approximately 80% Federal, 10% State and 10% Corporate. Funding is from 12 months to three years and is likely to vary as grants become available, change and programs diversify. They have a government tender for work with Netball. They are aligned to Perth Football Club through women’s competition and funnels talent into the club.
- The current site is a sublease from WCE with a 25 plus 24 sublease -peppercorn rate. The Burswood site is also leased (on a commercial rate).
- It is expected that the rate from the Town of Victoria Park should be based on a peppercorn rate given the capital investment to be made into the building.
- They are prepared to take on reasonable asset maintenance costs but would prefer a 99 year lease (in accordance with the WCE site through the Town). They would accept a 20 plus 20 year lease if the Town were minded to reduce their obligation. The lease needs to be long term for the organisation to be viable and able to plan effectively.
- They do not want to be worse off than their current position (\$1m rental)
- It is critical that the site remains neutral, permits access for all and does not favour one Aboriginal family / group. This is potentially a project constraint as it may impact on potential future partnerships
- Key infrastructure includes:
  - 3 x classrooms and 1 x boardroom – key areas to facilitate include:
    - Education / employment
    - Community after school
    - Business – support for 230 Aboriginal businesses

- Cultural awareness training
- Corporate – open access
- Vaccination centre
- They will still maintain access to the classroom / meeting room space in their current building.
- To offset current short-term funding risks the WF is seeking to develop programs across multiple funding agencies / organisations. They also employ a federal / state govt lobbying firm to undertake the initial brokering work.
- They would be prepared to accept a joint management arrangement.
- With the potential arts centre and medical consulting rooms identified within the building, they would be willing to consider alternative opportunities and develop a broader community development strategy with the Town. It is accepted that the Medical and Arts could potentially be managed by others

### **Financial Position: Waalitj Foundation**

In order to satisfy the Town of Victoria Park that the WF are a viable and sustainable entity, it is important to not only gain an understanding of the organisations governance and services offered to the community, but also to determine the financial status of the WF. The last four end of year financial accounts were assessed. The net financial position highlights the significant growth in funding receipts over the past three years, in particular. This has led to a grant funding contribution of \$4.6m in 2018 being increased to \$14.7m in 2021. This growth has also seen a significant growth in expenditure, particularly associated with employee and supplier costs of some \$12m. The net operating income and expenditure has moved from a marginal negative position in both 2018 and 2019 to a positive net end of year cash position of between \$2.9m and \$3.2m. While it is acknowledged that much of the funding is aligned to the delivery and servicing of specific programs it does nevertheless indicate sufficient cash flow to effectively manage the administrative components of the WF.

### **Management Considerations**

The management considerations have been identified through the consultation process with the WF indicating that they are seeking to occupy the Lathlain Community Hub at a peppercorn / negotiated rate which reflects the capital investment they are committing to the project. This would not be an unreasonable request. The Town have also expressed a desire to work with the WF and other community groups, including Perth Football Club to secure a viable solution while also maintaining a level of control which mitigates any potential future risk (i.e. appropriate management of the asset, appropriate governance which enables a community resource to be available for community use and compliance with all statutory obligations). This section looks at the Towns current policy, management options and key questions which need to be addressed. This also considers the ongoing asset management and maintenance obligations of both parties in the development of a partnership / lease agreement.

## Town of Victoria Park Current Policy Position

The development and occupation of the Community Hub needs to take into account the current Town of Victoria Park Leasing Management Practice and associated policy. The leasing policy contains the following components:

### Objectives:

- Balance appropriate management and responsible use of the Town's facilities for the benefit of the community;
- Ensure sound financial management and effective administration of the Town's building portfolio;
- Balance the administration of the Town's leases with consideration of the underlying Town's land portfolio requirements;
- Ensure Town managed properties are appropriately maintained, developed and occupied;
- Ensure any in kind support from the Town, including subsidised rent, is recognised and transparently applied in light of the community benefit to be achieved; and
- Establish the circumstances in which a lease agreement or license agreement may be assigned.

### Policy Statement:

Leasing or licensing facilities will be based on the following principles:

- Supporting local groups;
- Social Return;
- Sustainability;
- Commercial Value;
- Equity;
- Exclusivity;
- Financial Return; and
- Strategic future of underlying land asset.

### Leases:

Will be granted for a period of up to 5 years with an option to extend for a further period of up to 5 years. Lessee will be responsible for all non-structural maintenance. Rents to be set on the market valuation.

### Licenses:

Will be granted for a period of up to 3 years

### Management Models:

The three property management models adopted by the Town include:

- In house or direct management by the Town with a focus on community facilities occupied by not-for-profit community groups and sporting clubs, managed by the Property Development and Leasing Team as well as other areas of the Town, including Communities;
- External management by an independent property manager for diversified investments that are commercial in nature; and
- Shared management involving collaboration between the Town and an external organisation through a formal agreement that establishes each parties obligations and operating responsibilities with the ability to outsource legal and maintenance issues.

These will be explored in more detail below.

### **Management Model Considerations:**

The Town need to take into account the following in considering the appropriate management model:

- Asset management – For the Town to determine the most appropriate approach.
- Presentation of the facility – The Town to determine the importance of presentation.
- Financial contribution – The Town is to be clear on the cost of operating the facility within a limited budget.
- Control – Whether the Town need to retain control over operational / policy matters
- Cost of changing management model – The cost of staffing v the cost of external management
- Responding to market demands – The Town need to determine what the most appropriate model is.
- Longevity of management – To be clear of the stability and longevity of the management
- Performance indicators – The Town is to be clear on the key performance indicators for meeting community need.
- Management capability – Ensuring the appropriate level of skill and expertise is available to manage the facility.
- Core purpose – The consideration of whether a facility is to be developed as a community facility (public service) or commercial facility (private service). Each of which has differing additional considerations.

### **Key Questions to be Addressed**

In respect of the management model considerations required of the Town of Victoria Park through the Leasing Policy it can be stated:

- Asset management is still yet to be determined and needs to be clearly identified in any agreement.
- The facility is positioned in a prominent and high profile precinct and therefore a high standard of presentation will be required.

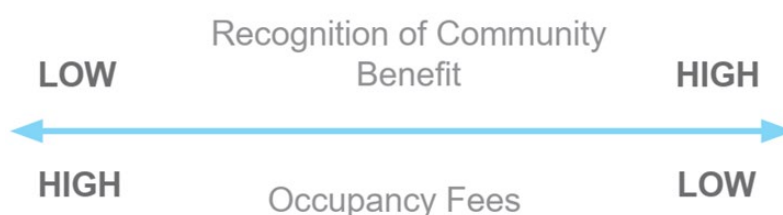
- The financial contribution on the capital build will need to be sourced from the proposed occupiers. Ongoing operational costs (rent) and asset management will need to be determined.
- The Town need to retain control over the facility to ensure open and unfettered community access is maintained.
- The Town are unlikely to have the capability / capacity to manage the resource on an ongoing basis due to financial constraints. This leads to a consideration of an external operator.
- The likely optimum management model will need to incorporate a reporting process to the Town and have clearly defined targets for any management body set up.
- The longevity of the management solution needs to take into account the financial viability of any proposed management body and previous track record in maintaining an open accessible community resource. The WF based on an analysis of their governance structure and financial records indicate they have the capability to perform this role.
- The establishment of performance indicators aligned to the Strategic Community Plan will need to be established.
- Management capability will be a critical consideration. The WF based on an analysis of their governance structure and financial records indicate they have the capability to perform this role subject to agreeing to a suitable asset management process / program; establishing KPI's and a reporting process and suitable rental value.
- The facility is to be developed as a community resource and not as a commercial entity. The WF are an established not-for-profit community service enterprise.

In addition to the management model considerations referenced above, the following subsidiary questions need to be addressed by the Town of Victoria Park in the leasing / establishment of a license for use of community infrastructure on land vested within their control:

- What level of lease / license will the Town be prepared to support? The WF are seeking a minimum 20 year + 20 year lease or preferably a lease which is consistent with the WCE facility occupied by the WF.
- What level of financial support by the Town (if any) will be provided to off-set some or all of the costs of managing, operating and maintaining the facility? This can include the consideration of the following options:
  - User pays model - The WF and/or participants pay all of the costs associated with the operational costs of the facility (full cost recovery)
  - The Town either 'fully fund' all or some costs of maintaining the facility and offer the rental at a peppercorn rate.
  - A 'shared cost' subsidy model to reduce the cost to user groups and/or participants.
- The following are the critical aspects which need to be considered and addressed before determining the appropriate management solution:
  - Ensuring that there is a sustainable asset management agreement in place identifying the Town and Community management organisations capability and investment.
  - Extent of public investment in the capital build of the project (WCE corporate support / Waalij Foundation / ToVP / Others)



- Extent of public money required to operate and maintain the facility from the Town and other sources.
- What needs to be considered in the operational model and management to offset costs?
  - outcomes and targets which are to be set should be consistent and align with the council asset and financial management plan targets.
  - Fair and equitable approach to the model which is consistent with comparable organisations / agencies.
  - Should the tenant benefit from / manage sub-leases? - On-site commercial tenancies may be used as a mechanism to offset the costs but only if the operator is prepared to enter into a legally binding agreement which address the following community benefit v cost of occupancy:



- What outcomes are the Town expecting to see from the facility in return for the public investment and how this performance will be measured?
- What facility management model is best suited to helping council achieve these outcomes?
  - Successful management is linked to a shared understanding and commitment to manage a facility in an efficient, effective and responsible way.
  - What is being delivered in respect of community / social, environmental and financial outcomes.
  - Balancing the maximising of community/social outcomes while minimising costs.

Once the desired outcomes for a facility are determined a monitoring and evaluation process needs to be established and Key Performance Indicators (KPI's) identified. If the Town are minded to support the WF managing the community hub, the KPI's and reporting process need to be incorporated in the WF lease, licence or management agreement. These KPI's are to be:

- Relevant – to the specific outcomes you want the facility to achieve.
- Well-defined and capable of being measured by those responsible for the reporting.
- Cost-effective, achievable and manageable for monitoring and reporting on performance and agreed with the Waalij Foundation.
- Time-framed to enable dates for the performance reports to be set and adhered to.

### **Determining the Management Model**

In order to provide guidance in respect of future development and use an overview of management options has been considered. The critical considerations relate to equality of access for all members of the community; effective governance and clear and equitable decision making

processes. The ultimate aim is to develop a facility which provides a much needed resource to support the ongoing evolution of the Waalitj Foundation and in maintaining the broadest community access and use for the benefit of residents of the Town of Victoria Park.

Based on the above research there are clearly a variety of management models which may be considered having regard to the sharing and co-locating community / user groups within a multi-functional facility. These are all derivations of the three models identified in the Town of Victoria Park leasing policy. The common management approaches are:

- **Internal Management:** Owned and managed by the Town of Victoria Park. This is the most traditional model where councils directly employ management and staff to operate the aquatic facilities. This management model allows council full control of operations, pricing, programming, asset management and staffing.
- **Company Limited by Guarantee:** This model is an emerging one and involves council setting up a separate wholly owned company to manage and operate the facilities on its behalf (currently this is not available under the Local Government Act in WA). This model allows the company to be in control of all facilities based on the Management Services Agreement and key operating directions set up by council. This option is used where councils wish management to be more commercial and are prepared to hand off responsibility to the company but retain some strategic direction and control of the company. The model generally has higher start-up costs and is better suited to a network of facilities due to the economies of scale it can deliver.
- **Lease with User Groups – Management by an Alliance of User Groups / Trust with a management board** (plus paid staff managing the complete complex under agreement). This is where councils lease out management rights of the community facilities to an organisation specifically set up to operate the facility. This is usually done through a contract for an agreed term and set of conditions that binds each party. This requires a new management body to be established for the purposes of operating the facility.
- **Lease with User Groups – Managing their own dedicated spaces only and shared use of key infrastructure** (incorporating individual paid staff managing the individual components of the complex under agreement). This is where councils lease out management rights of the community facilities to specific parts of the community hub. This is usually done through a contract for an agreed term and set of conditions that binds each party individually (performance management obligations per tenant) to their identified space.
- **Lease with Head lessee – Community organisation owned and managed facilities** (with Government support). This is where councils lease out management rights of all of the community facility to an organisation such as the WF to operate the facility and manage all sub-leases. This is usually done through a contract for an agreed term and set of conditions (performance management obligations for the facility) that binds each party.
- **Other Professional Management Body / Group under contract:** This is where councils contract out management rights of the leisure facilities a professional contract management company such as Belgravia, Bluefit, YMCA etc. This is usually done through a contract for an

agreed term and set of conditions (performance management obligations for the facility) that binds each party.

Further variations of these could be considered and the strengths of weaknesses of each are dependent on the extent of commercially viable development; the ability to generate income through various streams; capability; capacity; knowledge; and the governance structure which is required to be put in place. The management options and potential risks with each model needs to be understood and be well-informed. This is necessary to determine the most appropriate model which meets the Town’s desired approach. This desired approach includes the most appropriate mechanism to ensure the most effective and efficient management of a valuable community asset.

The management options for the Lathlain Community Hub have been reviewed based on an assumed full build out of the facility and adjacent stadia. This would provide the highest level of attractiveness to the market. The development options being considered include two distinct scenarios:

- Football club, function space plus a development match with known Waalitj funding.
- Full development of the precinct including football club, Waalitj, art centre, medical suites etc.

While reference is made above to the development of a separate management vehicle (Company Limited by Guarantee), due to current legislative limitations, this is not considered to be a current viable option within WA. It is therefore not assessed under this process, albeit it may emerge within the next decade.

The table below identifies the three critical outcome criteria which are used to assess the validity of each option. These are ranked 1 to 10 on a sliding scale with the most desired outcome being 10 and least desired being 1. The descriptors related to each criteria ranking is provided under the relevant sliding rank heading.

*Management Model Assessment Criteria*

Desired Criteria	Outcome	1-3	4-7	8-10
1	Potential to deliver maximum community use for the Residents of the Town of Victoria Park	Potential to deliver limited community value due to lack of resources (financial and people) and highest potential to manage purely for the interests of an individual service operator / commercial outcome and not the broader City community.	Potential to deliver reasonable community access due to effective controls and balances established at the outset. Has the potential to fail if there is insufficient ongoing and independent oversight.	An open and equitable structure which will deliver a service which provides the optimum accessibility to a wide range of community activities within the facility across all potential community group users.
2	Development of a sustainable and viable management structure	Limited existing management capability and ability to provide sufficient employee and broad developmental structures. Likely not to have the specialist skills required to	Good and effective support structures are in place but lacking the resources and ability to promote and develop the complex to generate	Specialist management capabilities in-house with existing management structures (including staff and board development) to provide surety that both

		manage community infrastructure and have the ability to manage financial resources to operate independently.	sufficient income and resources to operate independently.	the asset and usage of the complex can be managed independently without the need for ongoing intervention.
3	Highest potential to mitigate all aspects of risk and manage appropriately having regard to legislative obligations and safe work practices.	No regulatory systems and processes in place and greatest potential to act outside of legislative control and industry guidelines.	Appropriate systems and processes in place which can naturally be transferred to the management of the Lathlain Community Hub.	Established risk management structure and strong knowledge of the industry and legislative obligations which need to be planned for.

The management options are then assessed against the criteria and provided in the table below. These are then totalled to provide the optimum outcome from the Town of Victoria Park’s perspective of maximising community use; providing the most sustainable and viable management structure and to minimise risk.

*Management Model Assessment*

Option	Developing Maximum Community Use	Score	Sustainable and Viable Management Structure	Score	Legislative Compliance and Risk Management	Score	Total Score/Comment
<b>Management by the Town of Victoria Park</b>	<ul style="list-style-type: none"> <li>Could provide a clear and consistent reference point for bookings utilising existing systems and processes.</li> <li>Could be promoted through Council material and jointly through existing Leisurelife and Aqualife management structures.</li> <li>Has the potential</li> </ul>	8	<ul style="list-style-type: none"> <li>The Town of Victoria Park has appropriate professional staffing structures and arrangements in place.</li> <li>The Town have indicated there is a potential capacity issue related to the ability to take on additional responsibilities as an extension of current management obligations.</li> <li>The Town has experience in managing major infrastructure on behalf of the community which would</li> </ul>	6	<ul style="list-style-type: none"> <li>Staff are currently based at the Council offices and within Town operated leisure centres with the capability to support the Lathlain Community Hub</li> <li>Staff can be regularly trained in appropriate safety and risk management requirements as part of Council operations.</li> </ul>	8	<p>22/The Town of Victoria Park has the capability to manage and operate the complex but potentially has insufficient resources available to directly manage the facilities without adversely impacting on services provided at Leisurelife and Aqualife.</p> <p>It is not considered to be the most viable potential option as the development will involve the Town taking on a high level of risk with limited financial and staffing resources available to ensure other core service deliverables can still be managed and maintained.</p> <p>While the council have established budget setting processes aligned to an approved long term financial plan which minimises risk, the management of this facility is not currently allocated under this approach</p>

Option	Developing Maximum Community Use	Score	Sustainable and Viable Management Structure	Score	Legislative Compliance and Risk Management	Score	Total Score/Comment
	to maximise opportunities for use by other community groups / organisations.		naturally transfer to the Lathlain community hub development.		<ul style="list-style-type: none"> <li>Management of the facility can be incorporated into Council's overall risk profile.</li> </ul>		
<b>Lease with User Groups: Management by an Alliance of User Groups (Volunteer Committee with Management Overlay)</b>	<ul style="list-style-type: none"> <li>Likely to be limited opportunities for community access to facilities, access via bookings only.</li> <li>Lack of community awareness or capability in booking/access requirements and/or arrangements</li> <li>Lack of proactive facility programming, or capacity to do so.</li> <li>Lack of proactive marketing, promotion or capacity to do so. May limit capacity for</li> </ul>	2	<ul style="list-style-type: none"> <li>Employment of paid staff to assist with management of the facilities may be compromised due to a focus on one particular user group</li> <li>Relies on volunteers and therefore likely to have limited capacity.</li> <li>There are no obvious professional support structures existing locally to provide staff, training or management equipment.</li> <li>The sustainability of this approach is questionable with an extreme reliance on a few key volunteers and limited financial capacity to</li> </ul>	2	<ul style="list-style-type: none"> <li>There is likely to be limited on-site supervision and control of the facility, even when booked/used by hire groups.</li> <li>The Alliance may lack the appropriate skills, resources and budget to ensure adequate staff/volunteer training and compliance with regulations.</li> <li>Development of appropriate risk management manuals/procedures would require considerable volunteer effort and require support from</li> </ul>	2	<p>6/Management of the facilities requires a heavy reliance on key volunteers which is unlikely to be sustainable in the future.</p> <p>They would need expertise and resources to professionally manage the Lathlain Community Hub to maximise community benefit.</p> <p>Member organisations are likely to have a primary focus and interest in their area, rather than the broader community.</p> <p>Management of the sub-regional facility by an Alliance of user groups is unlikely to be sustainable nor practicable due to the highly complex nature of services being provided within the building.</p> <p>The addition of paid staff may provide surety of an ongoing management presence. However, it is unlikely that an alliance of clubs/organisations will generate sufficient revenue to sustain a complement of professional staff to manage, program, market and promote the Lathlain Community Hub effectively at all times for the general community.</p>

Option	Developing Maximum Community Use	Score	Sustainable and Viable Management Structure	Score	Legislative Compliance and Risk Management	Score	Total Score/Comment
	<p>programming, marketing and formalised booking arrangements</p> <ul style="list-style-type: none"> <li>• May limit opening hours of the facility according to time resources and capabilities</li> <li>• Limited financial capacity of any user group to fund paid staff which may restrict capability.</li> </ul>		<p>alter the situation where financial challenges emerge.</p> <ul style="list-style-type: none"> <li>• It is not evident that an alliance of clubs / organisations have a management structure (with appropriate policies and procedures) that could be engaged to operate as an employment body.</li> <li>• There is likely to be a high potential for turnover of staff / volunteers due to the complex nature of the different components of the facility.</li> </ul>		<p>the Town of Victoria Park.</p> <ul style="list-style-type: none"> <li>• The high cost of the facility and legislative obligations across a multitude of user groups would render the management by volunteers as impractical.</li> <li>• Employing paid staff may assist on site supervision and control when the facility is in use. However, there would continue to be limited supervision of the facility outside of low usage / unprofitable times.</li> </ul>		
<b>User groups managing their own dedicated spaces through a lease agreement (areas to be agreed).</b>	<ul style="list-style-type: none"> <li>• May allow individual groups the option to focus on maximising use of their part of the Lathlain Community Hub and associated infrastructure</li> </ul>	3	<ul style="list-style-type: none"> <li>• The user groups have a primary interest in their facility as each club/organisation is a key tenant. For an effective arrangement to be developed, it would require a</li> </ul>	3	<ul style="list-style-type: none"> <li>• Roles and responsibilities will need to be clearly established across legislative, health and safety and asset management obligations. Due to the</li> </ul>	3	<p>9/Community groups operating independently within the facility are unlikely to have the broader community access interests at heart. They are also unlikely to accept responsibility for critical legislative and health and safety obligations across all users of the facility. This would however be subject to a formal agreement potentially between the WF</p>

Option	Developing Maximum Community Use	Score	Sustainable and Viable Management Structure	Score	Legislative Compliance and Risk Management	Score	Total Score/Comment
<b>Town of Victoria Park manage other components through existing centralised booking system.</b>	<p>re, through events, functions and club/organisation use.</p> <ul style="list-style-type: none"> <li>• Potential for a high level of conflict between the demands of independent user groups and the objectives of the Town.</li> <li>• The extent of shared infrastructure within the complex renders this impractical due to potentially high levels of crossover between use.</li> </ul>		<p>common user arrangement to be drafted. This is unlikely to meet the differing needs and capabilities of all users.</p> <ul style="list-style-type: none"> <li>• The structure of each club/organisation is likely to be different with varying capabilities to manage and coordinate the cooperative use of their dedicated space between each of the primary tenant clubs.</li> </ul>		<p>ebb and flow of community organisations, this is responsibility is unlikely to be equitable at all times</p> <ul style="list-style-type: none"> <li>• Organisations are likely to have limited interest in the Lathlain Community Hub aside from occasional bookings for their own purposes and use.</li> </ul>		and Town to ensure equality of access and dispute resolution procedures which are dealt with independently.
<b>Lease with Head lessee: Management by the Waalitj Foundation</b>	<ul style="list-style-type: none"> <li>• Would permit the Foundation to maximising the use of their part of the Lathlain Community</li> </ul>	7	<ul style="list-style-type: none"> <li>• The WF have a primary interest their programs but may not prioritise community access across all of the infrastructure</li> </ul>	7	<ul style="list-style-type: none"> <li>• The WF has current policies and practices in place which could be adapted to incorporate an extended facility.</li> </ul>	7	21/Community groups with a core focus on their dedicated space would appear to be ideally suited to manage the ongoing use of their areas. They are however unlikely to want or desire to manage key community facilities as it is not their core focus.

Option	Developing Maximum Community Use	Score	Sustainable and Viable Management Structure	Score	Legislative Compliance and Risk Management	Score	Total Score/Comment
	<p>y Hub and associated infrastructure for the benefit of the broader community .</p> <ul style="list-style-type: none"> <li>• Direct revenue to support the WF and through the development of a sinking fund, to re-invest in the asset.</li> <li>• The WF could set up an appropriate staffing structure to manage core infrastructure and sub-lease other entities (i.e. art space, allied health etc.)</li> <li>• Are unlikely to wish to incorporate the gym, group fitness, creche and external rectangular</li> </ul>		<p>equitably as part of the management structure.</p> <ul style="list-style-type: none"> <li>• A strong management and governance structure exists at the current WF facility underpinned by WCE at Mineral Resources Park. The WF have an emerging capability but do not manage large community assets in isolation.</li> <li>• The current financial capability to adequately staff the facility to meet the communities needs is evident with the growing grant capability but this may be limited to program delivery only.</li> <li>• It is not yet proven that the WF have an interest in the broader Lathlain Community Hub aside from bookings for their own</li> </ul>		<ul style="list-style-type: none"> <li>• Safety and risk management policies are currently in place but procedures may need to be developed/c ontrolled to enable a broader management structure to provide coverage across an extended level of services.</li> <li>• The Town would still be required to oversee the management and operational viability of the WF to ensure compliance is maintained.</li> <li>• Risk management may be diluted by the WF seeking to sub-lease areas which are not deemed core responsibilities.</li> </ul>		<p>This is a preferred model providing a viable option to be pursued in conjunction with the current Lathlain Community Hub lessee's if circumstances change and the Town are to seek an alternative solution to their ongoing management of the centre.</p> <p>This would however be subject to a formal agreement between the WF and Town to ensure equality of access is maintained at all times throughout the facility. This would require KPI's to be developed to ensure the WF is managing the facility in accordance with the agreement.</p>



Option	Developing Maximum Community Use	Score	Sustainable and Viable Management Structure	Score	Legislative Compliance and Risk Management	Score	Total Score/Comment
	pitch development within any agreement.		services, training, programming and mentoring purposes.				
<b>Other Professional Management Body/Group</b>	<ul style="list-style-type: none"> <li>Provide on-site staff to allow the facility to be open to the public during defined hours.</li> <li>Provides a clear and consistent reference point for bookings.</li> <li>Could allow for proactive programming and marketing of the Lathlain Community Hub.</li> <li>Focus of the management body unless specifically controlled may not be on striking a balance between the needs of core user groups but on those that return</li> </ul>	6	<ul style="list-style-type: none"> <li>Management by an external management group is dependent on developing a high level of membership and ongoing throughput. This could be achieved but would rely on the WF releasing control which may result in reputation damage to the Town.</li> <li>The market needs to be tested as the extent of facility infrastructure and usage levels may not be financially attractive in their own right.</li> <li>It may be difficult to attract a quality management group/body without identifying a level of subsidy to underwrite any potential</li> </ul>	4	<ul style="list-style-type: none"> <li>Existing structures are in place with organisational capability to manage a suit of similar facilities.</li> <li>Any management groups would be required to comply with appropriate risk management standards and requirements .</li> <li>Staffing for extended periods may not be viable for a management group without a commitment to the full development . The market needs to be tested to substantiate this capability. Currently no model exists within WA without attracting a</li> </ul>	7	<p>17/A professional management group/body could potentially be attracted to this facility as it provides a core user base and potential profitable return.</p> <p>This would not enable the Town to retain full control over the facility and could potentially harm relationships with a core user group. As a result, while this option scores higher than the WF option, it is not considered it should be pursued.</p> <p>Where organisational capability exists within a local government and there is no desire to dilute that capability such a management option is not a viable solution.</p>

Option	Developing Maximum Community Use	Score	Sustainable and Viable Management Structure	Score	Legislative Compliance and Risk Management	Score	Total Score/Comment
	the highest income.		shortfall in income.		significant subsidy from a local government entity.		

The management models referenced above and assessed recognise the current management arrangement at Mineral Resources Park. While there is no doubt the community centre is currently being managed effectively, the focus is not purely related to community use but a combined facility with an elite training complex. It is noted that the WF manage the programming and services structure well but are reliant on significant funding from a variety of federal, state and other sources to invest in managing the asset. The new facility will be significantly different with a broader community service and use proposed. The facility would therefore be a significant extension to the current management practices on site and are likely to involve a higher level of financial resources to be set aside to manage the asset. Under these circumstances, the option to consider a separate management body outside of the Town of Victoria Park has to be considered carefully to ensure the asset and associated risks are managed effectively. Given the successful development and operation of the WF at Mineral Resources Park, lessons have been learnt which may be utilised in the development of the Lathlain Community Hub which may be directly transferred to an expanded management of operations. It is evident that an existing staffing structure would need to change to incorporate a significant asset management and building maintenance component while maintaining a high level of service at core opening times.

### **Management of the Precinct**

Previous work highlighted that Perth Football Club (PFC) would be unlikely to wish to manage all community infrastructure within the broader precinct based on the limited financial returns for the ongoing staffing outlay. It is not their core business and the focus of the organisation is the development of the WAFL club and ensuring its ongoing financial viability.

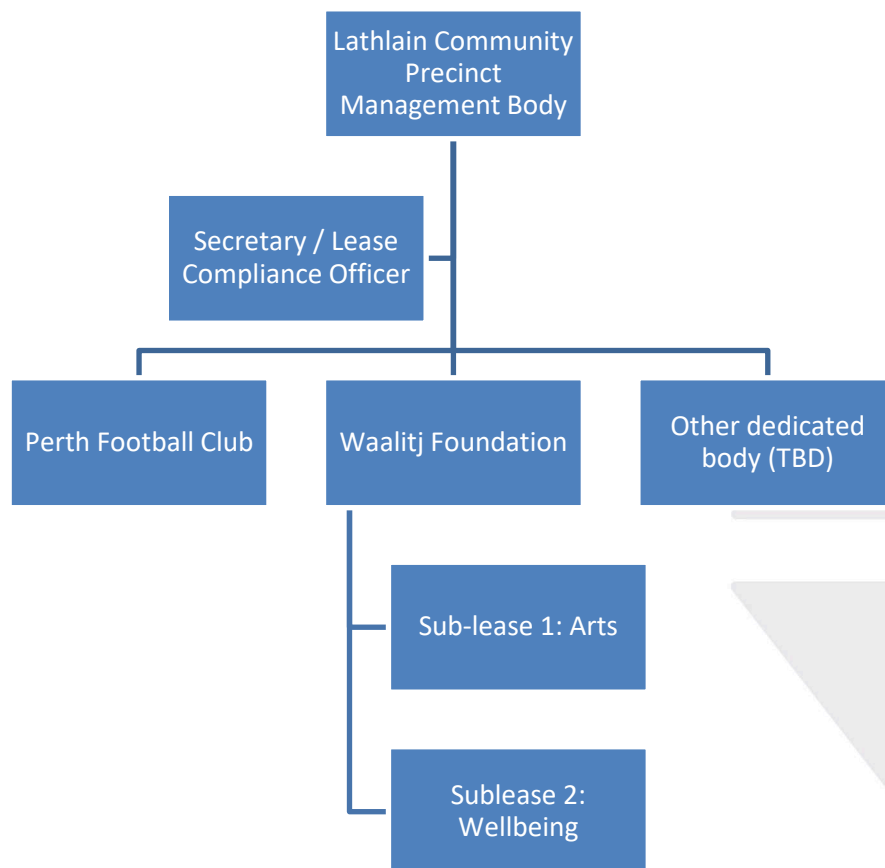
Based on this previous assessment it was evident that the management solution for the full development of the precinct should include all not-for-profit organisations having control of their own dedicated infrastructure / space and reporting to an independent, strategic, non-decision making body (i.e. a strategic consortium of users including the Town of Victoria Park). This would protect the ongoing commercial interests of PFC with adjacent facilities, including the community hub, operating through a direct lease with the Town of Victoria Park.

A decision would however need to be made on the general site maintenance across all shared areas such as car parking and access roads / paths / services (subject to agreement with the Town). In such

circumstances it would be preferable to ensure there is one point of contact which would need to be agreed by all parties and a dispute resolution process established. All operational expenditures (outgoings) related to each individual managed building could then be apportioned between the users in accordance with metred arrangements or an agreed formulae (each lessee pays a percentage of outgoings based on their allocated within the precinct). The strategic body could have responsibility for:

- Ensuing the leasing arrangements are effectively managed.
- Coordination of activities to ensure any conflict is appropriately raised and managed in advance.
- Assisting in reviewing the performance of the precinct in delivering community outcomes against agreed targets / KPI's.

The diagram below shows how the relationships would potentially work through a long-term management solution for the site, with the strategic body referenced as the Lathlain Community Precinct Management Body:



The Terms of Reference of the Lathlain Community Precinct Management Body would need to be determined but would be anticipated the body is strategic and not operational in nature, meeting on no more than four times per year. It will include representatives from the facility management bodies, the Town, a community representative(s) and be facilitated by an officer of the Town (nominally referenced as the Lease Compliance Officer), who would be the person responsible for

managing reporting requirements against all leases within the Town. Any subleases within any of the buildings would be expected to be managed by the identified management body in accordance with the terms of the head lease agreement with the Town.

### **Management Roles and Responsibilities: Community Hub**

The key responsibilities of each party for the Community Hub Development are set out in the attached report and should be read in conjunction with the suggested asset management obligations. The table assumes the Town of Victoria Park will be the facility owner and control the leases/licenses detailing inclusions for a head lessee of the Community Hub for management rights but will determine the exclusions.

The decision about access and use is required to be consistent with other Town of Victoria Park leased leisure facilities in maintaining unfettered community access at all times it is operational. This will mean an ongoing leasing fee (to be agreed) will go direct to the council. The fees and charges for use of the community infrastructure should be agreed annually and be consistent with other Town of Victoria Park community facilities. These fees would however be retained by the lessee to contribute to the management of the asset in accordance with an explicit agreement with the Town.

This assumes the following key roles and responsibilities:

- The Council (Town of Victoria Park) will retain overall responsibility for lease/licence, including negotiation and execution of Head Lease Agreement (and any accompanying MOU).
- The Head Lessee (WF) is responsible for the community hub management, bookings, implementing agreed fees and charges, for rostering and training facility management staff, providing oversight of the building presentation, including maintenance and cleaning and management of the sub-leases in accordance with an agreed process. This will act as the first point of contact with users and future lessees if/as needed and assists with business growth and development of the Community Hub.
- The Head Lessee (WF) is responsible for implementing actions to deliver on KPI's through a reporting process agreed with the Town of Victoria Park annually and be responsible for managing the hiring out of the facility in accordance with an agreed fees and charges program.
- The Head lessee (WF) will act as the person in charge. They provide customer service, handle queries as they arise, manage conflict as required, and provide first aid and emergency response.
- The Head lessee (WF) will provide and fund staff to supervise the facility when in use and to provide the promotion and marketing of the facility as a community resource available for use by the general community.

### **Lease Incentivisation**

It is recognised that the benchmarking information contains a number of references to leases as being only appropriate in certain circumstances and that the level of subsidy to be allocated for a group utilising council facility is unlikely to see the WF as a high priority. This is on the basis that it is a relatively large not-for-profit organisation with relatively limited local representation. It also has a fully funded administration and meets an identified social / community need which extends well beyond the Town's jurisdiction. Nevertheless, in circumstances where a not-for-profit organisation is

prepared to raise the capital contribution to develop the building, a long term lease is likely to be the most appropriate mechanism to employ, particularly

In such circumstances the level of subsidy is likely to be no more than between 1% to 50%. To consider a lease the Town should consider what the best value return to the community is likely to be. This is likely to lead to market rental return at a higher level than a typical community facility. This would need to be subject to a local valuation.

The incentivisation of leases requires the Town to be in a position where it has the capability to monitoring and review the lease on an ongoing basis. As with the Perth Football Club Stadium management solution, an internal resource should ideally be dedicated for this process to ensure all Town assets are equitably assessed against the delivery of services in accordance with key performance targets. There are a number of options that have been considered by various local govts / state govt including the following:

- Quarantined community hours (where a minimum number of set community hours per year are provided to the community by the operator at a cost to the commercial operator to offset the loss of public access at all times). A variation of this can be applied by determining the desired community hours and the agree the value / impact on the WF use of the building. This is not recommended as it may give rise to the WF as operator working towards the minimum level of provision.
- Percentage of market value: Charging the users a % cost recovery depending on the amount of investment the Town is putting in managing the asset – generally negotiated on an annual basis. This would need to be negotiated with the WF as the main tenant who has the bulk of the use and balanced against non-WF usage which is managed through their own booking system.
- Lease models with a requirement to let other community groups have access and to provide an incentive to earn revenue through this booking process. These aren't always successful unless controlled by the Town as invariably the instinct is to exclude other users as it is the easiest management option. This requires strong management by the Town.
- Partnership funded capital development or improvements (e.g. to reflect a percentage of the overall cost in the lease arrangement where the tenant has invested in the upgrade of a component part of that facility through its own fundraising). This is unlikely to offer the Town with the optimum return as the risk associated with the facility expenditure and potential failure of the organisation, if it were to occur, falls on the Town

The Town can offer discounts or incentives for a number of categories (i.e. use by disadvantaged community groups, maintaining good governance; facility utilisation targets etc.). This will be dependent setting clear objectives / outcomes for the management of the facility. It is dependent on what the Town accept as reasonable given the expenditure on the capital build and maintenance of the asset.

## Recommendations

Based on the above analysis it is considered that the Town should establish the basic principles on how the community hub is to be managed prior to the funding commitment being secured. It is recommended that the obligation for securing the required funding rests with the WF, facilitated by the Town, but not led by the Town. In order to ensure the future leasing of the building is undertaken in a fair and equitable manner in accordance with Town policy it is recommended that the Town:

- Undertake a property valuation based on the current market conditions.
- Confirm the appropriate annual rental value which is necessary to maintain the asset in accordance with the recommended asset schedule contained in this report, noting each parties suggested obligations.

The Town should then enter into detailed negotiation with the WF to:

- Confirm the terms of any lease agreement. It is suggested that this should be for a minimum 10 years plus ten year option.
- Confirm the roles and responsibilities for the management of the Community Hub asset through agreeing the Town and WF obligations.
- Agree the asset management obligations of the Town and the WF as suggested in the report.
- Agree a performance management solution to offset the lease charge which recognises the subsidised use of the facility by local community groups.

It is also recommended that the Town establish an overarching Strategic Management Body to oversee the full precinct operations (including the stadium and shared areas). This will need to incorporate ongoing reporting and review powers together with a dispute resolution process to enable current and future occupiers to maintain governance over their individual facility and collectively manage recognised shared areas.

ACTION ITEM
<b>Management Model</b>
Subject to endorsement of preferred concept design option, the town will need to commence negotiations based on the recommendations depending on which option has been endorsed.

## 22.0 OPTIONS ANALYSIS

### SUMMARY OF OPTIONS

#### Option 1: Low Intervention (Scenario's 1 & 2)

Is the baseline model which delivers the Perth FC infrastructure including a Grandstand as well as community accessible function space. This brief has been endorsed by the elected members at the August 2021 OCM.

**Option 2: Low Intervention plus future proof (Scenario’s 1 & 2)**

Includes all of the elements from Option 1 plus creating provision for the second stage without developing the fit out.

**Option 3: Medium Intervention**

This was to include all elements from Option 1 plus cater for the known funding as specified in the Waalitj/Banjima EOI submission. This was deemed uneconomical to develop as it wasn’t going to deliver additional community outcomes or Waalitj outcomes.

**Option 4: High Intervention**

Includes all of the elements from Option 1 plus provides provision for the aspirational desired outcomes as set out in the Waalitj EOI and elected member endorsed brief.

**ALIGNMENT OF OPTIONS TO VISION AND ASPIRATIONS OF THE PROJECT**

The aspirations were set by the Lathlain Park Advisory Group. The below shows the alignment to these aspirations set for each option. Option 4 aligns to every aspiration set including ‘A place for everyone’.

Aspiration	Option 1	Option 2	Option 3	Option 4
<i>A sympathetic, but unique neighbour</i>	☑	☑	☑	☑
<i>Flexible and ready for the future</i>	☑	☑	☑	☑
<i>A place for everyone</i>				☑
<i>A place that tells local stories</i>	☑	☑	☑	☑
<i>A place that stands the test of time</i>	☑	☑	☑	☑

**ALIGNMENT AGAINST STRATEGIC COMMUNITY PLAN 2017-2032**

Contributing to achieving the objectives that the ToVP sets for its community and organisations performance is an important indicator of the decisions made in progression of developments such as LPZ1. Therefore, a review of all concept options for alignment with the social, economic, environment and civic leadership. Option 4 aligns to a larger set of the Town’s strategic outcomes.

Alignment with Strategic Outcomes:	Option 1	Option 2	Option 3	Option 4
SOCIAL				
S1 A healthy community	☑	☑	☑	☑

S2 An informed and knowledgeable community	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
S3 An empowered community with a sense of pride, safety and belonging	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
S4 A place where all people have an awareness and appreciation of arts, culture, education and heritage				<input checked="" type="checkbox"/>
<b>ECONOMIC</b>				
Ec1 A desirable place for commerce and tourism that support equity, diverse local employment and entrepreneurship				<input checked="" type="checkbox"/>
Ec2 A clean, safe and accessible place to visit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ENVIRONMENT</b>				
En1 Land use planning that puts people first in urban design, allows for different housing options for people with different housing needs and enhances the Town's character				
En2 A safe, interconnected and well maintained transport network that makes it easy for everyone to get around				
En3 A place with sustainable, safe and convenient transport options for everyone				
En4 A clean place where everyone knows the value of waste, water and energy				
En5 Appropriate and sustainable facilities for everyone that are well built, well maintained and well managed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
En6 Appropriate, inviting and sustainable green spaces for everyone that are well maintained and well managed				
En7 Increased vegetation and tree canopy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>CIVIC LEADERSHIP</b>				
CI1 Everyone receives appropriate information in the most efficient and effective way for them				
CI2 A community that is authentically engaged and informed in a timely manner				
CI3 Well thought out and managed projects that are delivered successfully	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CI4 Appropriate information management that is easily accessible, accurate and reliable				
CI5 Innovative, empowered and responsible organisational culture with the right people in the right jobs				



CI6 Finances are managed appropriately, sustainably and transparently for the benefit of the community				
CI7 People have positive exchanges with the Town that inspires confidence in the information and the timely service provided				
CI8 Visionary civic leadership with sound and accountable governance that reflects objective decision making				
CI9 Appropriate devolution of decision making and service provision to an empowered community				
CI10 Legislative responsibilities are resourced and managed appropriately, diligently and equitably				

## ALIGNMENT TO SOCIAL INFRASTRUCTURE STRATEGY

Below indicates the alignment of each of the options to the recently endorsed Town wide Social Infrastructure.

<b>Lathlain Community Hub</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 4</b>
Consulting Rooms			<input checked="" type="checkbox"/>
Community Support Spaces (Office/Admin)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Community Flexible Meeting Space	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Town of Victoria Park</b>			
Creative Maker Spaces			<input checked="" type="checkbox"/>

## COST ESTIMATE SUMMARY

A cost summary is provided below for all options.

<b>COST OPTION</b>	<b>TOTAL excl. GST</b>
OPTION 1A	\$17,992,000
OPTION 1B	\$17,212,000
OPTION 2A	\$18,376,000
OPTION 2B	\$17,597,000
OPTION 4A	\$34,702,000
OPTION 4B	\$32,539,000

For options 4A & 4B a breakdown of the approximate split between the Perth Football Club scope and the Waalitj Community Scope. The Costs are provided in the below tables:

### Option 4A – Staged Delivery

	<b>Perth Football Club Scope</b>	<b>Waalitj Community Scope</b>
Building	\$8,840,000	\$10,614,000
External Works and Services	\$1,293,005	\$1,586,995
Below the Line Costs	\$4,107,086	\$5,040,914
Escalation	\$713,000	\$2,507,000
<b>Total Excl. GST</b>	<b>\$14,953,091</b>	<b>\$19,748,909</b>

### Option 4B – One Stage

	<b>Perth Football Club Scope</b>	<b>Waalitj Community Scope</b>
Building	\$8,840,000	\$10,614,000
External Works and Services	\$1,119,706	\$1,374,294
Below the Line Costs	\$4,058,599	\$4,981,401
Escalation	\$701,243	\$848,897
<b>Total Excl. GST</b>	<b>\$14,719,548</b>	<b>\$17,818,592</b>

The above highlights that there are potential cost efficiencies with Option 4 for the Perth Football Club Scope. If Options 1 or 2 were chosen, this would represent a significant cost impost to the project.

### SUMMARY OF COST BENEFIT TO THE TOWN

Cost benefit to the Town after five years.

Options	Financial Benefit
Option 1	\$221,027
Option 2	\$510,643
Option 4	\$716,735

There are a number of assumptions that will need to be tested with heads of agreement and leases to be negotiated to understand the number close to time of development.

### SUMMARY OF FUNDING

Below is a summary of the committed funding for each option along with the cost estimate and current shortfall. All figures are quoted excluding GST.

Options	Committed Funding	Cost Estimate	Current Shortfall
Option 1A	\$14.2m	\$17.992m	\$3,792,000
Option 1B	\$14.2m	\$17.212m	\$3,012,000
Option 2A	\$14.2m	\$18.376m	\$4,176,000
Option 2B	\$14.2m	\$17.597m	\$3,397,000

Option 4A	\$32.2m	\$34.702m	\$2,502,000
Option 4B	\$32.2m	\$32.539m	\$339,000

The above has an assumption that the Waalitj Consortium will commit \$18m to the project which had been advised at the time of writing. Further work is required to confirm this amount.

Due to efficiencies achieved for the broader project scope option 4 appears to be achievable with the current funding and with some value management work.

## 23.0 RECOMMENDATIONS

The following recommendations and summary items are identified for future planning of the new PFC and Community Hub.

- Concept Design Option 4 is recommended based on its ability to meet the principles, vision and aspirations and the overall needs of the community as identified through desk top analysis, community and stakeholder engagement and meeting the strategic needs of the town of Victoria Park.
- Option 4B is preferred given the significant cost reductions that can be achieved if the facility is built as a part of the same work package. However, given the need to relocate Telecommunication towers prior to the demolition of the existing facility and the ability for the Perth Football Club to maintain operation during the construction of Option 4A this has significant benefits to the project.
- In endorsing concept Option 4A, it ensures that the stage 1 (Football club and function centre) can progress to design development and therefore not elongating the program for delivery of this stage and placing less risk jeopardising the committed federal and state funding.
- Given the potential funding shortfall further Concept refinement is required to sure up the community hub and stakeholders. An additional layer of community engagement is recommended to test the designs and assumptions made from the Social Infrastructure Strategy, previous community engagement and elected member sentiments.
- The integration of the Waalitj Foundation Community Centre feature in Option 4 provides the Town with a strong cost benefit to the development taking into account the aligned community outcomes and the commercial drivers.
- In conjunction with the progression of this business case for the future development, the Lathlain Park Management Plan needs to be updated to align with the inclusion of additional teams in the precinct and to ensure extended community access.

- It is recommended that the Town establish an overarching Strategic Management Body to oversee the full precinct operations (including the stadium and shared areas). This will need to incorporate ongoing reporting and review powers together with a dispute resolution process to enable current and future occupiers to maintain governance over their individual facility and collectively manage recognised shared areas.
- A heads of agreement should be entered into between all key parties to establish confirmed funding, lease terms, confirm roles and responsibilities for the management of the facility, asset obligations and agree a performance management solution to offset the lease charge which recognises the subsidised use of the facility by local community groups. All of which this document can act as the starting point in the negotiations.
- Upon the endorsement of a preferred option, Lease discussions with the Telecommunication carriers requires to be progressed in alignment with the proposed options in this paper.
- Continued consultation with the Waalitj Foundation Consortium should be progressed to formalise the funding agreements with the Town.
- A part of this negotiation should include ensuring the Waalitj Foundation are responsible for the over and above the Option 1 design costs. This should be based on a Fee Variation Proposal from the Architect and other consultants to ensure the Town is not out of pocket for the additional up front detailed design costs.



## 24.0 ATTACHMENTS

1. Town of Victoria Park – Perth Football Club Needs Analysis
2. Engagement Summary Report
3. Lathlain Park Relocation Strategy Report – Telcos
4. Demolition Project Plan
5. Design Report
6. Lathlain Precinct Redevelopment Cost Estimate
7. Lathlain Precinct Redevelopment Lifecycle cost estimate
8. Perth Football Club Valuation
9. Waalitj Community Hub Valuation
10. Perth Football Club Management Review and Financial Model
11. Waalitj Foundation Management Review and Financial Model

