



Business Case

Construction of Beverley Cornerstone



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The Vision

To create a multipurpose building that delivers economic and social development through improved amenity and the expanded services it will facilitate for the region through education, training and employment, business development, tourism, community services and participation.

1. EXECUTIVE SUMMARY

This Business Case describes the Beverley Cornerstone Project, its outcomes, options available, financial information and economic and social benefits. The facility will be constructed in accordance with Australian standards and will combine administrative, educational, business incubation, tourism and community activities.

This Project has been estimated to cost \$4,000,000 (exclusive of GST), including in-kind. Site works are intended to commence in September 2017, with construction starting in November 2017 and an official opening in December 2018.

Financial contributions have been confirmed from the Shire of Beverley (\$1,465,000), Beverley Community Resource Centre (\$25,000), Lotterywest (\$745,000), the Department of Regional Development WA: CRN Building and Infrastructure Fund (\$250,000) and the Department of Regional Development Royalties for Regions Wheatbelt Regional Grants Scheme (\$195,000). The Shire is seeking \$1,320,000 (excluding GST) under the Department of Infrastructure and Regional Development's Building Better Regions Fund (Round 1)

An *Economic Assessment* undertaken in February 2017 by .id revealed that overall the proposed development is expected to make a valuable contribution to the local economy with the injection of new employment and tourist visitation. A Cost Benefit Analysis undertaken revealed that the net present value of the Cornerstone is estimated to be around \$1,200,000 with a benefit cost ratio of 1.29. The benefit cost ratio will result in a positive net community benefit driven by increased visitation, induced employment opportunities, volunteering benefits and commercial tenancies. A socio-economic analysis of the project indicates a range of other benefits assessed on a Triple Bottom Line basis (ie productivity benefits, improved access to information and services, improved early childhood outcomes, community participation and inclusion, town centre amenity and sense of place). It would be reasonable to assume that the inclusion of these wider benefits, including the project's positive impact on reducing disadvantage in the region, would generate a higher benefit cost ratio.

During construction this Project will inject \$3,100,000 in value add, generate \$8,300,000 in output, create 4 FTE jobs in the region and have a total job impact of 16 FTE. Ongoing operation will generate a total of \$1,200,000 in output in the region, \$690,000 in value add to the region, create 6 FTE local ongoing jobs, with a total impact of 9 jobs.

This Project will provide a year round facility available to continually engage local and regional communities in education, business, visitor and community activities, thereby adding to the regional economy.

2. PROJECT SCOPE

2.1. Project Purpose

The ultimate purpose of this Project is to create a better place to work, learn, interact and live. This Project intends to achieve a facility that is more responsive to community needs and is adequate for conferences/meetings, business incubation, education, visiting social support services, crèche and community activities.

This Project will provide a year round facility available to continually engage local and regional communities in education, business and activities, thereby adding to the regional economy. Potential new activities for the venue include visiting support services (such as the Health Support division of Max Employment), information technology workshops, regional tourism ventures, educational and employment opportunities and much more as described within this business case. This Project will:

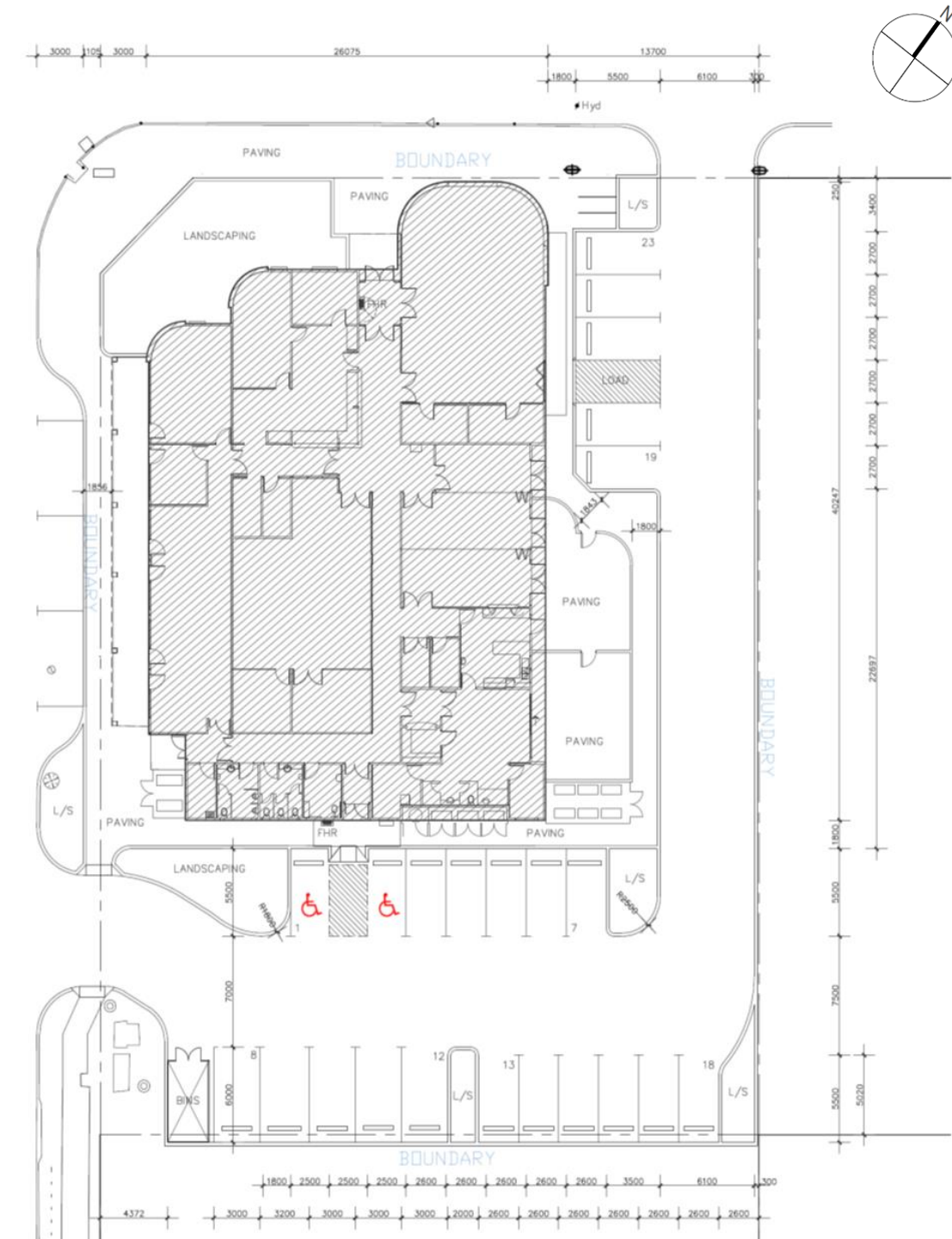
- Demonstrate the benefits of co-locating facilities.
- Improve public amenity.
- Create an inclusive, universally accessible community building.
- Encourage increased use of infrastructure that surrounds the proposed venue.
- Enable expansion of services and operating efficiencies commensurate with need.
- Improve the level of regional economic activity.
- Create a stable and viable community.
- Address social and economic trends impacting the local and regional community.
- Improve partnerships between local government, state government, not-for-profit organisations and businesses.

2.2. Description

This Project involves demolishing two buildings to make way for the construction of a multipurpose facility named the Beverley Cornerstone. The exact location of the Cornerstone will be at 139-141 Vincent Street, Beverley, situated on the corner of Dawson and Vincent Streets and opposite the Shire of Beverley Administration Centre:



The facility will be a 1063 sqm multipurpose venue (plus landscaping and car parking) as illustrated in the site and floor plan below:



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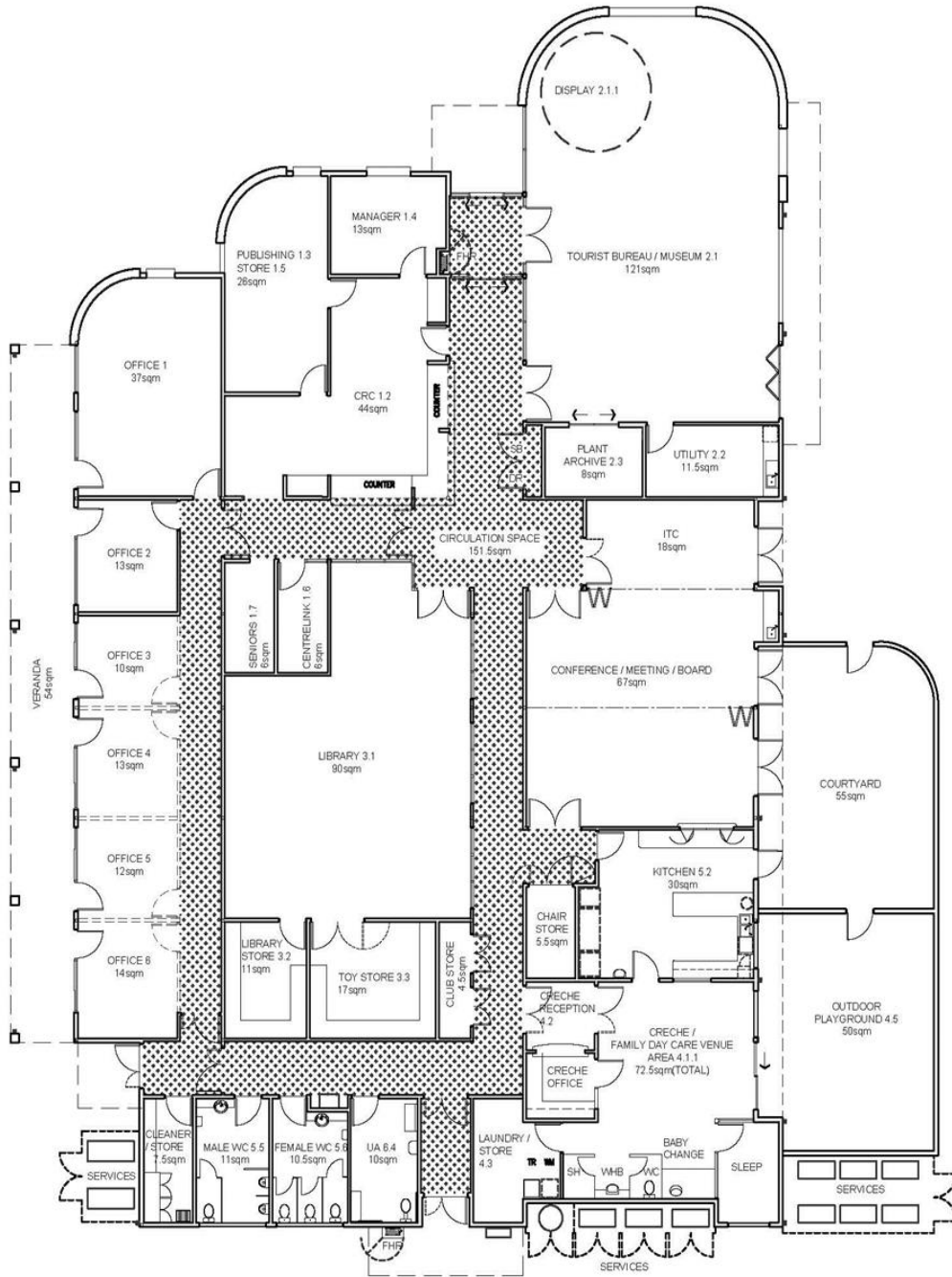


544 Newcastle Street
 West Perth 6005
 Western Australia
 T: +61 (08) 9227 5353
 E: admin@adcprojects.com.au

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PROJECT :
BEVERLEY CORNERSTONE

VINCENT ST, BEVERLEY WA



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544 Newcastle Street
 West Perth 6005
 Western Australia
 T: +61 (08) 9227 5353
 E: admin@adcprojects.com.au

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PROJECT :
BEVERLEY CORNERSTONE
 VINCENT ST, BEVERLEY WA

The table below summarises the proposed accommodations and sizes:

Accommodation	Approx. Size sqm	Notes
Tourist Bureau/Museum	121	Includes public access computers and model plane display
Utility	11.5	
Plant Archive	8	Includes seed bank and natural resource library
Publishing Area	26	
Manager Room	13	
Community Resource Centre	44	
Chair Store	5.5	
Commercial Lease/Office 1	37	Includes access to small kitchen for catering purposes
Office 2	13	
Office 3	10	
Cleaners Room	7.5	
Office 4	13	
Office 5	12	
Office 6	14	
Seniors Computers/Desks	6	
Centrelink Room	6	
Information Technology Centre	18	
Conference/Meeting/Board	67	
Kitchen/Lunch room	30	
Female, Male and Universal Access Amenities	31.5	Includes duct and passage way
Club Store	4.5	
Crèche/Family Day Care	72	Includes amenities, store, lobby
Library Store	11	
Toy Store	17	Toy Library
Library	90	Includes book club space
Circulation space	151	Excludes walls
Walls	64.5	
Total fully enclosed space	904	
Verandah	54	
Outdoor Fenced Playground	50	
Courtyard	55	
Total roofed and enclosed space	1063	
Car parking		18 x car parking bays plus 6 x long caravan parking plus 2 x ACROD

Design

A variety of environmental initiatives will be implemented to ensure ongoing costs are kept to a minimum. The design maximises natural ventilation for active areas through large windows and optimising local skills and services was a key design element. The roof form slopes to the north-east so will be available for a photo voltaic array and solar powered water heating. This, coupled with energy efficiencies will achieve positive environmental and financial returns.

The curvature featured in the Vincent St aspect is a reference to the art deco architecture featured in the design of the Beverley Town Hall located opposite the Cornerstone site and to the small art deco features of the soon to be demolished Child Health Clinic currently on the corner of Dawson and Vincent Streets.

Project Costs and Timeframe

The detailed designs for this Project will be completed by March 2017 and procurement by August 2017. Site works are anticipated to commence in September 2017 with construction to commence in November 2017, and completion by December 2018. This Project is anticipated to cost \$4,000,000 with funding being sought from various contributors as described within this Business Case.

2.3. Background

The Old Infant Health Building and Aeronautical Museum currently exist at 139-141 Vincent Street, however the buildings are no longer fit for purpose, do not meet the community's needs or expectations and are not financially feasible to maintain in comparison to the construction of a purpose-built facility.

Built in 1952, the Old Infant Health Building is currently uninhabited as it has been deemed to be "in very poor structural condition. There are widespread cracks in many of the walls with some of the walls showing considerable bowing. The likely cause of the damage to the building is it has been constructed on shallow footings on reactive soils." (*C B Cornforth Consulting Engineer, 2012*).

The Aeronautical Museum was erected in 1967 to house a locally built aeroplane that has since been reclaimed by the designer's family. While the building now houses a wide variety of aeronautical artefacts, a recent significance assessment of the collection states, "the exhibition space is crowded leading to damage... The collection is in need of better storage and display facilities (which would) provide greater access to the public." (*Beverley Aeronautical Museum Collection Significance Assessment, Michelle Starke, 2016*). The building has no amenities for staff or visitors. It is intended to demolish these buildings to make room for the construction of the new Beverley Cornerstone as proposed within this Business Case.



Old Infant Health Building (External)



Old Infant Health Building (Internal)



Aeronautical Museum (External)



Aeronautical Museum (Internal)

During consultation undertaken for the *Shire's Strategic Community Plan 2013-2017*, the closure of education, health institutions and government were key challenges and risks identified for the community with the Strategic Plan articulating a high priority to ensure access to services and sustainable facilities as needs changed within the community.

In November 2013, CCS Strategic was engaged to undertake a *Feasibility Study* in relation to this Project. Community surveys (online and hard copy), stakeholder interviews and open community group workshops were held. The stakeholders involved in the interviews were:

- CRC (Community Resource Centre) Management Committee
- Playgroup
- CRC Staff
- Shire Councillors and Senior Staff
- Hospital Ladies Auxiliary
- Tourist Bureau
- Station Arts
- Avondale Farm Project Association
- Business Network

The workshops considered the gaps in Beverley that this Project could fill:

- Aged care specialist, e.g. optometrist, chiropodist, - not dentist
- On-line shopping support and advisory service for those retail supplies not available in town

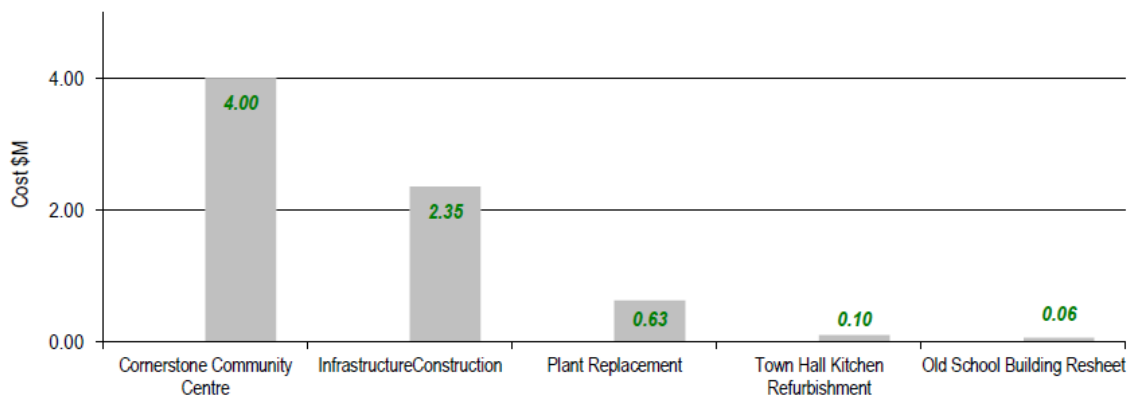
- Adult education: skills based and social focused, available out of hours
- Dancing, musical instruments, etc.
- Social transport, volunteer drivers
- Commercial tenants
- A service that no one else provides
- Younger generation could be utilised more
- Tourism to be grown

The *CCS Strategic Feasibility Study* affirmed that a need for this Project is clearly demonstrated through current activity levels and is reinforced by analysis of social and economic trends impacting the Beverley community and a range of opportunities that presented themselves during the study and engagement process.

ADC Projects Pty Ltd developed concept designs for this Project in accordance with the Feasibility Study mentioned above and estimated costs based on the community's needs and desires. The initial design was further refined in February 2016 by ADC Projects Pty Ltd whose final designs are presented within this Business Case. An *Economic Assessment* was also finalised in February 2017 by i.d population experts and is detailed herein.

This Project is evidenced in the Shire's 2016/17 budget as follows:

7. Major Projects



On 21 February 2017, Council endorsed an allocation of \$4,000,000 in the 2017/18 financial year, with a Shire cash contribution of \$1,465,000 and committed external funding of \$1,215,000 with the balance to come from other external funding, including BBRF. The Council acknowledge that without external funding the project will need to be re-scoped and as such all architectural drawings and tender documents have been developed with this scenario as a contingency. This Project is also evidenced in the *Shire's Long Term Financial Plan* and *Asset Management Plan* as evidenced within this Business Case.

Other nearby facilities include the Town Hall, Caravan Park, Men's Shed, Station Gallery, Independent Living Units, Hunt Road Village and the site marked for future aged housing (see images below). Each of these facilities is within 5 to 10 minutes walking distance to the Beverley Cornerstone.



Caravan Park



Men's Shed



Station Gallery



Independent Living Units



Town Hall



Site of future Aged Housing Project
(BBP Aged Housing Alliance)



Hunt Road Village

2.4. Policy & Strategic Framework

This Project aligns with the objectives of the following federal, state and local plans and strategies:

Federal

Department of Infrastructure & Regional Development Corporate Plan 2016/17

- Strengthening the sustainability, capacity and diversity of regional economies and support local communities including through facilitating local partnerships between all levels of government and local communities, and providing grants and financial assistance.
 - Develop and implement policies and programmes to support economic growth and services to regional communities.
 - Support effective planning and coordination across all levels of government on matters affecting local government and regional communities.
 - Deliver the Building Better Regions Fund to support the economic growth and live ability of regions
 - Support a network of regional development committees to provide a resource for regional communities to have a voice in their economic development, and to provide the Australian Government an opportunity to engage directly with regions on economic development.

Regional/State

Wheatbelt Regional Plan 2013 – 2018

Local government priorities for the purposes of the Wheatbelt Regional Plan included:

- Improved health/medical services and facilities
- Services and infrastructure to support an ageing population
- Improved education/training and employment opportunities
- Build tourism as a complimentary industry for the region
- Adequate and appropriate child care services accessible to all Wheatbelt communities
- Limited and low quality arts and culture offerings
- Young people leaving the region and those that stay have limited support and opportunities

The Beverley Cornerstone will deliver outcomes against each of these priority areas. See further discussion throughout this Business Case.

Wheatbelt Development Commission Regional Blueprint (2015)

This Project directly aligns with the Regional Blueprint's aspiration of safe, healthy and resilient communities where services and infrastructure reflect the needs and aspirations of current and future residents through the priority action of innovative design and management of multipurpose, multi user community facilities in small towns. This Project will deliver ongoing social and community benefits including providing sustainable and modern facilities that will improve the social, community, health and educational services and facilities offered in the community.

The Blueprint strives for the Wheatbelt to be comprised of "Liveable Communities" made up of "Clever People".

“Liveable Communities” are diverse, safe, healthy and resilient, where services and infrastructure reflect the needs and aspirations of residents and where “Clever People” drive economic growth and community vibrancy through lifelong learning, highly skilled labour, innovation and leadership.

The Cornerstone will provide infrastructure and services that reflect the needs of the region particularly in the areas of early childhood, youth education and employment and an increasing population of senior people as is evidenced throughout this Business Case.

Avon Sub-Regional Economic Strategy (2013)

This Regional Strategy identifies a number of ‘Tourism’ economic development actions (p.41) including the preparation and packaging of adventure orientated tourism activities for visitors, the feasibility assessment of onsite tourist accommodation and a market assessment of tourist accommodation. This Project will add value to these development actions, particularly the Visitor Information Centre and Museum and the availability of IT equipment for use by visitors who are holidaying. With seven day operation the Tourism/Museum Centre, promotion of local and regional opportunities will be enhanced.

Wheatbelt Regional Children's Services Plan 2014

The regional services plan for children raises the issue of a lack of purpose built children's service infrastructure in the region with a recommended action to investigate co-location opportunities for compatible services where a standalone premises is not viable.

The Cornerstone project will co-locate a purpose built crèche/family day care facility, toy library, public library, Centrelink access point and family support information.

Wheatbelt Youth Strategy 2012-2017

Priority Youth Focus Area - Education, Training and Employment

RDA Wheatbelt has consulted widely with young people in the region over the past seven years and has identified two recurring comments that are made by youth in the region; “we want employment opportunities in our community” and “I have to leave my community to complete Year 12”. This suggests that the young people may wish to stay within their communities but due to the limited range of education, training and employment opportunities are leaving the Wheatbelt (RDA Wheatbelt, 2012). The Vision of this strategy is for Wheatbelt youth have access to improved education, training and employment within the region by:

- Broadening the range of educational opportunities in the Wheatbelt
- Wheatbelt youth capitalising on available employment opportunities rather than looking outside the region

The Beverley Cornerstone will provide opportunities for additional traineeships or employment in Tourism and Library services as well as modern technologies and learning spaces for youth education.

Department of Local Government and Communities Strategic Plan 2014-2018

- State and local service options providing an innovative and responsive range of services to community members
 - Strengthen and coordinate local solutions by supporting local government and community services
- Stronger and more sustainable local government and community services sectors.
 - Build local government capacity.
 - Support sector development in the community services sector.
 - Strengthen the sustainability of community services organisations.
 - Support the local government and community services sector to work collaboratively to enhance local community sustainability.

Association of WA Community Resource Centres Constitution

To develop partnerships with other organisations, businesses and government to further promote, support and develop regional Community Resource Centres.

Local

Shire of Beverley Strategic Community Plan 2013-2017 (2015 Review)

1. Social: Building a Sense of Community

Outcome 1.1 Sustainable Community

- Foster community participation.
- Support sporting and community needs
- Support the ageing population to maximise opportunities for sustainable independent living.

Outcome 1.2 Community Needs for Services and Facilities are Met

- Ensure access to services and facilities as needs change within the community

3. Built Environment: Enhanced Lifestyle Choices

Outcome 3.1 Sustainable Infrastructure

- Maintain and upgrade our assets and infrastructure

4. Economic Development: Maximise Development

Outcome 4.1 Local Business Growth

- Support and facilitate the increase of economic growth.

5. Governance: Strengthen Shire Leadership

Outcome 5.2 Council Leadership

- Foster community participation and collaboration.
- Advocate on behalf of community for service delivery.

2.5. Key Deliverables

Outputs	Performance Measure	Performance Measure Method
A 1063sqm multipurpose indoor community, educational, social and health and business facility in Beverley	Completed in accordance with timeframes, budget, building codes and regulations.	Inspection by the Project Manager to certify that quantity and quality of works comply with the Council objectives and provision of builder's certificate.
Increase in local and regional tourism activity.	1,000 additional patrons to the museum and visitor information centre in the first 12 months increasing to 2000 additional patrons ongoing. Host one regional tourism event in the first year.	Sales data and information provided by the Shire, visitor information centre and tourism service providers.
Educated and skilled population.	One additional traineeship offered to young people by CRC. Upskilling of current staff (or a second additional traineeship) in library services 30 families utilising the Toy Library in the first 12 months.	Statistics maintained by Beverley District High School, CRC, Toy Library, CRANA and AEDC.
Increase in local and regional business development	2 offices tenanted within first two years, increasing to 4 tenancies over time NB other offices will be made available to Shire and CRC for operations Conference/board room booked for 6 hours per week during first year.	CRC booking sheets and Shire rental income received from offices.
Increase in community connectivity.	Creation of additional 8 volunteer positions. Host 2 tourism volunteer training workshops per year.	Statistics maintained by the Shire, CRC and community organisations

2.6. Stakeholders

The following internal and external stakeholders may be affected by or may influence this Project:

Stakeholders	Interest/Impact	Comments
Shire of Beverley residents, rate payers and business owners	Growth within the Shire and provision of quality services and facilities.	Consultation during the development of the Strategic Community Plan, Feasibility Study and consultation relating to the concept plans and during development of this Business Case as described within this Business Case.
Neighbouring local government – Shire of Brookton	Growth within the southern Wheatbelt region. Potential to benefit from increased economic activity and facilities.	This Project has been discussed with neighbouring local governments and letter of support have been provided.
User groups (Agricultural Society, Aeronautical Museum, Photography Group, Beverley Station Arts, Naturalists Club, National Trust WA)	Representative of user groups of the infrastructure. The facility will provide areas in which to meet and showcase collections.	Representatives from the existing core user groups have been and continue to be involved in consultation around the development of this facility. Letters in support have been provided.
Beverley Community Resource Centre	Core user group of the facility. Lessee and facility manager. Financial contribution to the construction.	Lease agreement with Shire of Beverley. CRC have been and will continue to be involved in consultation around the development of the facility. Financial support has been provided.
Beverley District High School	Use of the facility for school activities.	Discussions have been had between the Shire and the Beverley District High School who are interested in utilising the ITC room for student and staff development. Letter in support has been provided.
Central Regional TAFE	Use of facility for provision of local training to aboriginals.	Current training is expected to continue and be extended to include 1 additional traineeship.
Experience Perth and Avon Tourism Inc	Tourism growth	Discussions have been had with Experience Perth and Avon Tourism Inc who have provided letters in support of this Project.

MAX Employment	Deliver employment support services and disability employment services to the region.	Facility will allow computer and job readiness training, areas for confidential interviews and disability health assessments. Letter of support has been provided.
Holyoake – Wheatbelt Community Alcohol and Drug Service	Drug and alcohol counselling	Facility will accommodate counsellors in a safe environment that allows for client confidentiality. Letter in support has been provided.
CRANA	Aboriginal Support Group	Discussions have indicated a need for document storage and an area in which to meet and engage. A letter of support is provided.
Business Users	New business development/investment in the region.	Facility will provide training facilities for new employees and admin support for industry. Modern, sophisticated premises. Letter of support provided.
Families and carers	Early childhood services	Creche/day care facility, activities like Storytime, Lego Club. Sample of local survey indicates need. Current home day care service only operates Mon-Thurs catering to a max of 4 children aged under 4 years
Mobility Impaired Users	Participation, inclusion, access	Current facility does not provide complete UA amenities nor spaces for activities. Dedicated seniors' computers, Centrelink and Govt access, visiting health services. See building design and letters of support.

2.7. Critical Assumptions

It is assumed that:	Comments/Impact if not addressed
Funding will be met by the Department of Infrastructure & Regional Development.	A reduction in the scope and delay in project commencement is likely to occur. Timelines outlined within this Business Case will be adjusted.
The funding sought is sufficient for this Project.	Accurate cost estimates from a Quantity Surveyor have been obtained in February 2017.
Ongoing maintenance costs will be the joint responsibility of the Shire of Beverley and the Beverley CRC.	A building design, associated life cycle costs with a renewal schedule has been developed to ensure ongoing financial viability.

2.8. Social, Economic & Financial Analysis

The ongoing viability of the Beverley Cornerstone is enabled by a level of cost recovery through a lease agreement with the Beverley CRC. Viability is also supported by volunteer contributions in the day to day operations of the facility and services within. This Project is economically viable given these volunteer contributions. Further details of the community, economic and socio-economic benefits are detailed below.

2.8.1 Social Benefits

Respondents to the *Living in the Regions Survey (Government of WA, Department of Regional Development, 2013)* nominated the following primary reasons for living in the Wheatbelt:

- community connectedness;
- safety; and
- sense of community.

Local residents nominated similar reasons for living in Beverley. The *Shire of Beverley Strategic Community Plan (2013-2017)* articulates the community's vision of "a place where our community values its past history, is safe, welcoming and friendly; a place where people can live, work or visit and experience a relaxed and peaceful environment." The community prioritises "Enhanced Lifestyle Choices" and "Building a Sense of Community" as the means to achieving and sustaining this vision. The issues and challenges identified for the community in achieving these outcomes include:

- economic capacity (435/564 economic diversification)
- increasing number of people over the age of 65
- closure of education, health institutions and Government Services in the region
- limited broadband and mobile phone coverage,
- ability to attract local businesses, both retail and commercial
- cost of development.

A report (CCS Specific Outcomes and Benefits 2015) on the specific outcomes and benefits associated with the establishment of the Beverley Multi-purpose Community Centre (now the Beverley Cornerstone) was prepared based on the Socio-economic Impact Assessment Toolkit 2005 (p6) developed by the *Australian Government Department of Environment and Heritage*. The findings show that the Beverley Cornerstone and its activities, located in the main street shall provide the necessary revitalisation of the town centre to stimulate community aspirations, community pride and increase liveability in the region. The addition of purpose built community infrastructure and facilities is important for encouraging social interaction and social capital (*Wood et al, The Anatomy of the Safe and Social Suburb: An exploratory study of the built environment, social capital and residents perceptions of safety. Health and Place 2008; 14(1):15-3*). The Beverley Cornerstone brings together all the dimensions necessary to develop social capital: facilities, places, spaces, programs, projects, services and networks.

The Cornerstone co-locates the Beverley CRC, visitor services and museum displays, crèche/family day care, library and new office tenancies to support the small business sector. Inherent within the operation and design of this facility are the non-financial economic benefits relating to socio-economic advantages including:

- improving social, health and educational services and facilities offered in the community by providing new facilities where accessibility is a primary, integral part of the design;
- a more attractive place to live by expanding on existing facilities;
- improving community connections and inclusion by co-locating services within a multipurpose facility;
- opportunities for learning and knowledge through technology improvements, meeting places and direct involvement in running programs including volunteering and personal interactions;
- supporting and protecting local heritage and culture;
- strengthening community institutions, governance and leadership capacity by bringing together those organisations whose focus is community wellbeing;
- creating a sustainable future by addressing disadvantage and delivering benefits to the region beyond construction phase.

a. Regional Amenity

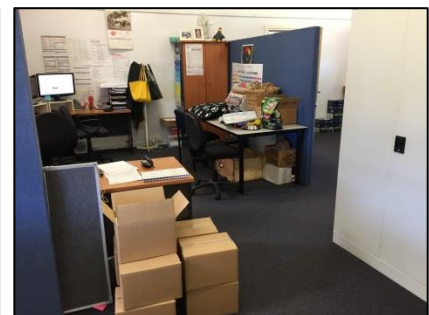
Currently the Beverley CRC operates from poor accommodations that do not provide adequate accessibility, where conditions are cramped, individual privacy of clients is comprised, and services and activities are limited to small attendance numbers



CRC combined meeting room, ITC training area and staff kitchen



CRC printing & collating area with partitioned meeting space behind



CRC Manager & Manager Assistant office space partitioned from printing area

Participation in the workforce or other activities is limited for local residents as child care options are limited to 1 x family day care operating Monday to Thursday and catering for only four children aged under 4 years. Other child care options are at least a 60km round trip away. 11% of Wheatbelt respondents to a 2013 survey

conducted by WA Department of Regional Development indicated that child care options were an important consideration when choosing where to live. A survey of Beverley Playgroup families indicated the need for an expansion of local child care services (see survey sheets) with 85% of respondents replying that they would access child care if vacancies or opening hours permitted, evidencing the need in the community. This project will deliver a crèche/family day care to allow for either workforce or community participation and education and training.

Capital investment in much needed community infrastructure that is accessible to all ages and differing capabilities, fully activated by the partnerships formed through development and subsequent operations, will deliver economic and social benefits for Beverley and the region. A City of Rockingham Report, *Understanding Community Development (June 2013)* as referenced in the *CCS Specific Outcomes Report (p.27)*, suggests that attention to the five community development areas, including community infrastructure that is planned, developed and managed to cater for social, recreational, educational, cultural and service needs of the community, contributes to strong communities.

b. Community Connections and Social Inclusion

This Cornerstone Project has enormous scope to involve people of all ages and abilities in whole of community activities. Community connections and social inclusion will be increased through the capacity for events and activities such as art displays/exhibitions, museum activities, book club initiatives, crèche, library activities, young readers' activities, tourism promotion, Lego club, toy library, school holiday workshops and information technology workshops to all take place in the same location. All of these initiatives aim to deliver a sense of togetherness and interaction and strengthen the physical and mental wellbeing of users. The following table identifies the anticipated users and their purpose:

User Group	Purpose
Shire of Beverley	Public library, community consultation, committee meetings & activities
Museums	Displays from the Art Gallery, Avondale Farm (National Trust), Avondale Vintage Machinery, Dead Finish Museum (local history), Aeronautical Museum
Beverley CRC	Business and office administration support services, government information portals & referral services including Centrelink, E-tax, community support services including employment referral, training courses, volunteer register, computer, internet access and skills training, meeting rooms and conferencing facilities including video, seniors activities and equipment, children's activities, community events
Office tenants	Conduct business, regional workshops or conferences. Creche and or day care facility
Naturalists Club	Seed Bank And Natural Resource Library

User Group	Purpose
	supporting work of the WA Herbarium
Tourist Information Centre	Local and regional information, event promotion, museum displays, merchandise sales, visitor amenities
Lego Club	Early Childhood development through play and social interaction
Toy Library	Early Childhood development through play
Bushfire Brigades Local Emergency Management Committee	Meetings, training courses, option for use as a control centre during local and regional emergencies
Agricultural Society, Cricket, Hockey, CRC Mgt Committee, Horse & Pony Club, Netball Club, Jnr Sporting Council, Avondale Farm Project Association	Meetings, event promotion, club storage
Historical Society	Research – Library includes digital copies of Beverley Times
Garden & Tree Society	Research
CRANA	Meetings, displays and storage for indigenous groups
Beverley Station Arts	Event Promotion, Art Gallery displays
Community Advocate	Justice of the Peace, signing documents, work with CRANA aboriginal group
Photography Group	Meetings, workshops, displays
Book Club	Library, meetings
Beverley District High School	Staff and student education and training, internet access
Seniors	Dedicated seniors computers and activities
Visitors	Tourist information services, internet access, amenities, parking
National Trust	Meetings & hot office space
MAX Solutions incl Health Services	Client contact, job ready training, health interventions

User Group	Purpose
Holyoake	Wheatbelt Alcohol & Drug Counselling, client contact
Avon Tourism	Meetings, regional tourism displays
Central Regional TAFE & Southern Regional TAFE	Education & training for indigenous
Shire's of Beverley, Brookton & Pingelly Working Groups	Regional partnership group meetings including BBP Aged Support & Care Solutions
People with Disability	Universally accessible facilities, visiting support services, social engagement activities, Government support information

The table located at page 32, indicates the participation levels in all services and activities at the Cornerstone. Due to the nature of co-located facilities and organisations, the estimated participation in current activity at the Beverley CRC alone is set to increase from 7,500 attendances approximately 12,000 attendances when operating from the Beverley Cornerstone.

The outcomes of a strategic evaluation of co-location and integration projects (pp32,33), undertaken by the *State of Victoria (Department of Education and Training) 2015*, included:

- Creating greater aspirations among young people, families and the community.
At all sites where there had been significant capital investment, the community had developed a strong sense of pride and ownership.
- Workforce participation.
As a result of adult learning programs, volunteering and child care, some families were better able to participate in community and services. Adult learning programs could lead to employment, volunteering could provide skills and child care could enable workforce participation.
- Adult learning and out-of-school opportunities for students.
Co-location and integration created diversified learning opportunities for children, strengthening their self-esteem and opportunities for parents and the community to become more involved in their own learning and professional development and increased their social participation.

c. Local Heritage and Culture

The Shire of Beverley recognises the contribution both local amenity and visitation plays in promoting and protecting our local heritage and culture. The Shire

supports the operations of numerous not for profit groups who operate visitor attractions. The work of the Beverley Historical Society, Avondale Farm Project Association (under the auspice of the National Trust (WA)), CRANA Aboriginal Corporation and Beverley Station Arts all preserve and promote the local heritage and culture. Museum space within the Cornerstone will enable these groups to further promote their heritage and cultural activities and attractions by allowing space for displays dubbed “museum tasters” to encourage further exploration of the region by visitors.

The Beverley Naturalists Club has established a regional herbarium and natural history library providing a valuable educational resource for students, visitors, environmental management groups and the West Australian Herbarium. The inclusion of a plant archive within the Visitor/Museum section of the Cornerstone will greatly improve access to the collection while the meeting rooms and conference areas will provide space from which to hold meetings and workshops.

CRANA Aboriginal Corporation is a group encouraging community awareness of Noongar culture and the social development of its members. The group has indicated that the different facilities within the Cornerstone will allow the option of spaces for meetings, a place for storage in the club archive room and display of artefacts in the Visitor Centre/Museum. Co-location will encourage social interaction and greater harmony.

The final design of the Cornerstone building includes a domed ceiling in the Visitor Centre/Museum from which to hang a scaled model of the “Silver Centenary” the first amateur designed and built aeroplane in Western Australia. This plane was built in 1928 by two local Beverley residents on the floor of the empty end of the local powerhouse, the story of which is proudly told by the community of Beverley. The report, *Significance Assessment Beverley Aeronautical Collection (Slarke, 2016)* highlights the Silver Centenary as an important part of local history suggesting a model of the plane be commissioned. (A recent successful WDC *Community Chest* grant application will see this model come to fruition during 2017/2018.) As the actual plane was removed from Beverley some years ago by family of the builder, this display will commemorate an important piece of local history and provide a point of interest for visitors.

Letters of support from the various not for profit organisations further evidence the benefits to be gained from this project.

The incorporation of art deco elements into the design of the building and due recognition of demolished buildings and their inherent purpose and place in local history will be important in maintaining and increasing pride in community achievements both past and present. Located opposite the Beverley Town Hall, the Beverley Cornerstone will complete an impressive gateway into the town centre (see photos of buildings to be demolished and Town Hall in this Business Case on page 11 and page 12).

d. Governance and Leadership

This purpose built facility will bring together those community focused organisations that are essential to strengthening community institutions, governance and leadership capacity. Planning and development for this project has involved risk analysis, budgetary considerations, engagement of experts and planning for asset management.

A display of proactive measures to fortify the relationship between the Shire and the community is the extensive consultation undertaken in determining the most appropriate facility that will accommodate and deliver maximum benefit to the community and ensure all services are catered for. Letters of support from Federal, State and Local government representatives, established business owners, residents and community groups indicate the support for this project.

Four project sponsors (external to the Shire) are contributing \$1,215,000 to the construction of the Cornerstone. Without these partnerships and those other relationships formed throughout the development of this project (namely with health and education providers, not for profit groups and small business) the community may not receive the benefits forthcoming.

The establishment of a Focus Group with community representation also demonstrates the measures taken to strengthen the government-community union. The CRC's cash contribution to this Project evidences this partnership.

e. Volunteering

Despite the large portion of over 50s, the Beverley community has a very social and active lifestyle and are exceptional volunteers. The *Wheatbelt Regional Blueprint* confirms that the region has the highest volunteering rate in the State (p.58). This Project will substantially increase the capacity for volunteering in the areas of the museum, tourism and the CRC. It is anticipated that an additional eight volunteering positions will be available, with ANZ Seeds of Renewal funding already available for volunteer training through a "Volunteer Pilot Project" (see Grant Project List).

f. Sustainability

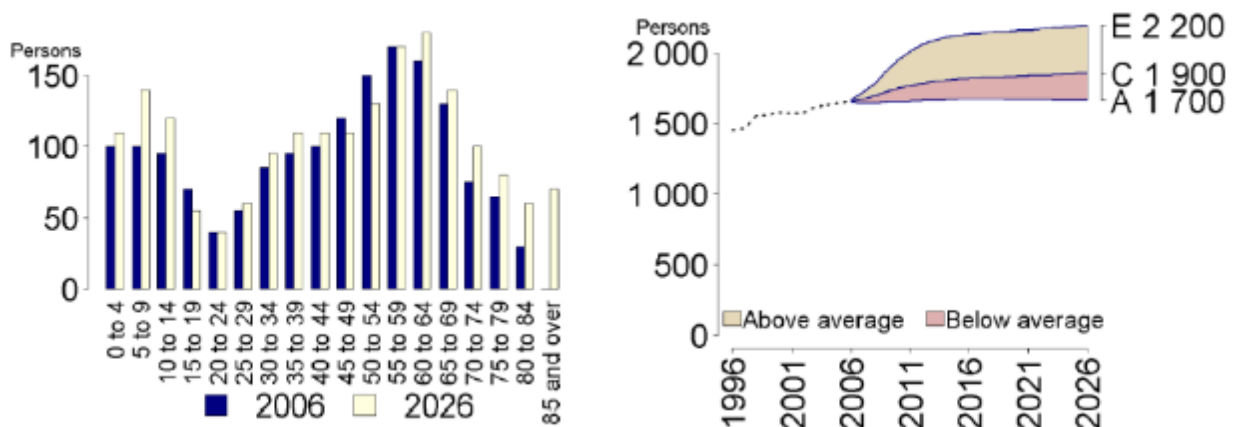
Beverley is a small Wheatbelt town, with a stable to rising trend in population figures to 2026 (see page 19) mainly driven by retirees. Jobs in the region are in decline, diversity in industry is lacking and the closure of government institutions and services to the region are all impacting on the regions changing demographic and economic fortunes. Evidence collated through the *Review of the Western Australian Community Resource Network (WA Regional Development Trust, May 2013)* indicates that the contribution CRCs have made to their local communities over the last two decades has been considerable and are valuable assets adding to the social fabric and social capital of regional communities.

The recommendation of a Feasibility Study (*The Next Phase Feasibility Study for the Beverley Community Resource Centre (CCS, 2013)*) to construct a new multipurpose facility in the Beverley town centre is congruent with the evidence of the WA CRN Review that shows the impediments to growth and performance of CRCs include revenue, premises personnel and services. Current infrastructure is no longer suitable to the expansion of services for the local CRC. The construction of the Cornerstone at \$4,000,000 will enable this expansion for the CRC, will create new construction employment and four new positions added to operations, benefits from increased visitation and some level of cost recovery for the Shire through rental income.

Sustainability includes the capacity of the Cornerstone to become activated through the co-location of activities and services, the support of the Shire of Beverley, the Beverley CRC and community commitment and participation. Although limited by its subjectivity and being based on observation, experience and other literature, a composite assessment of economic and social benefits of a multi-purpose building in Beverley shows a 16% improvement in the preconditions of economic prosperity and social enhancement over the current situation, moving the Shire toward maintaining a sustainable project and a sustainable community. (*CCS, Specific Outcomes and Benefits Associated with the Establishment of the Beverley Multi-purpose Community Centre 2015*)

g. Disadvantage in the Region

According to the *Socio Economic Index for Areas*, the Shire of Beverley is ranked 24th in Western Australia (out of 139) and 165th in Australia (out of 564). The Shire currently has a population of 1,567, with the number of children and teenagers (0-14 years) expected to rise dramatically between now and 2026 as depicted below:



Source: WA Tomorrow, LGA Profiles, WA Planning Commission 2012

In 2011, the Shire's population median age was 51 years and 52% of the entire population were aged above 50 years. This percentage is 21.6% higher than WA and 19.7% higher than Australia, demonstrating its disadvantage (ABS).

Age	Beverley (S)	%Western Australia	%	Australia	%	
<i>People</i>						
0-4 years	70	4.5	151,262	6.8	1,421,050	6.6
5-9 years	114	7.3	142,774	6.4	1,351,921	6.3
10-14 years	89	5.7	146,035	6.5	1,371,054	6.4
15-19 years	59	3.8	148,208	6.6	1,405,798	6.5
20-24 years	43	2.7	159,010	7.1	1,460,673	6.8
25-29 years	50	3.2	167,944	7.5	1,513,236	7.0
30-34 years	46	2.9	156,152	7.0	1,453,775	6.8
35-39 years	73	4.7	161,526	7.2	1,520,138	7.1
40-44 years	100	6.4	166,731	7.4	1,542,879	7.2
45-49 years	108	6.9	159,859	7.1	1,504,142	7.0
50-54 years	113	7.2	150,369	6.7	1,447,404	6.7
55-59 years	148	9.5	133,894	6.0	1,297,244	6.0
60-64 years	163	10.4	120,531	5.4	1,206,116	5.6
65-69 years	140	8.9	86,324	3.9	919,319	4.3
70-74 years	117	7.5	66,219	3.0	708,090	3.3
75-79 years	55	3.5	49,832	2.2	545,263	2.5
80-84 years	40	2.6	38,284	1.7	436,936	2.0
85 years and over	38	2.4	34,217	1.5	402,681	1.9
Median age	51	--	36	--	37	--

The median age of people in Beverley (S) (Local Government Areas) was 51 years. Children aged 0 - 14 years made up 17.4% of the population and people aged 65 years and over made up 24.6% of the population.

The Shire has liaised extensively with MAX Solutions who provide employment, health, training and humanitarian services. They address barriers to employment and provide job seekers with relevant health and training interventions. They currently attend Beverley every fortnight to provide these services and have 67 job active clients. MAX Solutions also has a partnership with Disability Employment Services (DES) which assists people with disability find work and to maintain employment. Currently DES are not serviced due to a lack of appropriate infrastructure to conduct private consultations and health interventions. Currently, client contact is conducted in a large open room that doubles as an information technology training room, storage area and staff kitchen. MAX Solutions has confirmed that the 40-60 year age group lack basic computer skills including writing resumes, cover letters and logging in to Centrelink. They have provided their support for this Project which is evidenced in a letter, and confirms they would utilise office space for interventions and private consultation and the information technology room and conference facilities for workshops on a monthly basis.

The Cornerstone is intended to impact on Beverley's senior dependency ranking of 540/563 (*Regional Australia Institute*) with the Cornerstone being within close proximity to retirement accommodations at Hunt Road Village, Dawson Street Independent Living Units and the main retail and service centre of the town. This Project will assist with facilitating an "age friendly WA" which is at the core of the *Age-Friendly Community Report (Shire of Beverley 2016)*, the *Wheatbelt Aged Support and Care Solution/s (Wheatbelt Development Commission, 2012, Verso Consulting Pty Ltd)* and *The Seniors Strategic Planning Framework 2012-2017 (Government of WA Department of Local Government and Communities 2012)*. The Cornerstone will deliver dedicated senior's computer stations, recreational resources including a library, book exchange, jigsaw loan and book club space which will all enable lifelong learning. The offering of these services and opportunities for networking will encourage seniors to remain active and involved in

community life, leading to improved health and wellbeing. The Cornerstone and its inherent activities align with creating age friendly communities and encouraging population retention. This is also congruent with advice from the Department of Social Services who state that taking part in regular social activities with family, friends and neighbours is a good way to keep involved and connected with the community and this contributes to overall health and wellbeing by strengthening sense of belonging and creating social relationships. Co-location with the Lego Club and Toy Library allows for intergenerational interaction and opportunities for engagement through volunteering.

The number of children and teenagers (0-14 years) is expected to rise dramatically between now and 2026 (p.8 *WA Tomorrow, LGA Profiles, WA Planning Commission 2012*). The Wheatbelt Regional Blueprint states there is a requirement for infrastructure to meet the needs of 0-4 year olds, particularly those who are developmentally vulnerable. The *Australian Early Development Census* reports that 23.5% of the children tested in Beverley are considered developmentally vulnerable and improved access to early childhood development programs will assist to reduce the instance of developmentally vulnerable children in the Region. The delivery of a crèche, Toy Library, fenced playground and Library will reduce this disadvantage and prepare for the demographic growth in this age group. A Literature Review of the impact of early childhood education and care by the *Australian Institute of Health and Welfare Canberra, 2015*, indicates that quality, early educational intervention has a substantial effect on cognition, social and emotional development and school progress and as a result can only enhance educational outcomes for children. In the first year of operation, it is envisaged that a minimum of 5 children will utilise the crèche/day care for 8 hours per week, up to 30 families will be able to access the Toy Library and twelve 0-4 year old children will attend Storytime accompanied by a family member, on a monthly basis.

Additionally, the Shire has a high young dependency ranking of 340/563 (*Regional Australia Institute*) and the provision of a crèche and toy library will have a long term impact on the contribution of young people to the economy through enhanced early childhood outcomes amongst a vulnerable and disadvantaged population. Extensions and improvements in early childhood care, higher education and training opportunities will support the region's 0-14 demographic and young unemployed, consequently enabling increased future workforce participation to meet labour shortages, in accordance with the *Regional Blueprint* (p.61). A Case Study and trainee records from the Beverley CRC evidence the outcomes achieved through traineeships provided locally for indigenous youth. Young indigenous residents have completed local traineeships and either progressed to employment or further education. The expansion of CRC services facilitated by development of the Cornerstone will provide further traineeships and or employment in Library and Tourism services. Consultation with Beverley District High School indicates that there is a vulnerable group of students, including those with diagnosed or imputed disabilities, students in vulnerable family situations acting as carers and students struggling with mental illness or other personal crises who are unable to travel further afield for appropriate educational opportunities. This Project would support local educational and training opportunities. A letter of support from the Principal of the District High School evidences this need.

2.8.2 Economic Growth

This Project will demonstrate the advantages of multipurpose facilities in regional Western Australia. It will engage a broad range of volunteers and contractors with a vast array of experience and skills and bring them to the Wheatbelt area.

An *Economic Assessment* undertaken in February 2017 by .id revealed that overall the proposed development is expected to make a valuable contribution to the local economy with the injection of new employment and tourist visitation. A *Benefit Cost Analysis* undertaken revealed that the net present value of the Cornerstone is estimated to be around \$1,200,000, with a benefit cost ratio of 1.29. The benefit cost ratio will result in a positive net community benefit driven by increased visitation, induced employment opportunities, volunteering benefits and commercial tenancies. A socio-economic analysis of the project indicates a range of other benefits assessed on a Triple Bottom Line basis (ie productivity benefits, improved access to information and services, improved early childhood outcomes, community participation and inclusion, town centre amenity and sense of place). It would be reasonable to assume that the inclusion of these wider benefits, including its positive impact on reducing disadvantage in the region, would generate a higher benefit cost ratio.

As presented by id. in their report for this project, employment opportunities are limited in the local area. The regional economy (defined by id. as the Beverley Brookton Pingelly LGAs) is very small with a Gross Regional Product of \$200,000,000 in 2015. During construction this Project will inject \$3,100,000 in value add, generate \$8,300,000 in output, create 4 FTE jobs in the region and have a total job impact of 16 FTE. Ongoing operation will generate a total of \$1,200,000 in output in the region, \$690,000 in value add to the region and create 6 FTE local ongoing jobs, with a total impact of 9 FTE jobs.

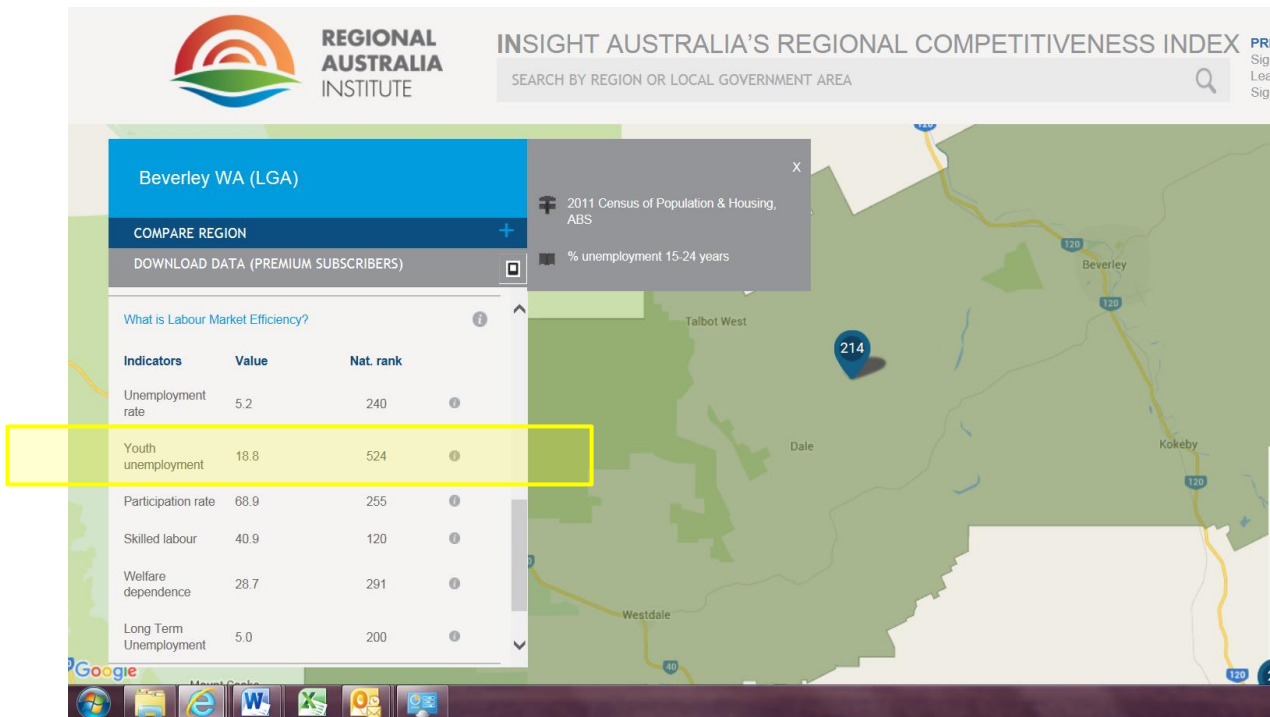
The Shire has a high *Regional Australia Institute* ranking of 481/563 for business sophistication which is heavily influenced by its lack of economic diversification. The Cornerstone has been designed to allow for meetings, training, interviews, videoconferencing and hot offices that will support local business diversification through both new business attraction and existing business growth. This has the potential to accommodate around 3-4 new jobs and create an ongoing revenue stream of around \$21,000 per year for the Shire. This will allow the Shire to maintain some level of cost recovery for ongoing repair and maintenance of the facility.

The Beverley District High School has advised that although they possess access to adequate facilities at school for students to meet curriculum requirement, the existing computer devices are not fitted with cameras and microphones which would enable videoconferencing. The new technology room at the Cornerstone will offer these facilities which will enable professional development opportunities for teachers, other staff and students.

The Cornerstone has the potential to generate around eight new volunteers servicing the Visitor Information Centre on weekends and providing an important contribution to the community.

The youth unemployment rate in the Wheatbelt region has increased by 16% to 23.3% in the decade up to March 2014 (*Wheatbelt Youth Strategy 2012-2017*) and according to *Regional Australia Institute's Regional Competitiveness Index*, the Shire of Beverley is ranked 524/563 for youth unemployment (aged 15-24 years). The unemployment rate in Beverley was at 7% in September 2016 which is higher than the Regional WA rate of 5.6%.

The employment impact of this project is particularly important in helping reverse the low work force participation rate in the area, especially in the 15 to 24 years age group with 32% unemployed and not studying at school, TAFE or university (see Benefit Cost Analysis 2017).

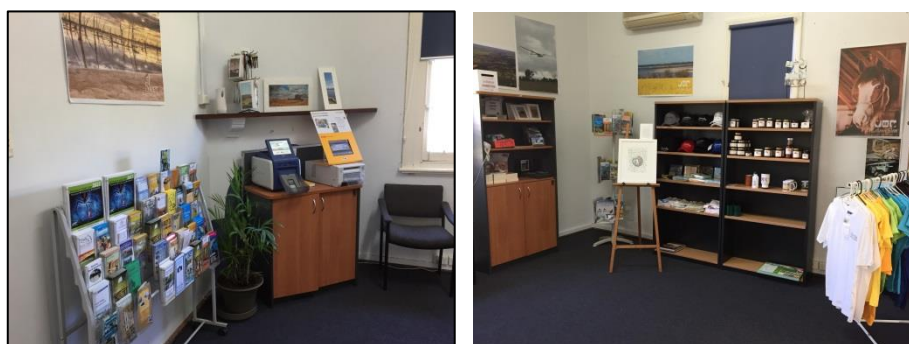


A recommended priority action under the priority issue of "young people" in the *Wheatbelt Workforce Development Plan 2013-2016*, is the encouragement of regional businesses to sign up to a charter of commitment to youth to create apprenticeships, traineeships, cadetships and scholarships as a way of providing career opportunities for young people living in the region. This Project will facilitate the Shire and the Beverley CRC in offering at least one additional traineeship and further training for staff in library services, administration and tourism, as well as opportunities for formal volunteer training. A recent local industrial land development by Landcorp has seen one lot within a planned development placed under contract by a new business owner looking to employ some 20 skilled and unskilled locals. Opportunities exist within the Cornerstone project for service providers to support this new business and for Regional Training Organisations, such as Central Regional TAFE and Southern Regional TAFE to facilitate training for unskilled workers. This outcome supports priority actions identified in the *Wheatbelt Youth Strategy 2012-2017*.

Furthermore, the town's only school, Beverley District High School, educates children from Kindergarten to Year 10 after which, young people either live and work on rural family properties or have to relocate to towns which offer extended education opportunities. The Cornerstone will assist with population and skilled worker retention through the establishment of a dedicated technology room which will enable young people to carry out further education opportunities online, while remaining close to their family and friends network. As well as improving employment prospects by undertaking courses offered by registered training organisations or tertiary institutes, the access will facilitate young people developing workforce connections, organisational skills, awareness of opportunities, positive self-worth and a purpose (see Case Study). The information technology space and adjoining meeting room will also enable visiting organisations to

deliver professional development and training workshops to further enhance the skills of the local and regional community. Facilitated by the Beverley CRC, currently, organisations such as CY O'Connor TAFE (now Central Regional TAFE) have delivered training in Beverley.

The economic development actions for Beverley outlined in the *Avon Sub-Region Economic Strategy 2013* are listed heavily in the area of Tourism. This Project will support these economic development actions through a dedicated Tourism/Museum space which will promote local and regional attractions, experiences with artefacts from Avondale Farm, Aeronautical Museum, Vintage Machinery Museum, Dead Finish Museum, Art Gallery and the Avon Valley all on display. The existing tourist information venue is unfit for purpose, only holds a few brochures and is only open five days per week during business hours. The new centre will be open seven days per week and offer tea/coffee facilities, seating, appropriate towing vehicle/visitor parking, public amenities and opportunities for purchasing merchandise.



Current Visitor Information Centre

With the extended visitor centre opening hours and extensive promotion of attractions and experiences, the number of day visitors to the district is anticipated to increase. Statistics obtained from Beverley Agricultural Society and Beverley Art Gallery indicate that approximately 1,000 people currently travel for day visits to Beverley annually. Tourism WA report that visitors spend \$98 per day on items including hospitality, fuel and entertainment. Current visitation is expected to increase by 200% to 3,000 day-trippers per annum. Using this figure, it is envisaged that an additional \$196,000 per annum could be injected into the economy through this aspect alone. Furthermore, it is anticipated that a Tourism Project Officer will be employed two days per week by the Shire to oversee the tourism strategic plan and the CRC will offer a traineeship for tourism services. The Benefit Cost Analysis also reveals that induced tourism expenditure will be the largest economic contributor with output at \$1,256,000 per annum (see below)

	NPV 6.0%
COSTS	\$2015/16
Construction costs	\$3,517,978
Routine maintenance	\$85,476
Wages (1 FTE at facility)	\$641,072
Total Costs	\$4,244,526
BENEFITS	\$2015/16
Tourism expenditure	\$1,256,501
Operational revenue	\$269,250
Volunteering benefits	\$453,366
Improved economic performance	\$3,492,251
Total Benefits	\$5,471,368
BCA Summary	\$2015/16
NPV	\$1,226,842
BCR	1.29

All monetary values in this table are in 2016 dollars and based on a NPV of 6%.

The Cornerstone will be used by a number of organisations that either do not currently travel to Beverley, that currently have inappropriate accommodations and will require space at the Cornerstone, or existing services which will expand due to this Project, all of which will create additional economic benefit, including the Health Division of Max Employment, Wheatbelt Drug and Alcohol Counselling, National Trust WA, Pitlock Industries. The following table is an indication of the estimated usage benefit:

Proposed Users	# of times per month	# attendees per time	Total # attendees per month
Community/NFP			
Beverley CRC Management Committee	1	7	7
Beverley CRC	20	25	500
Volunteer Bushfire Brigades	1	9	9
Beverley Agricultural Society	1	20	20
Historical Society	2	2	4
Aeronautical Museum	1.5	2	3
Garden & Tree Society	0.5	1	0.5
CRANA Aboriginal Support Group	1	4	4
Beverley Station Arts Inc	4	2	8
Local Emergency Management Committee	0.25	15	3.75
Holyoake - Drug & Alcohol Counselling	2	7	14
Lego Club	3	25	75
Beverley Cricket Club	0.5	4	2
Beverley Ladies Hockey Club	1	7	7
Beverley Horse & Pony Club	1	5	5
Beverley Netball Club	1	10	10
Photography	0.5	21	10.5
Community Advocate	20	2	40
Book Club	2	10	20
Naturalists Club – Herbarium & Plant Specimens	0.5	2	1
Toy Library	2	10	20
Beverley District High School staff	0.06	10	0.6
Crèche	8	5	40
Junior Sporting Council	0.5	6	3
Total Community	74.31	211	807.35
Government			
Shire of Beverley - Meetings	1	2	2
Shire of Beverley - Training/workshops	1	10	10
Shire of Beverley - Community Consultation	0.5	20	10
Beverley-Brookton-Pingelly Working Groups	0.06	6	0.36
Avondale Farm (National Trust Australia)	0.5	2	1
Central Regional TAFE Indigenous Support	4	4	16
Total Government	7.06	44	39.36
Business			
Office Tenants & clients (Pitlock Industries)	20	8	120

Proposed Users	# of times per month	# attendees per time	Total # attendees per month
Business			
Cooperative Bulk Handling - Australia's largest grain exporter	16	1.5	24
MAX Employment	1	8	8
MAX Employ Health Division	1	6	6
Total Business	38	23.5	158
Total Users	119.37	278.5	1004.71

The table above displays that a minimum 1,000 people will use the facility per month, equating to 12,000 people per annum (excludes tourism numbers).

2.9. Assessment of Options

Considerable consultation has been undertaken to create a high quality facility which has capacity for a number of community development purposes. With the purpose of the Cornerstone confirmed, the options for consideration revolved around the design and structure of the facility. The following three options were assessed for this Project:

Option	Benefits	Implications	Cost
1. Do nothing	<ul style="list-style-type: none"> • No interruption to services. • No financial cost. 	<ul style="list-style-type: none"> • Community expectations and needs not met. • Missed opportunity to provide quality infrastructure. • Missed opportunity to provide essential community infrastructure. • Indicates a lack of commitment to the community. • Missed opportunity to increase local and regional tourism activities. • Missed opportunity to create jobs and additional volunteering roles that enhance community connectivity. • Missed opportunity to boost local and regional economies. • Missed opportunity to expand social support services. 	\$ 0
2. Renovation & extension of existing building/s	<ul style="list-style-type: none"> • Possible capital cost savings. • Partitioned office space. • Additional floor space of approx 300m² • Some expansion of services. 	<ul style="list-style-type: none"> • Complete interruption to services during renovation. • Minor interruptions to services during extension. • Ongoing maintenance of what was an "old school building" (Built 1894) variously modified over time. 	\$3,500,000 plus upgrade of incoming services to meet new demand

Option	Benefits	Implications	Cost
3. Complete entire project	<ul style="list-style-type: none"> • Meets community needs and expectations. • Provides value for money. • Diversifies economic opportunities. • Creates opportunities for education and a skilled workforce. • Creates full time onsite jobs and ongoing employment and volunteer opportunities. • Increases opportunities for enhanced quality of life and community connection. • Reduces long term maintenance/repair budget. • Provides access to services which are not currently available. • Operations can continue throughout construction. • Parking for tourist buses, recreational vehicles. • Improves the aesthetic of the main street. 	<ul style="list-style-type: none"> • Minor disruptions during construction. 	\$4,000,000

The preferred option is Option 3 as it provides the most value for money and meets the current and future needs of the community.

2.10 Funding Strategy

This Project has an estimated cost of \$4,000,000 as depicted in 2.10.1 below. At the Ordinary Council Meeting on 21 February 2017, Council endorsed a cash contribution of \$1,465,000, with the Resolution as follows:

COUNCIL RESOLUTION

M21/0217

Moved Cr White

Seconded Cr Buckland

That Council:

- 1. resolve to include an allocation of \$4,000,000 (fully funded) in the 2017/2018 Budget for the Beverley Cornerstone project.**
- 2. endorse an application to Round 1 of the Building Better Regions Fund with a financial contribution from Council of \$1,465,000.**

CARRIED BY ABSOLUTE MAJORITY 8/0

Additionally, cash contributions totalling \$1,215,000 have been confirmed from Beverley CRC (\$25,000), Lotterywest (\$745,000), the Department of Regional Development WA (\$250,000) and Department of Regional Development Royalties for Regions Wheatbelt Regional Grant Scheme (\$195,000). The Shire has access to Reserve Funds in the event of any financial variations (*extract below from p44. of 2016/17 Annual Budget Report*).

**SHIRE OF BEVERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2017**

	BUDGET	ACTUAL	BUDGET
	2016/17	2015/16	2015/16
6. RESERVES (Continued)			
Summary			
Opening Balance	2,053,222	1,810,675	1,810,675
Amount Set Aside / Transfer to Reserve	267,848	250,048	230,618
Amount Used / Transfer from Reserve	(462,000)	(7,500)	(530,000)
Total Reserves	<u>1,859,070</u>	<u>2,053,223</u>	<u>1,511,293</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

2.10.1 Total Budget

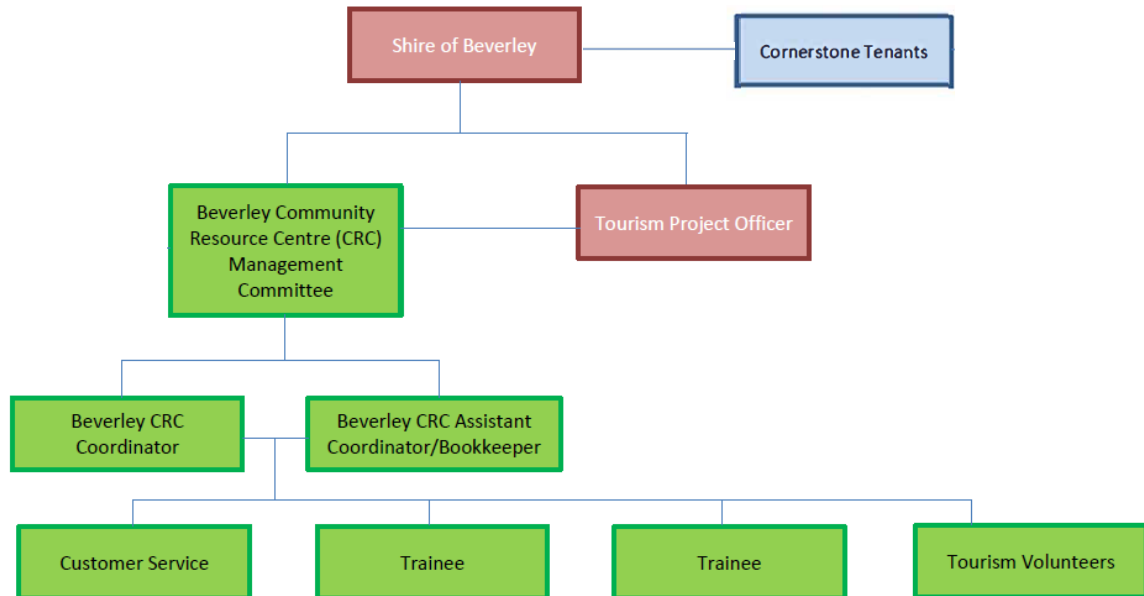
Cost Estimates have been prepared by Ralph Beattie Bosworth for the project (see *detailed costing in Project Cost document attached*).

Summary

Item	Amount
Purchase of Materials – Construction & fit out	\$1,876,000
Purchase of Materials – Site furniture & fittings	\$140,000
External Labour Hire – Labour hire	\$1,366,000
Plant & Equipment Hire – hire of plant & equipment	\$170,000
External Consulting Costs – Project management	\$280,000
External Consulting Costs – Permits & fees	\$28,000
External Consulting Costs – Contingency - design	\$140,000
Total (ex gst)	\$4,000,000.00

2.10.2 Operational/Management Model

A desirable model for the operation of the Cornerstone is shown below. The management model would ideally be structured as follows.



The combined CRC management committee and operational team would stand alone as an independent incorporated organisation as outlined in the constitution. They must, however, pursue strong alliances and partnerships within the community. Key to their success and perhaps most importantly is a relationship with the local government. The Shire of Beverley already underpins the operation of the CRC through a lease agreement for accommodation and a contract to produce the Beverley Blarney (local newspaper). A memorandum of understanding is also in place for the management of the Beverley Visitor Information Centre and Tourism Services.

The CRC will operate within the terms of management agreement. The operations of the Cornerstone will be further supported by the Shire's Tourism Project Officer, who will partner with the Beverley CRC management committee to oversee strategic actions for tourism development as an economic activity.

2.10.3 Sustainability and Ongoing Viability

As per above, the most sustainable mode of operation is through a management agreement between the Shire of Beverley and the Beverley Community Resource Centre (CRC) with input from core user groups. The CRC is a tenant in the Cornerstone building and is also paid by the Shire to manage library and tourism operations. The combined CRC management committee and CRC operational team would stand alone as an independent incorporated organisation as outlined in their constitution for the day to day operation of the facility however key to the ongoing viability and sustainability of the facility is their relationship with the Shire of Beverley.

As the main user group, the CRC will act as the caretaker of the Cornerstone building reporting all maintenance requirements and other issues to the Shire. The Management Agreement will out both the financial and operational responsibilities of the Shire of Beverley and the CRC. A fee structure will be imposed by the CRC for activities to supplement the operating costs of their operations within the Cornerstone. The Shire will afford costs relating to building insurance, building repairs and maintenance, public risk

insurance for the building, all gardening and refuse management. Costs of operation relating to office space and the crèche/day care will be considered through individual tenancy agreements (or arrangements) with the Shire of Beverley.

Budgeting priority will be given to the operation, maintenance and renewal of existing assets and services, and adequate resources will be provided to manage them in a cost effective manner. Based on the renewal schedule, an annual allocation of \$18,500 will be incorporated in the annual budgets of the Shire of Beverley to provide for such expenditure, with any surplus funds being carried forward. The renewal ratio is an indication of whether the whole item would need to be replaced or whether there is cause for a partial replacement.

Renewal Fund Schedule	Prescribed Value	Renewal Ratio	Replacement Cycle (yrs)
Floor coverings and window treatments 1	\$34,800	1	10
Floor coverings and window treatments 2	\$26,700	1	12
Painting internal 1	\$10,000	1	11
Painting internal 2	\$10,000	1	13
Painting external	\$9,000	1	17
Air-conditioning and mechanical services 1	\$45,000	0.65	15
Air-conditioning and mechanical services 2	\$15,000	1	18
Library shelving part 1	\$20,000	1	8
Library shelving part 2	\$20,000	1	21
Furniture upgrade	\$20,000	1	13
Paving and general landscaping	\$81,500	0.50	14
Playground equipment	\$25,000	1	16

It is proposed that the CRC will contribute the funds necessary for the purpose of the ongoing refurbishment and replacement of the facility over the term of the lease. This contribution shall be paid into the Renewal Fund, a reserve account to assist in the renewal of the centre in conjunction with support from the Shire and other funding bodies through grants. The Renewal Fund shall be an interest bearing account held by the Shire in the name of the Beverley Cornerstone. The schedule shall be reviewed annually in line with a building condition inspection program and adjusted as appropriate noting the following assumptions.

- Term of the renewal schedule is 21 years from commencement in accordance with the term of the lease.
- Annual escalation applied to the costs is 4% per annum
- Interest earned on cash deposits held in the reserve is 2% per annum
- Works permitted to be funded from the renewal fund shall be restricted to those itemised in the list or as otherwise agreed by the Shire.

Based on the renewal schedule shown above the CRC shall be required to make an annual contribution of \$18,500 per annum, ideally paid in four equal moieties in September, December, March and June. The schedule shall remain part of the annual business plan and be reviewed annually prior to submission to the Shire for joint review. The following table indicates the cash flow forecast in the renewal fund. Adjustments to the program will either bring forward or defer works and this will have an effect on the sum of

accumulated funds and the interest earned. Accordingly the reserve fund will have a variable balance in accordance with the expenditure pattern. At the end of the 21 year period all of the works listed will have been achieved and the fund will contain a total of \$15,435 for alternate deployment or rollover into a new agreement (see table below for renewal fund cash flow):

Year	Annual contribution	Available funds	Annual expense	Balance after expense	Interest on balance
1	18,500	0	0	18,500	0
2	18,500	37,000	0	37,000	740
3	18,500	55,500	0	56,240	1,480
4	18,500	74,740	0	76,220	2,250
5	18,500	94,720	0	96,970	3,049
6	18,500	115,470	0	118,518	3,879
7	18,500	137,018	0	140,897	4,741
8	18,500	159,397	26,319	137,819	5,636
9	18,500	156,319	0	161,955	5,513
10	18,500	180,455	49,531	136,437	6,478
11	18,500	154,937	14,802	146,613	5,457
12	18,500	165,113	41,103	129,467	5,865
13	18,500	147,967	48,031	105,801	5,179
14	18,500	124,301	67,852	61,627	4,232
15	18,500	80,127	50,652	33,707	2,465
16	18,500	52,207	45,024	9,649	1,348
17	18,500	28,149	16,857	12,640	386
18	18,500	31,140	29,219	2,307	506
19	18,500	20,807	0	21,312	92
20	18,500	39,812	0	39,905	852
21	18,500	58,405	43,822	15,435	1,596

Projected expenditure identified in the operating statement and the renewal schedule is to be funded from the Shire's operating and capital budgets. As the level of return from agreement income does not allow for both routine maintenance and renewal and replacement expenditure, achieving the financial strategy will require Council to examine other options as necessary. These may include:

- Cost reductions from review of service levels;
- Office and crèche/day care tenancy agreements;
- Use of loans to fund renewal spikes;
- Increasing revenue from rates and user charges;
- Applying for grants from Federal and State governments, where applicable; and
- Cash backed reserves

A fee structure will be imposed by the CRC for activities to supplement the operating costs of the Cornerstone. The Shire will afford costs relating to insurance for the building, public risk insurance related to the building, building repairs and maintenance, gardening and all refuse management associated with the building.

The design maximises natural ventilation for active areas through large windows and optimising local skills and services was a key design element. The roof form slopes to the north-east so will be available for a photo voltaic array and solar powered water heating as well as rainwater collection and recycling. This, coupled with energy efficiencies will achieve positive environmental and financial returns.

As the Cornerstone will be an asset of the Shire of Beverley, it is identified in the *Building Fixed Asset AMP – Part 1 (2017)*.

Projected Expenditure Requirements

Expense Type	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
Operations	\$379,588	\$353,172	\$367,299	\$426,985	\$397,270
Maintenance	\$303,193	\$315,321	\$327,934	\$341,051	\$354,693
Renewal	\$4,398,118	\$393,243	\$408,973	\$425,332	\$442,345
Upgrade	\$0	\$0	\$0	\$0	\$0
New	\$0	\$2,000,000	\$0	\$2,500,000	\$0
Disposal	\$0	\$0	\$0	\$0	\$0
Required Funds	\$5,080,900	\$3,061,736	\$1,104,205	\$3,693,368	\$1,194,308

An individual *Asset Management Plan* has been developed for the Beverley Cornerstone which includes long term planning for ongoing and maintenance costs. This Project is also identified in the Shire's *Long Term Financial Plan* at page 37, further confirming the Shire's long term commitment to this Project and viability:

Appendix C Planned Upgrade/Expansion/New 10 year Capital Works Program		
Asset Name	Planned Construction Year	Construction Cost \$
Civic Centre	2016	\$4,000,000
		\$4,000,000

A five year Projected Income & Expenditure schedule contained in this Business Case forecasts the sustainability of the facility.

Projected Income & Expenditure

EXPENDITURE	2014/15 Actual	2015/16	2016/17	Construction Year	Construction /Transition Year	2019/20 (Yr 2)	2020/21 (Yr 3)	2021/22 (Yr 4)	2022/23 (Yr 5)	2023/24 (Yr 6)
				2017/18	2018/19 (Yr1)					
Advertising	\$485.48	\$502.47	\$520.06	\$538.26	\$557.10	\$576.60	\$596.78	\$617.67	\$639.28	\$661.66
Air Con Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$400.00	\$414.00	\$428.49	\$443.49	\$459.01	\$475.07
Bank Charges	\$285.10	\$295.08	\$305.41	\$316.10	\$327.16	\$338.61	\$350.46	\$362.73	\$375.42	\$388.56
Library Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$2,448.15	\$2,448.15	\$2,448.15	\$2,448.15	\$2,448.15	\$2,448.15
Bulletin Expenses	\$607.28	\$628.53	\$650.53	\$673.30	\$696.87	\$2,448.15	\$2,448.15	\$2,448.15	\$2,448.15	\$2,448.15
Car park Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,035.00	\$1,071.23	\$1,108.72	\$1,147.52
Committee Training/Expenses	\$5,410.43	\$5,599.80	\$5,795.79	\$5,998.64	\$6,208.59	\$2,448.15	\$2,448.15	\$2,448.15	\$2,448.15	\$2,448.15
Community Directory Expenses	\$2,543.57	\$2,632.59	\$2,724.74	\$2,820.10	\$2,918.81	\$2,448.15	\$2,448.15	\$2,448.15	\$2,448.15	\$2,448.15
Consumables/Stationery/Postage	\$8,338.87	\$8,630.73	\$8,932.81	\$9,245.45	\$11,556.81	\$11,961.30	\$12,379.94	\$12,813.24	\$13,261.71	\$13,725.86
Counter Sales	\$309.09	\$319.91	\$331.10	\$342.69	\$428.36	\$443.35	\$458.87	\$474.93	\$491.55	\$508.76
Discounts	\$212.07	\$219.49	\$227.17	\$235.13	\$293.91	\$304.20	\$314.84	\$325.86	\$337.27	\$349.07
Electricity usage	\$2,287.26	\$2,367.31	\$2,450.17	\$2,535.93	\$2,624.68	\$2,716.55	\$2,811.63	\$2,910.03	\$3,011.88	\$3,117.30
Electricity supply	\$1,825.06	\$1,888.94	\$1,955.05	\$2,023.48	\$2,094.30	\$2,167.60	\$2,243.46	\$2,321.99	\$2,403.26	\$2,487.37
Equipment Purchases	\$11.04	\$11.43	\$11.83	\$12.24	\$12.67	\$13.11	\$13.57	\$14.05	\$14.54	\$15.05
Equipment repairs	\$2,243.22	\$2,321.73	\$2,402.99	\$2,487.10	\$2,574.15	\$2,664.24	\$2,757.49	\$2,854.00	\$2,953.89	\$3,057.28
Gardening	\$1,272.68	\$1,317.22	\$1,363.33	\$1,411.04	\$2,500.00	\$3,000.00	\$3,105.00	\$3,213.68	\$3,326.15	\$3,442.57
ICT Support	\$5,750.43	\$5,951.70	\$6,160.00	\$6,375.60	\$7,969.50	\$8,248.43	\$8,537.13	\$8,835.93	\$9,145.18	\$9,465.27
Insurances	\$2,850.00	\$2,949.75	\$3,052.99	\$3,159.85	\$8,295.00	\$8,585.33	\$8,885.81	\$9,196.81	\$9,518.70	\$9,851.86
Interest	\$9.95	\$10.30	\$10.66	\$11.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Internet	\$981.24	\$1,015.58	\$1,051.13	\$1,087.92	\$1,126.00	\$1,165.41	\$1,206.19	\$1,248.41	\$1,292.11	\$1,337.33
Library officer (incl super)	\$0.00	\$0.00	\$0.00	\$0.00	\$46,125.55	\$47,048.06	\$47,989.02	\$48,948.80	\$49,927.78	\$50,926.33
Member expenses	\$170.80	\$176.78	\$182.97	\$189.37	\$236.71	\$244.99	\$253.57	\$262.44	\$271.63	\$281.14
Other	\$2,877.43	\$2,978.14	\$3,082.37	\$3,190.26	\$3,301.92	\$3,417.48	\$3,537.10	\$3,660.89	\$3,789.03	\$3,921.64
Outstanding Grant monies	\$2,336.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pest Control	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00	\$207.00	\$214.25	\$221.74	\$229.50	\$237.54

EXPENDITURE	2014/15 Actual	2015/16	2016/17	2017/18	2018/19 (Yr1)	2019/20 (Yr 2)	2020/21 (Yr 3)	2021/22 (Yr 4)	2022/23 (Yr 5)	2023/24 (Yr 6)
Photocopying	\$48.42	\$50.11	\$51.87	\$53.68	\$55.56	\$57.51	\$59.52	\$61.60	\$63.76	\$65.99
Provisions for leave	\$7,882.32	\$8,158.20	\$8,443.74	\$8,739.27	\$9,045.14	\$9,361.72	\$9,689.38	\$10,028.51	\$10,379.51	\$10,742.79
Water	\$1,100.00	\$1,139.89	\$1,181.23	\$1,224.08	\$1,266.92	\$1,583.65	\$1,639.08	\$1,696.45	\$1,755.82	\$1,817.27
Repairs/Maintenance/Cleaning/ Refuse	\$1,013.60	\$1,049.08	\$1,085.79	\$1,123.80	\$1,500.00	\$13,440.00	\$13,745.00	\$14,059.00	\$14,379.00	\$14,708.00
Security & Monitoring	\$613.00	\$634.46	\$656.66	\$679.64	\$703.43	\$728.05	\$753.53	\$779.91	\$807.20	\$835.46
Snap Lab Consumables	\$1,434.38	\$1,484.58	\$1,536.54	\$1,590.32	\$1,645.98	\$1,703.59	\$1,763.22	\$1,824.93	\$1,888.80	\$1,954.91
Staff Amenities	\$484.47	\$501.43	\$518.98	\$537.14	\$805.71	\$833.91	\$863.10	\$893.31	\$924.57	\$956.93
Staff Development	\$3,575.80	\$3,700.95	\$3,830.49	\$3,964.55	\$4,103.31	\$4,246.93	\$4,395.57	\$4,549.42	\$4,708.65	\$4,873.45
Superannuation	\$8,737.82	\$9,043.64	\$9,360.17	\$9,687.78	\$10,026.85	\$10,377.79	\$10,741.01	\$11,116.95	\$11,506.04	\$11,908.75
Telephone	\$1,179.74	\$1,221.03	\$1,263.77	\$1,308.00	\$1,353.78	\$1,401.16	\$1,450.20	\$1,500.96	\$1,553.49	\$1,607.86
Toy Library	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Trainee Expenses	\$1,278.35	\$1,323.09	\$1,369.40	\$1,417.33	\$2,834.66	\$2,933.87	\$3,036.56	\$3,142.84	\$3,252.84	\$3,366.69
Wages	\$90,018.20	\$93,168.84	\$96,429.75	\$99,804.79	\$103,297.95	\$106,913.38	\$110,655.35	\$114,528.29	\$118,536.78	\$122,685.57
Programs/Workshops/Events	\$43,461.50	\$44,982.65	\$46,557.05	\$48,186.54	\$60,233.17	\$62,341.33	\$64,523.28	\$66,781.59	\$69,118.95	\$71,538.11
TOURISM										
Wages - Trainee	\$0.00	\$0.00	\$0.00	\$0.00	\$40,000.00	\$41,400.00	\$42,849.00	\$44,348.72	\$45,900.92	\$47,507.45
Volunteer coordination/training	\$0.00	\$0.00	\$0.00	\$0.00	\$1,200.00	\$1,242.00	\$1,285.47	\$1,330.46	\$1,377.03	\$1,425.22
Centre Expenses	\$2,743.05	\$2,839.06	\$2,938.42	\$3,041.27	\$6,082.54	\$9,123.81	\$9,443.14	\$9,773.65	\$10,115.73	\$10,469.78
Promotion	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
CRECHE										
Equipment & consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$880.00	\$500.00	\$517.50	\$535.61	\$554.36	\$573.76
Coordinator	\$0.00	\$0.00	\$0.00	\$0.00	\$9,984.00	\$10,333.44	\$10,695.11	\$11,069.44	\$11,456.87	\$11,857.86
Renewal Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$18,500.00	\$18,500.00	\$18,500.00	\$18,500.00	\$18,500.00	\$18,500.00
TOTAL EXPENDITURE	\$204,378.56	\$209,114.50	\$216,434.95	\$224,011.68	\$381,415.24	\$406,831.01	\$419,016.23	\$431,612.15	\$444,629.54	\$458,085.65

INCOME	2014/15 Actual	2015/16	2016/17	2017/18	2018/19 (Yr1)	2019/20 (Yr 2)	2020/21 (Yr 3)	2021/22 (Yr 4)	2022/23 (Yr 5)	2023/24 (Yr 6)
Admin Assistance	\$399.17	\$413.14	\$427.60	\$442.57	\$553.21	\$572.57	\$592.61	\$613.35	\$634.82	\$657.04
Blarney Production	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00
Board Room	\$45.46	\$47.05	\$48.70	\$50.40	\$480.00	\$496.80	\$514.19	\$532.18	\$550.81	\$570.09
Book Exchange	\$369.09	\$382.01	\$395.38	\$409.22	\$511.53	\$529.43	\$547.96	\$567.14	\$586.99	\$607.54
Bulletin Sales	\$2,457.28	\$2,543.28	\$2,632.30	\$2,724.43	\$3,405.54	\$3,524.73	\$3,648.10	\$3,775.78	\$3,907.94	\$4,044.71
Community Directory	\$6,055.00	\$6,266.93	\$6,486.27	\$6,713.29	\$8,391.61	\$8,685.32	\$8,989.30	\$9,303.93	\$9,629.57	\$9,966.60
Conference & Board (Full)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,200.00	\$1,242.00	\$1,285.47	\$1,330.46	\$1,377.03	\$1,425.22
Conference Room	\$2,468.17	\$2,554.56	\$2,643.97	\$2,736.50	\$720.00	\$745.20	\$771.28	\$798.28	\$826.22	\$855.13
Counter Takings	\$271.71	\$281.22	\$291.06	\$301.25	\$376.56	\$389.74	\$403.38	\$417.50	\$432.11	\$447.24
Creche	\$0.00	\$0.00	\$0.00	\$0.00	\$11,904.00	\$12,320.64	\$12,751.86	\$13,198.18	\$13,660.11	\$14,138.22
Donations	\$192.51	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Equipment Fixture and Fittings	\$8,528.11	\$8,826.59	\$9,135.52	\$9,455.27	\$9,786.20	\$10,128.72	\$10,483.22	\$10,850.14	\$11,229.89	\$11,622.94
Exam Supervision	\$56.18	\$58.15	\$60.18	\$62.29	\$77.86	\$80.59	\$83.41	\$86.32	\$89.35	\$92.47
Faxing	\$585.94	\$565.43	\$545.64	\$526.54	\$508.12	\$490.33	\$473.17	\$456.61	\$440.63	\$425.21
Governance	\$8,528.11	\$8,826.59	\$9,135.52	\$9,455.27	\$9,786.20	\$10,128.72	\$10,483.22	\$10,850.14	\$11,229.89	\$11,622.94
ICT Lab Hire	\$0.00	\$0.00	\$0.00	\$0.00	\$6,249.60	\$6,468.34	\$6,694.73	\$6,929.04	\$7,171.56	\$7,422.56
ICT Support	\$10,528.11	\$10,896.59	\$11,277.97	\$11,672.70	\$12,081.25	\$12,504.09	\$12,941.74	\$13,394.70	\$13,863.51	\$14,348.73
Internet	\$2,171.60	\$2,247.61	\$2,326.27	\$2,407.69	\$3,009.61	\$3,114.95	\$3,223.97	\$3,336.81	\$3,453.60	\$3,574.47
Laminating/binding	\$792.94	\$820.69	\$849.42	\$879.15	\$1,098.93	\$1,137.39	\$1,177.20	\$1,218.40	\$1,261.05	\$1,305.18
Library	\$0.00	\$0.00	\$0.00	\$0.00	\$46,125.55	\$47,048.06	\$47,989.02	\$48,948.80	\$49,927.78	\$50,926.33
Marketing & Promotions	\$4,548.33	\$4,707.52	\$4,872.28	\$5,042.81	\$5,219.31	\$5,401.99	\$5,591.06	\$5,786.75	\$5,989.28	\$6,198.91
Memberships	\$1,431.80	\$1,481.91	\$1,533.78	\$1,587.46	\$1,904.46	\$1,971.12	\$2,040.11	\$2,111.51	\$2,185.41	\$2,261.90
Operational	\$43,777.65	\$45,309.87	\$46,895.71	\$48,537.06	\$50,235.86	\$51,994.12	\$53,813.91	\$55,697.40	\$57,646.81	\$59,664.44
Photocopying/printing	\$12,239.17	\$12,667.54	\$13,110.90	\$13,569.79	\$16,962.24	\$17,555.92	\$18,170.38	\$18,806.34	\$19,464.56	\$20,145.82
Professional Develop	\$4,548.33	\$4,707.52	\$4,872.28	\$5,042.81	\$5,219.31	\$5,401.99	\$5,591.06	\$5,786.75	\$5,989.28	\$6,198.91
Programs/workshops/community events	\$44,632.16	\$46,194.29	\$47,811.09	\$49,484.47	\$61,855.58	\$64,020.53	\$66,261.24	\$68,580.39	\$70,980.70	\$73,465.03
Sundry	\$761.55	\$788.20	\$815.79	\$844.34	\$844.34	\$844.34	\$844.34	\$844.34	\$844.34	\$844.34

INCOME	2014/15 Actual	2015/16	2016/17	2017/18	2018/19 (Yr1)	2019/20 (Yr 2)	2020/21 (Yr 3)	2021/22 (Yr 4)	2022/23 (Yr 5)	2023/24 (Yr 6)
Tenantable Office	\$0.00	\$4,680.00	\$4,843.80	\$5,013.33	\$7,000.00	\$14,000.00	\$21,000.00	\$21,735.00	\$22,495.73	\$23,283.08
Toy Library	\$0.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Trainee Support	\$35,249.54	\$36,483.27	\$37,760.19	\$39,081.80	\$80,998.54	\$83,833.49	\$86,767.66	\$89,804.53	\$92,947.69	\$96,200.86
CONTRACTS										
ATO	\$1,572.72	\$1,627.77	\$1,684.74	\$1,743.70	\$1,804.73	\$1,867.90	\$1,933.27	\$2,000.94	\$2,070.97	\$2,143.46
Centrelink (incl Medicare)	\$4,069.03	\$4,211.45	\$4,358.85	\$4,511.41	\$4,669.31	\$4,832.73	\$5,001.88	\$5,176.94	\$5,358.14	\$5,545.67
Veteran Affairs	\$500.00	\$517.50	\$535.61	\$554.36	\$573.76	\$593.84	\$614.63	\$636.14	\$658.40	\$681.45
Broadband for Seniors	\$360.00	\$372.60	\$385.64	\$399.14	\$413.11	\$427.57	\$442.53	\$458.02	\$474.05	\$490.64
Wheatbelt NRM	\$357.50	\$370.01	\$382.96	\$396.37	\$410.24	\$424.60	\$439.46	\$454.84	\$470.76	\$487.24
TOURISM										
Admin Support	\$7,350.33	\$7,607.59	\$7,873.86	\$8,149.44	\$8,434.67	\$8,729.89	\$9,035.43	\$9,351.67	\$9,678.98	\$10,017.75
Merchandise Sales	\$1,179.24	\$1,220.51	\$1,263.23	\$1,307.44	\$2,614.88	\$3,922.32	\$4,059.60	\$4,201.69	\$4,348.75	\$4,500.95
Museum Donations	\$1,005.53	\$1,040.72	\$1,077.15	\$1,114.85	\$2,229.70	\$3,344.55	\$3,461.61	\$3,582.77	\$3,708.16	\$3,837.95
TOTAL INCOME	\$216,032.26	\$227,718.13	\$235,333.68	\$243,217.16	\$378,155.82	\$399,274.50	\$418,622.01	\$432,123.77	\$446,084.86	\$460,521.01

NET OPERATING POSITION	\$11,653.70	\$18,603.63	\$18,898.73	\$19,205.48	-\$3,259.43	-\$7,556.51	-\$394.22	\$511.62	\$1,455.32	\$2,435.37
Shire's Contribution	\$7,047.74	\$7,295.80	\$7,552.60	\$7,818.45	\$17,204.37	\$31,262.07	\$32,105.16	\$32,976.08	\$33,872.49	\$34,798.08
Annualised Cash Position	\$18,701.44	\$25,899.43	\$26,451.33	\$27,023.93	\$13,944.95	\$23,705.56	\$31,710.94	\$33,487.70	\$35,327.81	\$37,233.45

The projected income and expenditure schedule shows the long term viability of this Project. Due to the relationships formed during development of this Project, new user organisations will include:

- Health Service Division - Disability Employment Services
- Beverley Volunteer Bush Fire Brigades
- Local Emergency Management Committee
- Holyoake - Drug & Alcohol Counselling Service
- LGA Working Group Beverley – Brookton – Pingelly
- Beverley Agricultural Society
- Aeronautical Museum
- Historical Society
- Garden & Tree Society
- CRANA Aboriginal Support
- Beverley Cricket Club
- Beverley Hockey Club
- Beverley Horse & Pony Club
- Beverley Netball Club
- Community Advocate (Justice of the Peace)
- Naturalists Club including Seed Bank and Natural Resource Library
- Toy Library
- Beverley District High School
- Junior Sporting Council
- Shire of Beverley
- Avondale Farm (National Trust WA)
- Central Regional TAFE

New activities that are not currently being delivered will include:

- Regional tourism ventures
- Central Regional TAFE Institute courses for aboriginals and other unskilled youth & employees
- Regional LGA meetings/workshops/training
- Beverley District High School Staff Development
- Beverley District High School Student Education
- Museum “tasters”
- Toy Library
- Book club
- Volunteer training
- Crèche or family day care

Other activities including private conferences, seminars and workshops will also be offered. Users will be charged a hire fee and the anticipated income from these groups has been factored into the above projected income, further evidencing its sustainability.

2.11 Project Timeframe and Key Milestones

2016/17												
Activity	Feb 2017	Mar 2017	Apr 2017	May 2017	June 2017							
Finalise construction design	█											
Submit BBRF application	█											
BBRF grant Notification											█	
2017/18												
Activity	July 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	June 2018
Approvals & Licenses	█											
Grant agreement	█											
Call for tenders	█											
Award tender		█										
Site works and preliminaries			█	█								
Construction of facility					█	█	█	█	█	█	█	█
2018/19												
Activity	July 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019
Construction of facility	█	█										
External works			█	█								
Final inspection/handover					█							
Official facility opening						█						
Audit/Acquittal							█	█				

2.12 Risk Analysis

The following risk matrix will be used as the basis for the assessment of risks at 2.12.1. A *Risk Management Plan* has been prepared for this Project in accordance with the Shire's Risk Management Policy and Procedures.

RISK MATRIX						
Consequence		Significant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

2.12.1 Risk Assessment

#	Risk	Likelihood	Consequence	Risk Score	Strategies on Risk
1	Project objectives differ from community expectations	Rare	Minor	Low	<ul style="list-style-type: none"> Future users and community members are heavily consulted during planning phase.
2	Failure to secure adequate funding for entire project	Possible	Moderate	Moderate	<ul style="list-style-type: none"> Shire funds committed through Council resolution and approved by Council in budget and Long Term Financial Plan. Financial contributions from community groups, Department of Regional Development WA, Lotterywest and WRGS have been confirmed.
3	Inadequate funding to complete the project or sections of the project	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Final plans and tender documents (with separate cost items), have been developed to allow for re-scoping of the project focusing on time and resources. Regularly review budget and expenditure.
4	Inaccurate capital cost estimates/contingencies if funding not used within timeframe	Possible	Minor	Moderate	<ul style="list-style-type: none"> Sign contract for construction by set project milestone. Ensure accurate budgets are prepared and subsequently managed by qualified staff. Ensure allocated funds are utilised in a timely and cost effective manner.
5	Delayed delivery of design and construction component, therefore delays in progress of project	Possible	Minor	Moderate	<ul style="list-style-type: none"> Design documentation is complete with draft tender documents already circulated for review. Ensure Purchasing & Procurement Policy followed and contractors advised to follow timeframes to ensure payment and continuing business. A detailed schedule of works to be developed upon appointment of contractors. Regular project team meetings to be had to ensure projects are progressing on schedule.
6	Budget exceeded	Possible	Minor	Moderate	<ul style="list-style-type: none"> Separate GL account created for project which all income and expenditure is to be credit/debited. Passed and forthcoming expenditure to be reviewed at each project team meeting ensuring it is on budget. Up to date cost estimates obtained.
7	Contractor noncompliant with legislation	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Periodic audit of contractor's project plan. Contractor documentation fully verified prior to commencement. Implementation of Project Manager.

#	Risk	Likelihood	Consequence	Risk Score	Strategies on Risk
8	Principal Contractors not adhering to safety standards	Unlikely	Major	Moderate	<ul style="list-style-type: none"> Ensure OSH guidelines are in place. Identify all risks at all stages of the project. Manage and mitigate the risks identified – risk register to be updated and controlled by Project Manager. Provide advice, procedures and site risk assessments.
9	Risk of litigation, public liability and professional negligence	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Ensure all contractors follow Shire procedures. Use on the Shire template for engagement. Ensure all insurance covers required are authorised LGIS.
10	Project unable to source adequate equipment	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Manage the progress of program and timeline – extension required to finalise installations.
11	Operational Management change/issues	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Project Plan to include contingencies.
12	Negative impact on the environment	Possible	Minor	Moderate	<ul style="list-style-type: none"> Compliance with environmental legislation and approvals.
13	Meeting project milestones	Possible	Minor	Moderate	<ul style="list-style-type: none"> Continual review of project and scheduling at project team meetings. Detailed schedule of works to be completed upon appointment of contractor.
14	Contractors go out of business	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Due diligence completed during tender process to ensure contractors have proven track record, are financially sound and have the capability to complete works.
15	Extreme weather conditions	Unlikely	Minor	Low	<ul style="list-style-type: none"> Include contingencies for inclement weather and/dangerous work conditions. Ensure appropriate safety equipment provided and used. Additional time has been allowed for during construction phase in the event of unexpected weather or natural disaster
16	Site security	Unlikely	Minor	Low	<ul style="list-style-type: none"> Completion of a site security assessment. Necessary security in place from construction.
17	Negative impact on Council via media/public comment	Unlikely	Moderate	Moderate	<ul style="list-style-type: none"> Communication plan developed and implemented. Community information kept up to date. Support confirmed from stakeholders regularly.
18	Insufficient supply of materials	Unlikely	Minor	Low	<ul style="list-style-type: none"> Materials to be sourced well in advance of construction.
19	Delay in reporting and acquitting any funding received.	Rare	Minor	Low	<ul style="list-style-type: none"> Project manager to monitor reporting dates, obtain relevant report templates and ensure completion well prior to deadlines.

2.13 Local Content

A local consultant was engaged to provide electrical planning and design for this project.

It is intended to engage local and/or regional contractors and suppliers for this Project's implementation as it has the following benefits:

- Fosters government and non-government partnerships.
- Demonstrates investment in the community.
- Local suppliers would place considerable value on serving their local community and the benefits associated with it.
- Close proximity makes it far easier to travel to them for supplier development and contract management purposes, as well as for site inspections which minimises costs.
- The local knowledge of local suppliers means that they are well-placed to appreciate and satisfy local preferences - this is particularly relevant where specialised products and services are concerned.
- Supply chains are generally shorter, leading to greater certainty and predictability of delivery times.

This Project will provide full, fair and reasonable opportunity to regional businesses in its planning, tendering and contract management through advertisement of the tender via local, regional and state publications.

A *Procurement Plan* has been developed and will be implemented and adhered to as per the Shire's Purchasing & Procurement Policy, enabling an ethical and fair approach to securing contractors. All contractors tendering for work offered by this Project (i.e. design and construction) are required to nominate subcontractors, the local content of which is encouraged and assessed.

3 IMPLEMENTATION STRATEGY

3.1 Communication Plan

A communication plan has been developed and is located within the Project Management Plan.

External press releases and advertising will require the approval of the Chief Executive Officer (in conjunction with funding providers) prior to distribution.

Any promotional materials/media will make reference to external funding received. Any advertising or printed material (website, media) will display funding provider logos in accordance with their requirements.

Signage will be installed at the site of construction referring to external funding received. Further discussions will be had with funding providers regarding requirements.

3.2 Project Management

The Shire of Beverley will be responsible for this Project's administration, financial obligations and implementation.

The Chief Executive Officer will be delegated the authority to act as the Project Sponsor under a mandate from the Shire of Beverley. The Project Sponsor will define the project parameters, oversee (but not manage) the project, make strategic decisions, direct the Project Manager in regard to issues and problems with the project and review project status reports.

The Project Sponsor is responsible for the dissemination of reports to funding agencies and other relevant organisations.

The Project Manager will be responsible for the delivery of the project and accomplishing the project objectives including:

- Proactively managing the project day to day;
- Establishing clear and achievable objectives and timelines;
- Balance the competing demands for quality, scope, time and cost;
- Adapt the project specifications to mitigate risks and issues; and
- Deliver the project in accordance with the specification.

The project team will be supported by a project focus group which will meet as required to provide input into the design and development of the project at relevant stages (see separate *Project Management Plan*).

The details and capabilities of contractors to deliver this Project are not yet known as the tender process has not commenced, however the Shire has already accessed a number of qualified and professional architects and consultants to assist with design and planning of this Project.

3.2.1 Resourcing

Internal

The entire project team has extensive large scale infrastructure project experience from their various employment capacities at other organisations as follows:

- Upgrade of Beverley Function Centre & Recreation Grounds: Upgraded sporting infrastructure and amenities, plus playground (\$3,500,000).



- Beverley Railway Station Outdoor Cultural Venue: Re-developed to include the Platform Theatre, an outdoor performing arts stage in amphitheatre style (\$270,640).



- Beverley Water Harvest Project: project development and management for construction of two water retention basins and associated pipe and pumping infrastructure to capture storm water run-off from town streets (\$300,000).



The Shire employs a dedicated finance team consisting of two full time staff who are well adept at managing the Shire's finances, including the process for acquittals.

The Shire has extensive experience in managing grant funding including \$163,500 from the Department of Regional Development & Lands' Regional Infrastructure Funding Programme for the Beverley Railway Station Outdoor Cultural Venue, \$1,525,000 from the Country Local Government Fund, \$576,655 from the Department of Sport & Recreation's Community Sporting & Recreational Facilities Fund for the Beverley Function Centre & Recreation Grounds Upgrade and \$100,000 from the Department of Water for the Beverley Water Harvest Project.

The Shire has not been required to return funding from sources due to a breach in contract.

External

The Shire intends to engage suitably qualified contractors to undertake the necessary components as detailed in the suggested scope of works at Project Description of this Business Case. Contractors will be required to submit applications upon opening of the tender process detailing their experience, knowledge, qualifications and capabilities.

3.3 Project Governance

It is anticipated that the Project Team will consist of the Shire's Chief Executive Officer, Deputy Chief Executive Officer, Manager of Works, Community Development Officer, architects, project manager, the successful contractor representatives and other personnel as desired. At this time a Terms of Reference will be developed to confirm the responsibilities of members.

The Project Team is anticipated to have weekly meetings to discuss this Project's progress against milestones and the proposed budget during the construction phase. A Project Focus Group will also be established consisting of the Shire's Chief Executive Officer, Community Development Officer, Shire President, CRC Manager, CRC Assistant Manager, CRC Management Committee Chairperson and CRC Management Committee member.

The Shire is committed to this Project which is evidenced through the submission of funding applications, engagement of consultants for the preparation of a detailed Business Case and construction designs and its identification in all strategic and corporate planning documents.

3.4 Licences and Approvals

The Shire has identified the following applicable licences and approvals:

- Planning – Nil as the space is appropriately zoned for development of a civic building within town centre zone (Shire of Beverley Town Planning Scheme No2)
- Demolition – within 7 to 10 days of application
- Asbestos Clearance – 14 – 28 days of application
- Building – within 7 to 10 days of application
- Health – within 7 – 10 days of application
- Environmental – within 14 days of application
- Native title – Not relevant.
- Heritage – Not relevant.

3.5 Procurement Strategy

With design development and documentation due to be completed in March 2017, procurement is due to commence in July 2017 when all funding sources are confirmed.

The Shire of Beverley will utilise a robust selection process as per the *Local Government Act 1995* for the appointment of contractors. As this Project is above the threshold of \$150,000 a public tender process is to be conducted. The Shire will procure as per the separate *Procurement Management Plan* developed in accordance with the Purchasing & Procurement Policy. It is anticipated that tender preparation and subsequent review will include independent authority, experienced in such assessments.