



The Feasibility Study for a Sustainable Indoor Heated Aquatic Facility (prepared by Coffey Commercial Advisory) & the Denmark Aquatic Centre, Interim Report of the Project Team (12 April 2011) has been previously copied to Councillors and is not included in the Agenda due to its size.

A full copy of both of the reports is available for public inspection at the Shire of Denmark Administration Office or on Council's website at www.denmark.wa.gov.au/ourcouncil/council_minutes/currentcouncilagenda under Attachment 8.2.2.

9.4.6 AQUATIC FACILITY – FEASIBILITY STUDY

Location:	N/A
File Ref:	PBR-14
Disclosure of Officer Interest:	None
Date:	11 September 2006
Author:	Jodie Hickey – Manager, Recreation Services
Senior Officer:	Pascoe Durtanovich – Chief Executive Officer

Summary:

Ian Mumford, Sport and Recreation Consultant, was contracted to undertake a feasibility study for the construction of a public heated indoor aquatic facility in Denmark. This report recommends that the consultant's interim report be received and the recommendations therein be adopted.

Background:

The need to undertake a feasibility study for the construction of an indoor heated aquatic facility in Denmark has been identified in a number of Council documents, with \$25,000 being allocated to the 2005/2006 budget for this purpose. The Swimming Pool Committee worked in conjunction with Manager Recreation Services, to design a 'study brief' for the engagement of a consultant. Ian Mumford Consulting was contracted to undertake the study.

Comment:

To date the consultant has completed stages one and two (preliminary stages) of the feasibility Study and as stated in the study brief is required to *"..present the findings of the community's response and recommendations regarding the perceived level of need and support for the Aquatic centre and how these relate to the findings of the Needs Assessment and Stage 1"*. This information is found in the "Proposed Indoor Heated Aquatic Facility, Needs Analysis and Operation Cost Projections, August 2006" document attached.

Consultation:

Consultation took place with the Aquatic Centre Committee and the Department of Sport and Recreation during the development of the 'study brief'.

As outlined in the Consultant's report, consultation was undertaken by Ian Mumford Consulting with local clubs, schools and community representatives. This consultation included the circulation of a questionnaire, face to face interviews and 4 workshops.

Statutory Obligations:

Nil.

Policy Implications:

Council does not have a policy concerning a facility of this nature.

Financial Implications:

A total of \$25,000 was budgeted for the feasibility study. On completion of the preliminary stage a total of \$7,000 has been paid to Ian Mumford Consulting. Should Council wish to proceed with the next stage of the feasibility study, the production of design and capital cost assessment, Ian Mumford consulting has recommended ACB Consulting to undertake this work at a cost of \$12,000.

Strategic Implications:

Nil.

Environmental Considerations:

N/A

Voting Requirements:

Simple majority.

OFFICER RECOMMENDATION	ITEM 9.4.6
<p>(1) That Denmark Aquatic Centre Committee Inc be advised of the Consultant's findings and provided with a copy of the report.</p> <p>(2) Given the projected operating and capital costs of an Indoor Heated Aquatic Facility and the sustainability of such, the completion of the feasibility study and the project not be proceeded with.</p> <p>(3) Denmark Aquatic Centre Committee Inc be advised that if they wish to source other funding options for the project they may do so.</p>	

Deferral Motion	ITEM 9.4.6
<p>MOVED: CR POWLEY</p> <p>That this item be deferred pending receipt of comments, on the consultant's report, from the Denmark Aquatic Centre Committee.</p> <p>CARRIED 12/0</p>	<p>SECONDED: CR DEMPSTER</p> <p>Res: 303/06</p>

9.4 Chief Executive Officer

9.4.1 DENMARK AQUATIC CENTRE COMMITTEE

Location:	N/A
File Ref:	PBR-14
Disclosure of Officer Interest:	
Date:	6 June 2007
Author:	Pascoe Durtanovich – Chief Executive Officer

Summary:

The Denmark Aquatic Centre Committee is seeking demonstrated support from Council for an indoor heated swimming pool so that they can pursue fund raising and access grants. This report recommends Council indicate support.

Background:

The current Plan for the Future includes reference to the provision of an indoor heated swimming pool, by way of encouragement to the Aquatic Centre Committee to continue fund raising.

A meeting was held with members of the Denmark Aquatic Centre Committee on 1 May 2007. While the main purpose of the meeting was to explain to members Council's current financial situation, the matter of Council's attitude to a possible future aquatic centre was also discussed. I advised that while Council was unable at this point to offer any financial support for the building or operating of a heated indoor aquatic centre in Denmark, I did not believe Council members were opposed *in principle* to the establishment of such a facility.

DACCI members understood Council's position on the financial aspects of the project, however they were concerned that recent publicity has given the community the impression that Council is negatively disposed towards the project, and suggested that if this is not in fact the case, it would be extremely useful to take positive steps to dispel that misunderstanding.

While DACCI members remain optimistic about the project, they recognise that without at least in principle Council support for the project, the Committee has little status and is significantly handicapped in seeking funding. Members believe that a formal statement of in principle support from the Council would be of enormous benefit to the Committee in its quest for funding for the project. Prospective donors are far more likely to feel positive about giving money if they know that Council is supportive of the project, despite its current inability to provide any financial backing. The Committee believes that the positive flow-on effects from having a formal statement of Council in principle support for the project would be substantial.

DACCI members also believe that prospective donors will want to be assured that if and when sufficient funds are raised to make the building and ongoing operation of an aquatic centre viable, Council will at that stage provide a suitable site and take on responsibility for the building and operation of the facility.

DACCI members would also welcome the opportunity to access help/advice from appropriate Councillors to identify possible sources of funding/grants. They believe that if Council and DACCI were to work together on aspects of the project in this way, this would send a strong message to the community of Council interest and support.

Comment:

DACCI is not seeking a financial commitment to the project nor are they seeking a committed timeline, primarily they would like demonstrated support for the project so that they can pursue grant funding. It would not be inappropriate for Council to give this support but at the same time making it clear that the Council of the day will make the decision on whether the project proceeds.

Consultation:

N/A

Statutory Obligations:

Nil.

Policy Implications:

Nil.

Financial Implications:

Nil in demonstrating support, obviously if, at some stage, the project goes ahead, there will be substantial cost implications.

Strategic Implications:

Nil.

Environmental Considerations:

Nil.

Voting Requirements:

Simple majority.

COUNCIL DECISION & OFFICER RECOMMENDATION

ITEM 9.4.1

MOVED: CR DONNELLY

SECONDED: CR SYME

That while Council will not, at this point, offer any financial support for the building or operating costs of an indoor heated aquatic centre in Denmark, it recognises the many benefits that such a facility would offer to the Denmark community and therefore gives its strong in principle support to DACCI in its quest to raise funds for the project from a range of other sources. Further, Council -

- 1) will nominate appropriate Officers to assist DACCI to identify possible sources of funding / grants;
- 2) Undertakes that when DACCI can demonstrate to Council's satisfaction that sufficient funds have been raised to make the project viable, it will:

- i. make available an appropriate site for the building of the facility; and
 - ii. assume full responsibility for the building and operation of the facility.
- 3) DACCI can advise potential donors of the Council's in principle support for the project and of the undertakings Council has given; and
- 4) will append a statement of its in principle support for an aquatic centre to any formal applications for grants.

CARRIED 11/0

Res: 193/07

9.5.6 PROPOSED AQUATIC FACILITY – NEEDS ANALYSIS

File Ref:	PBR 14
Applicant / Proponent:	Denmark Aquatic Centre Committee Inc.
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	13 August 2008
Author:	Dale Stewart, Chief Executive Officer
Authorising Officer:	Dale Stewart, Chief Executive Officer
Attachments:	Yes – Mumford Study 2006, DACCI Submission on that Study 2006 and DACCI Needs Analysis Submission proposal June 2008

Summary:

The Denmark Aquatic Centre Committee Inc (DACCI) request Council to assist them undertake a new in-house need analysis into the need for an Aquatic Facility for Denmark. The Committee notes the concern of myself (the CEO) about an in-house author being biased or not seen as independent. This notwithstanding, the Committee has resolved to only support funding an in-house consultant as they believe such an approach would be 'less vulnerable to bias'. They offer the sum of 60:40 (DACCI: Council) to a total cash commitment by DACCI of \$15,000 if Council meets the office needs and cash balance (\$10,000). Incidentals would be shared on the same ratio. A copy of their submission proposal is appended.

Background:

There is significant background to be found relating to the matter of a possible Aquatic Centre for the Shire.

Reports and decision arising from Council meetings most relevant include those to Council on 26 September 2006 and 23 January 2007, resolution 18/07;

- (1) *That the Denmark Aquatic Centre Committee's comments be noted.*
- (2) *Given the projected operating and capital costs of an Indoor Heated Aquatic Facility and the sustainability of such, as indicated in the consultant's report, the completion of the feasibility study and the project not be proceeded with.*
- (3) *Denmark Aquatic Centre Committee Inc be advised that if they wish to source other funding options for the project they may do so.*

And 19 June 2007, resolution 193/07;

That while Council will not, at this point, offer any financial support for the building or operating costs of an indoor heated aquatic centre in Denmark, it recognises the many benefits that such a facility would offer to the Denmark community and therefore gives its strong in principle support to DACCI in its quest to raise funds for the project from a range of other sources. Further, Council -

- 1) *will nominate appropriate Officers to assist DACCI to identify possible sources of funding / grants;*
- 2) *Undertakes that when DACCI can demonstrate to Council's satisfaction that sufficient funds have been raised to make the project viable, it will:*
 - i. *make available an appropriate site for the building of the facility;*
and
 - ii. *assume full responsibility for the building and operation of the facility.*
- 3) *DACCI can advise potential donors of the Council's in principle support for the project and of the undertakings Council has given; and*
- 4) *will append a statement of its in principle support for an aquatic centre to any formal applications for grants.*

Comment:

The request is to assist financing another study, in-house. The officer is concerned that an in-house person under the influence of staff, Council or the DACCI may not adequately satisfy independence and an unbiased approach (or at least the perception of such) and is firmly of the opinion that any Council funds invested in such a study should be performed by suitably pre-qualified persons or firms. The investment that is being considered is not one of \$10,000 or \$20,000 for the study – it is one of \$4,000,000 (or more) one off and an annual operating cash cost of approximately \$300,000 to \$400,000 pa (plus depreciation at approximately \$200,000 pa plus financing costs for interest alone on the likely Council commitment of \$2,500,000 of \$200,000 pa). Likely shortfall of income on an ongoing annual basis of \$750,000 pa on a 'whole of life cycle' cost calculation (equating to a one off, and maintained thereafter, rate increase of 23% on current projections).

The issue is not about saving \$10,000 or so on the study. It is about whether the community 'needs the facility' and or can 'afford the desire'. All previous research undertaken by consultants and DSR indicates that the facilities sought by DACCI cannot be reasonably justified or financed economically with a population less than 10,000 or even 15,000. Denmark's current population is about 5000 and growing at 3.5% (ABS). It would take indicatively until at least the year 2026 on this level of development (to get to the lower figure of 10,000 population).

If Council is inclined to agree to the request for a new need analysis it should in the first instance determine whether it should conclude the first one; abandoned due to the consultant and Council agreeing and determining at the time that it was not deemed wise to expend further monies on completing it given the initial findings. Alternatively if this is not acceptable, then an independent pre-qualified consultant should be selected by Council in conjunction with the DACCI at Councils cost (indicative cost of \$10,000). At this point the Councillors are reminded of the DACCI response to that submission and their view that it was not well undertaken and demonstrated bias (appendixed).

However, before even this investment is considered the author encourages Council to undertake the LGIS risk management workshop at no cost to

Council (refer below), if a decision to support another needs analysis is made.

Alternative options might also be considered. The author is aware that at least one small rural Council has built a hydrotherapy pool for its seniors and community therapeutic needs. The investment of such a facility would be relatively low and possibly satisfy the identified demographic need. This could be investigated in conjunction with the identified gym inadequacies and help build 'strength with strength' to help reduce operating deficits at the Recreation Centre.

Consultation:

Consultation with Marg Hemsley, Divisional Manager LGIS Risk Services (part of Councils insurance broking services) advises;

"As part of your membership of both LGIS and the Regional Risk Coordinator program, you are entitled to the complimentary services of the Senior Risk Management Practitioners of LGIS to facilitate scoping and compiling risk management plans for specific major projects and new services development.

What this entails is the upon the provision of a background paper and or consultation with the project manager of executive officers of the Shire, we facilitate a workshop where we use the AS/NZS4360 Risk Management Standard to systematically take all Stakeholders through the process of scoping the project, identifying issues and risks, and determining treatment options.

This will allow Council to make informed decisions that will allow them to maximise issues and reduce the risks and hazards associated with major capital expenditure or resource hungry projects.

In relation to projects of \$1Million plus, there are many instances across the State where decisions, made in good faith, have caused major problems as well as financial loss to both the Council and the Ratepayers.

The types of problems have included:

- *Cost blowouts,*
- *Contracts and tenders issues*
- *Liability and compliance issues,*
- *Skills and labour shortage issues,*
- *Under-estimated ongoing operational and maintenance costs,*
- *Lease and asset management issues.*

To enable these things to be better foreseen, we recommend a one day workshop, (could be afternoon into evening if desired) to enable all stakeholders to come together and identify all potential issues and work out strategies to address them. Stakeholders are advised however that the decisions made after the workshop are at the sole discretion of the Council.

The objectives of a Risk Management Workshop are:

- *Introduce the risk management process*
- *To provide the risk management plan outline*
- *To facilitate a brainstorm session to identify risks and opportunities*

- *To Analyse and prioritise risks and opportunities*
- *To determine and record potential treatments*
- *To determine the way forward.*

Outcomes

Clarification of the rationale and scope of the project

Identified risks, opportunities and direction

A 'road-map' of where to from here."

Questions for and responses from Regional Manager DSR, Albany, Chris Thompson;

"1. What is the likelihood of the funding being approved for the study?

If planning process adhered to, questions correctly answered, financially viable etc... big ticket item is looked on more favourably. No guarantees. Feasibility studies have been funded in the past by this stream.

2. Is one third the rate for a feasibility study?

Some occasions dollar for dollar, application must be submitted as one third funding, DSR on occasions have come forward and offered extra amount if they can derive some benefits from the study.

3. If successful, can the funding be used to cover the costs of an employee position to complete the study.

No. An independent consultant to perform the task will be a condition. Itemised cost outline, DSR will pay to final working document."

Statutory Obligations:

There are no statutory obligations.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

The request is for a sum of approximately \$10,000 in the 2008/09 Budget. The Councils draft budget includes this sum (subject to the outcomes of Budget scheduled for 2pm on the 19 August 2008). There are significant financial implications (capital and ongoing operating costs) upon the Councils future Budgets and Plan for the Future should an Aquatic Facility be constructed.

Strategic Implications:

There are potentially significant strategic implications relating to the outcome of whether an aquatic centre is constructed or not. The question of the sustainability of such a facility given the current and likely future population and demographic, balanced against the availability of facilities at Albany and quality of summer alternatives (such as Ocean Beach and Greens Pool) is the essence of the officers concern, as demonstrated by the Mumford Report and consistent Council resolutions over the past 2 years or more.

Sustainability Implications:

➤ **Environmental:**

There are no known significant environmental considerations relating to the report or officer recommendation.

➤ **Economic:**

There are no known significant economic considerations relating to the report or officer recommendation.

➤ **Social:**

There are no known significant social considerations relating to the report or officer recommendation.

Voting Requirements:

If the 2008/09 Budget is adopted with the sum of \$10,000 in it towards a needs analysis, part 3 of the officer recommendation will necessitate an absolute majority decision.

OFFICER RECOMMENDATION

ITEM 9.5.6

That with respect to the ongoing debate about the desire for a Shire Indoor Heated Aquatic facility, Council;

1. Reaffirm its decisions of 23 January 2007, resolution 18/07, and 19 June 2007, resolution 193/07 that given the projected operating and capital costs of such a facility and concerns about the sustainability of same, the 2006 needs analysis not be completed, nor a new one initiated at this time.
2. Include in its proposed 10 Year Forward Financial Planning an indicative Indoor Heated Aquatic facility to be constructed in Year 10 of that Plan (2018/19).
3. Transfer the \$10,000 in the 2008/09 Budget earmarked for a possible contribution to a needs analysis for an aquatic centre into an Aquatic Centre (Cash Backed) Reserve for the purpose of financing studies towards or the future construction of, such a facility.
4. Not invite Local Government Insurance Services to undertake a risk management analysis of the construction of such a facility at this time due to the proposal being well into the future.
5. Request its Manager of Recreation Services to investigate options for enhancement of the McLean Oval Recreation Centre Gymnasium to expand its capacity and functionality including the possibilities of a spa, sauna and therapeutic hydrotherapy pool. Assessment and report of these options to be referred to Council by no later than March 2009 to enable its further deliberation for possible consideration in the 2009/10 Budget and CSRFF grant round.

* *Absolute majority required.*

At the meeting held on the 19 August 2008, the CEO noted that he would include the words 'needs analysis' where the words feasibility study were used. The officers report has been amended accordingly.

Cr Syme submits the following comments and recommendation;

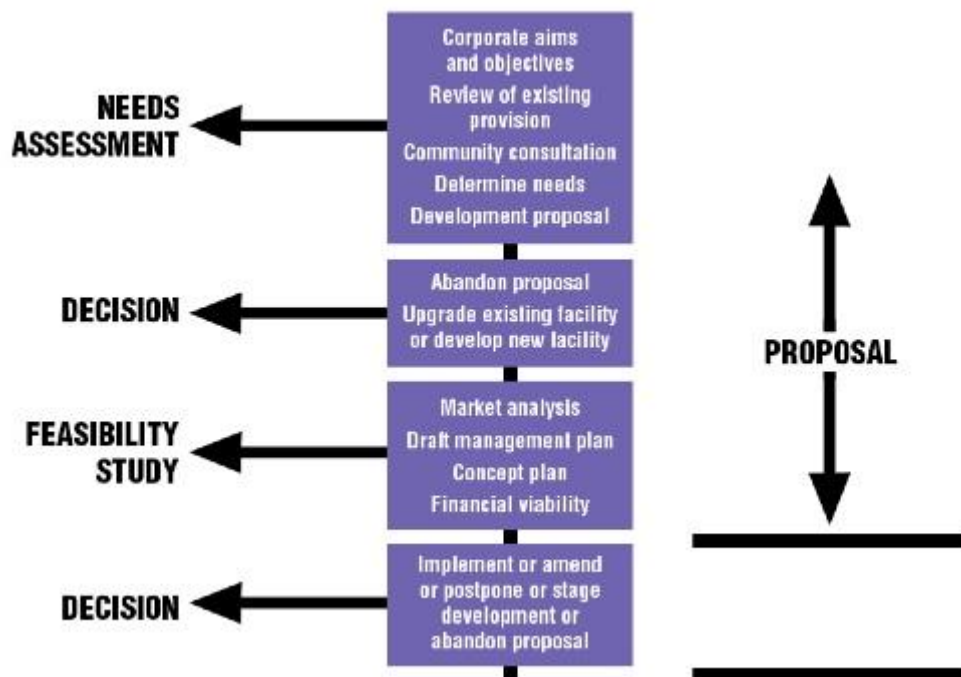
Comment

The Denmark Aquatic Centre Committee Inc. is a long standing community group of 16 years with a current supporter base representing roughly one

third of community families including a financial membership of over 450 families supporters.

The Denmark Aquatic Centre Committee Inc (DACCI) requested Council to work with them to undertake an in-house study of the need for an Aquatic Facility for Denmark. Such a study is the first phase of the Department of Sport and Recreation's (DSR's) approved and recommended planning process which applies to all new sporting community facilities. Formally known as the "Needs Assessment" phase, it is designed to enable an informed decision to be made either to abandon the proposal or to proceed to the second phase, the "Feasibility Study". This process is clearly described in the Proposal Submission from DACCI (attachment 9.5.6). This in turn provides the basis for a decision to implement, amend, postpone or stage the development. If, at the end of phase two, a decision is made to implement the proposal, it moves from the "proposal" stage to the "project" stages of detailed design, construction and evaluation.

It follows that all references to anticipated costs, the facility profile, risk evaluation etc implicit in the Officer Report for 9.5.6 are premature. Debate on whether to go ahead with the Needs Assessment should not be influenced by factors which will be duly considered at the appropriate stage should the project go ahead.



To date, there has been no assessment of needs which meets the exacting standards laid down by DSR. The Mumford Report (part of attachments to 9.5.6) has been comprehensively questioned and rejected on this and other counts (see attachment 9.5.6 correspondence from DACCI, November 2006).

The DACCI proposal offers to contribute 60% of the estimated costs of engaging personnel for a Needs Assessment provided that an In-house Project Officer under the guidance of a joint Council/DACCI steering committee can do it. This is in full accord with the options provided in the DSR's guide "How to undertake a Needs Assessment for a Sport and

3.5 Who Should Undertake the Study?

You will also need to decide who will manage and undertake the study. Local government commonly uses one of the following options.

- **In-house Recreation Officer**, as part of their normal duties.
- **In-house Team** selected from relevant departments and undertaking tasks as a team.
- **In-house Contractor** who is employed on a short term contract as an employee to undertake the tasks.
- **Consultants** who are selected to undertake the tasks following assessment of submissions.
- **Academic / Student Assistance** involving academic staff and / or students to perform tasks related to their specific expertise and level of competence.
- **Community and Sporting Representatives** having relevant skills and knowledge may be engaged to undertake the tasks, either in an advisory capacity or to undertake specific tasks.
- **Combinations** of the above in which case the overall coordination of the process becomes important.

Recreation Facility", 1997 reproduced below.

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- **In-house Team** selected from relevant departments and undertaking tasks as a team.
- **In-house Contractor** who is employed on a short term contract as an employee to undertake the tasks.
- **Consultants** who are selected to undertake the tasks following assessment of submissions.
- **Academic / Student Assistance** involving academic staff and / or students to perform tasks related to their specific expertise and level of competence.
- **Community and Sporting Representatives** having relevant skills and knowledge may be engaged to undertake the tasks, either in an advisory capacity or to undertake specific tasks.
- **Combinations** of the above in which case the overall coordination of the process becomes important.

Past experience has made DACCI wary of the fourth option in this list (Consultants) and has argued the case for choosing the last option – i.e. that which involves widespread contributions from In-house staff, an In-house contractor etc. Given the fundamental importance of this critical

first stage of the facility provision process, it has to be as comprehensive as possible. DACCI has made it clear that it will abide by the conclusions of the Needs Assessment final report.

Should the proposal advance to phase two it will of course be necessary to rely heavily on the expertise of professional consultants. At that point DACCI and Council could discuss support in an application to DSR under the Community Sporting and Recreation Facilities Fund (CSRFF) in order to fund a Feasibility Study.

DACCI (and the author) has recently become aware of the Club Development Officer (CDO) jointly funded by the Shires of Denmark, Cranbrook and Plantagenet and DSR. It may be possible to take advantage of his services to help with those areas of the Needs Assessment phase which may benefit from the special insights afforded to local government officers.

CR SYME'S RECOMMENDATION

ITEM 9.5.6

In light of the clarification of the Denmark Aquatic Centre Committee Inc. proposal, Council agrees to:

1. Include in the proposed 10 Year Forward Financial Planning an indicative Indoor Heated Aquatic facility
2. Engage in the proposed partnership between the Shire and the Denmark community, through DACCI, to assess the need for a sustainable indoor heated aquatic facility for the Shire of Denmark;
3. Establish a Project Team composed of Shire officers and DACCI (community) members;
4. Engage a Project Officer, for a period of up to six months, jointly funded and managed by the Shire and DACCI, to undertake research, direct and oversee research by DACCI members and co-ordinate and report all information required for a Needs Assessment;
5. Accept the offer by the Denmark Aquatic Centre Committee Inc. to fund 60% of the total cash costs of the work up to a limit of \$15,000.

COUNCIL	RESOLUTION	&	CR	SYME'S	ITEM 9.5.6
RECOMMENDATION					
MOVED: CR SYME					SECONDED: CR

In light of the clarification of the Denmark Aquatic Centre Committee Inc. proposal, Council agrees to:

1. Include in the proposed 10 Year Forward Financial Planning an indicative Indoor Heated Aquatic facility;
2. Engage in the proposed partnership between the Shire and the Denmark community, through DACCI, to assess the need for a sustainable indoor heated aquatic facility for the Shire of Denmark;
3. Establish a Project Team composed of Shire officers and DACCI (community) members;
4. Engage a Project Officer, for a period of up to six months, jointly funded and managed by the Shire and DACCI, to undertake research, direct and oversee research by DACCI members and co-ordinate and report all information required for a Needs Assessment;
5. Accept the offer by the Denmark Aquatic Centre Committee Inc. to fund 60% of the total cash costs of the work up to a limit of \$15,000.

AMENDMENT

MOVED: CR HINDS

SECONDED: CR RICHARDSON-N

That Part 1 of Cr Syme's Recommendation be removed.

CARRIED: 7/6 (Shire President used his casting vote).

Res:

Cr Syme requested that all Councillors' votes on the above resolution be recorded.

FOR: *Cr Thornton, Cr Wakka, Cr Laing, Cr Syme, Cr Phair, Cr Ebbett & Cr Sampson.*

AGAINST: *Cr Barrow, Cr Burke, Cr Richardson-Newton, Cr Hinds & Cr Plowman.*

AMENDED MOTION

In light of the clarification of the Denmark Aquatic Centre Committee Inc. proposal, Council agrees to:

1. Engage in the proposed partnership between the Shire and the Denmark community, through DACCI, to assess the need for a sustainable indoor heated aquatic facility for the Shire of Denmark;
2. Establish a Project Team composed of Shire officers and DACCI (community) members;
3. Engage a Project Officer, for a period of up to six months, jointly funded and managed by the Shire and DACCI, to undertake research, direct and oversee research by DACCI members and co-ordinate and report all information required for a Needs Assessment;
4. Accept the offer by the Denmark Aquatic Centre Committee Inc. to fund 60% of the total cash costs of the work up to a limit of \$15,000.

THE AMENDED MOTION BECAME THE SUBSTANTIVE MOTION WHICH WAS THEN PUT AND

CARRIED: 7/5

Res:

9.2.4 NEEDS ASSESSMENT - SUSTAINABLE INDOOR HEATED AQUATIC FACILITY

File Ref:	#3035
Applicant / Proponent:	N/A
Subject Land / Locality:	Shire of Denmark
Disclosure of Officer Interest:	Nil
Date:	10 August 2011 13 May 2009
Author:	Damian Schwarzbach, Manager of Recreation Services
Authorising Officer:	Mel Cheverton, Director of Community and Regulatory Services
Attachments:	Yes

Summary:

This report considers the Report of the Joint Council/DACCI Project Team prepared by the Chairperson & the "Needs Assessment into a Sustainable Indoor Heated Aquatic Facility" and recommendations contained therein, as prepared by consultant Jill Powell and Associates and makes recommendations accordingly.

Background:

At the August 2008 meeting, Council resolved as follows:

"In light of the clarification of the Denmark Aquatic Centre Committee Inc proposal, Council agrees to:

- 1. Engage in the proposed partnership between the Shire and the Denmark community, through DACCI, to assess the need for a sustainable indoor heated aquatic facility for the Shire of Denmark;*
- 2. Establish a Project Team composed of Shire officers and DACCI (community) members;*
- 3. Engage a Project Officer, for a period of up to six months, jointly funded and managed by the Shire and DACCI, to undertake research, direct and oversee research by DACCI members and co - ordinate and report all information required for a Needs Assessment;*
- 4. Accept the offer by the Denmark Aquatic Centre Committee Inc to fund 60% of the total cash costs of the work up to a limit of \$15,000."*

The project team met on 7 occasions and the consultant attended 5 of these meetings.

Comment:

A copy of the Needs Assessment into a Sustainable Indoor Heated Aquatic Facility and the Report of the Joint Council/DACCI Project Team is included in the attachments.

Consultation:

Consultation with the community, schools, medical professionals, hospital and recreational groups was carried out by the consultant by way of written survey, phone discussion and correspondence.

Statutory Obligations:

There are no statutory obligations.

Policy Implications:

There are no policy implications.

Budget / Financial Implications:

Should Council proceed to the next stage, there will be a future budget / financial implication (\$30,000) to complete a feasibility study.

Strategic Implications:

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

Sustainability Implications:

➤ **Environmental:**

There are no known significant environmental considerations relating to the report or officer recommendation.

➤ **Economic:**

There are no known significant economic considerations relating to the report or officer recommendation.

➤ **Social:**

The social benefits and implications that would be created by the construction of an aquatic centre will be identified in the Feasibility Study and as such the study represents an important stage of the planning and decision making process.

Voting Requirements:

Simple majority.

At the meeting held on the 19 May 2009, Cr Syme requested that project teams report be placed prior to the needs assessment and that the Project Team should be listed before the consultants. The heading of the Officer Recommendation should be corrected to reflect, "Working Group" replaced with "Project Team" and that there were no social implications listed in the report.

Cr Plowman requested that the Project Teams report be included under Part 1 of the recommendation to be received by Council.

The Director of Community & Regulatory Services has addressed these issues within the report and the Officer Recommendation.

PROJECT TEAM RECOMMENDATION

ITEM 9.2.4

1. That the Jill Powell & Associates report titled, "Needs Assessment into A Sustainable Indoor Heated Aquatic Facility", be received;
2. That the Shire of Denmark acknowledges that there is a need for an indoor heated aquatic facility in the Denmark locality;
3. That a detailed Feasibility Study be undertaken into an indoor heated aquatic facility to examine its sustainability by the Denmark Community.
4. That application be made for a Community Sporting and Recreation Facilities Fund grant to undertake a Feasibility Study for a proposed indoor heated aquatic facility in Denmark.

The officer acknowledges the work and effort put in by members of the joint Project Team, particularly the Chairperson and DACCI members, and recommends Council receive its report.

Recommendation 3 of the Project Team and the consultant, seeks to commit Council to an estimated \$30,000 (ballpark costing from the consultant) Feasibility Study without CSRRF funding. Council in the first instance should seek to be successful with a funding application before committing to the full cost, if not successful, of the next stage of the process. It is proposed to allow a net \$20,000 (being total cost of \$30,000 with grant funding of \$10,000) in Councils 2009/2010 draft budget considerations.

COUNCIL	RESOLUTION	&	OFFICER	ITEM 9.2.4
RECOMMENDATION				
MOVED: CR SAMPSON				SECONDED: C

That with respect to a sustainable indoor heated Aquatic Facility, Council:

1. Receive the report of the joint Council / DACCI Project Team, dated 8 May 2009, titled "Needs Assessment for a Sustainable Indoor Heated Aquatic Facility in Denmark";
2. Receive the Jill Powell & Associates report titled, "Needs Assessment into A Sustainable Indoor Heated Aquatic Facility";
3. Acknowledge that there is a need for an indoor heated aquatic facility in the Denmark locality; and
4. Make application for a Community Sporting and Recreation Facilities Fund grant to undertake a Feasibility Study for a proposed indoor heated aquatic facility in Denmark and a net cost of \$20,000 be included in Councils draft budget considerations for 2009/2010.

CARRIED: 11/0

Res



SHIRE OF DENMARK

INDOOR HEATED AQUATIC FACILITY

Project: A Feasibility Study for a Sustainable Indoor Heated Aquatic Facility for the Shire of Denmark.

Purpose of the Study

The Shire of Denmark invites applications from consultants to prepare a Feasibility Study for a proposed Sustainable Indoor Heated Aquatic Facility.

Scope of the Study

The study's main objective is to:

Determine the feasibility for a sustainable indoor heated aquatic facility in the Shire of Denmark in accordance with Department of Sport and Recreation's (DSR) Feasibility Study guidelines.

Timeframe

Submissions to this proposal to be received by 4pm Monday 5th October 2009
Completed Feasibility Study within four months of appointment.

Background

The Shire of Denmark is located on the south coast of Western Australia, approximately 50km west of Albany and 400km south of Perth. The Shire had a population of 4809 as at 30th June 2006, an estimated population of 4982 as at 30th June 2007, and this is projected to increase to 8054 by the year 2031. (Australian Bureau of Statistics, 2006 Census of Community Profiles).

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

In October 2008 Council formed a Project team consisting of Shire staff and DACCI members to appoint and oversee a Project Officer/Consultant complete a Needs Assessment into a Sustainable Indoor Heated Aquatic Facility. Jill Powell & Associates performed this study and reported to the Project Team in May 2009.

Council on 26th May 2009, resolution 110509 decided;

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

- (1) Receive the report of the joint Council / DACCI Project team, dated 8 May 2009, titled “Needs Assessment for a Sustainable Indoor Heated Aquatic Facility in Denmark”;*
- (2) Receive the Jill Powell & Associates report titled, “Needs Assessment into a Sustainable Indoor heated Aquatic Facility”;*
- (3) Acknowledge that there is a need for an indoor heated aquatic facility in the Denmark locality; and*
- (4) Make application for a Community Sporting and Recreation Facilities Fund (CSRFF) Grant to undertake a Feasibility Study for a proposed indoor heated aquatic facility in Denmark and a net cost of \$20,000 be included in Council’s draft budget considerations for 2009/2010.*

Council will be applying for a CSRFF grant during the 2009/10 financial year and the success of this grant application will determine whether the Shire of Denmark proceeds with any quotes that are submitted in response to this brief.

Project Manager

The Project Manager and primary contact for the project is:

Damian Schwarzbach (Aquatic Facilities Project Manager)
Manager of Recreation Services
Shire of Denmark
PO Box 183, Denmark WA 6333
Ph 9848 2044, Fax 9848 1985
denrec@denmarkwa.net.au

Terms of Reference

- (1) To investigate and report on innovative models of design, operation, and financial management to provide a modern, sustainable, best-practice aquatic facility with reference to both Australian and international examples. Models of particular relevance would be those that look forwards and globally for research on sustainable solutions – especially key parameters such as alternate building types, heating and filtration systems, and management options.
- (2) To investigate and report on the social and financial viability of selected facility models from a capital and operating perspective, including fully costed management options and the methodology and assumptions used to

prepare this analysis. These models should be based on a 30-year life for the facility and include depreciation.

- (3) To establish, in-so-far as is possible, a workable benchmark based on existing facilities in other shires which are similar in size, geography and demographics for comparison with the concept plan.
- (4) To conduct a site analysis and identify the most suitable site for the facility.
- (5) To develop a concept plan for the facility, including a component list detailing the principal requirements of the facility and any special facility needs (e.g. disabled access). The concept plan should include energy and greenhouse audits and carbon offset opportunities.

Consultation

It is recognised that the involvement of the community in this study is vital and as such the Consultant is expected to review the already extensive community consultation implemented during the Needs Assessment stage and remedy any shortcomings.

The Shire of Denmark is committed to ensuring that the consultation is transparent throughout all phases of the study.

Throughout this process the following groups/individuals have been determined as stakeholders:

- DACCI for DACA.
- Shire of Denmark's Officers.
- The Department of Sport & Recreation.
- Denmark Community groups with potential to become a 'facility user group'.
- All relevant Government agencies including the Health Department and the Education Department.
- Shire of Denmark Allied Health Professionals.

Reporting Mechanisms

A Project Group for this project comprising of the following members:

- Shire of Denmark Councillor;
 - Two members from DACCI;
 - Shire of Denmark's Director of Community and Regulatory Services;
 - Shire of Denmark's Manager of Recreation Services (Project Manager);
- will be the main reporting group for the appointed Consultants.

The Consultant shall report to the Project Group on an agreed frequency to present progress reports. The primary contact for the project is:

Damian Schwarzbach (Aquatic Facilities Project Manager)
Manager of Recreation Services
Shire of Denmark

PO Box 183, Denmark WA 6333
Ph 9848 2044, Fax 98481985
denrec@denmarkwa.net.au

Project Outputs

The commencement date will be determined once an appointment is made. The "Feasibility Study" with all required documentation is to be completed within six months of appointment.

Selection Process

The submission should include the following:

- An outline of the indicative project timeline, proposed strategy, implementation and analysis.
- Curriculum vitae.
- A list of previous major sport and recreation projects undertaken with a particular emphasis on Feasibility Studies.
- Documentation addressing the Selection Criteria.
- Schedule of Current Commitments.
- An all-inclusive price (quote) for the full performance of the feasibility study as per the brief. This Brief is for the purpose of quotes to submit to DSR for a CSRFF application and the successful applicant will be chosen from their submission. Council's budget for the project is \$30,000.00 plus GST. Please note: Consultants will be required to hold their quote for 6 months after submission to allow time for the CSRFF assessment process.

Selection Criteria

Submissions will be evaluated against the following weighted criteria:

1. Demonstrated understanding of the process (20%)
2. Demonstrated experience and expertise in the area of sport and recreation feasibility studies (30%)
3. Proposed project timeline, strategy, implementation and analysis (30%)
4. Projected Total Cost (20%).

Evaluation

Submissions received will be evaluated in accordance with the selection criteria. The Project Group may request that applicants verbally present their submissions and answer questions on a date to be determined by the Project Group.

Acceptance of Proposal

A submission will be deemed accepted when a notice in writing of such acceptance is handed to the Applicant or is posted to the address furnished on the submission. In the latter case the date of notice shall be deemed to be the time of acceptance.

Consultant Responsibility

As part of the agreed program the Consultant will:

- Formally report to the Project Group and discuss the outcome of each identified step of the project.
- Be responsible for calling all necessary meetings and arranging venues.
- Assign the copyright and intellectual property rights of all material developed in addressing the scope of works to become the exclusive property of the Shire of Denmark.
- Immediately disclose any potential conflict of interest arising during the course of this study to the Project Manager.

Documents provided by the Shire of Denmark

The Shire of Denmark has provided the following documents for the development of the response:

- The Study Brief.
- Needs Assessment into a Sustainable Indoor Heated Aquatic Facility – Jill Powell & Associates May 2009.
- A report on the Needs Assessment for a Sustainable Indoor Heated Aquatic Facility in Denmark – Joint Council/DACCI Project Team – May 2009.
- Aquatic Centre Needs Analysis (Ian Mumford) Study August 2006

Submissions forwarded to:

Manager of Recreation Services
Shire of Denmark
PO Box 183, Denmark WA 6333

Claire Thompson

From: Warren Green [Warren_Green@coffey.com]
Sent: Tuesday, 2 August 2011 12:18 PM
To: Gregg Harwood
Subject: Denmark Aquatic Centre Feasibility
Attachments: 20110621200038328.pdf

Greg,

I note your recent feedback addressed to David Lanfear regarding the Denmark Aquatic Facility Feasibility Study and I respond as David has subsequently left the business.

In support of the comprehensive nature of this study, please find attached DSR feedback on the Final Report which states that *"The study is of a high quality and covers the issues one would expect in a feasibility report"*. Whilst I understand that the Steering Committee will provide a summary of the report to Council I would trust that this independent advice from DSR has also been tabled to provide balance and perspective to the differing views of the content.

I would like to highlight that Coffey stands by the quality and content of the report. Consistent with a report of the type, the content is based on sound analysis of data; responses from broad community consultation (not just the DACCI survey); industry trends and benchmarking; detailed and robust financial analysis (based on 3 different pool configurations on a conservative, realistic and optimistic usage). Further to this, the draft report was presented for timely consideration by the project working group and amended to reflect the comments they made before presentation of the final report to Council.

Given that these DACCI comments were received subsequent to the Final Report, which had already been amended from the original DACCI comments on the Draft Report, we advise that these fall outside of the scope of our engagement, which Coffey has already exceeded in good faith. As a result it would be incorrect for Council to assume that the absence of a further detailed response by us is in any way an acceptance of the DACCI summary. To the contrary we stand by the outcome and recommendations contained in the report.

In relation to the options provided, I advise that the 25m 6 lane pool option was a desire of DACCI, but not supported by us. Coffey gave an indication of the cost implications of each scenario and firmly concluded that an "L" shaped pool (with a 3 lane lap configuration) would be the most cost effective option.

I trust that this provides you with a clear position.

Kind regards,

WARREN GREEN

Senior Consultant

Coffey Sport and Leisure

m) 0417 306 452

sport.coffey.com



A part of Coffey Projects

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Government of Western Australia
Department of Sport and Recreation

DSR file GS2011/45
Enquiries Steve Humfrey
Phone 9492 9819
Email steve.humfrey@dsr.wa.gov.au

Mr Dale Stewart
Chief Executive Officer
Shire of Denmark
PO Box 183
DENMARK WA 6333

Shire of Denmark
ICR1167464

20 JUN 2011
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DATE	CPH
FILE REF	
COUNCILLORS	
CEO	<input checked="" type="checkbox"/> <i>info</i>
DIR of FINANCE	<input checked="" type="checkbox"/> <i>info</i>
DIR of PLANNING	
DIR of INFRASTRUCTURE	
DIR of COMMUNITY	<input checked="" type="checkbox"/> <i>action</i>
OTHER	

Dear Mr Stewart

DENMARK AQUATIC CENTRE - FEASIBILITY STUDY

Thank you for the opportunity to meet last week to discuss the above mentioned study, as agreed at the meeting please find enclosed my feedback to the final report.

- The study is of a high quality and covers the issues one would expect in a feasibility report.
- The needs analysis section highlights the community's perceived need for learn to swim and hydrotherapy. What is not clearly articulated is an underlying need for a traditional lap pool, which seems to be the focal point of the remainder of the report.
- This observation is reinforced by the DACCI survey, which focuses on lap swimming and not on the learn to swim and hydrotherapy component.
- I believe the first paragraph of section 9.2 page 57 needs to be resolved prior to the project being able to move forward.
- Further I also believe that the capital costs on page 59 would have a level of risk associated with them given the ambiguity to the benefit of the 6 lane pool which will have the greatest capital and operating costs.
- I believe the Shire internal due diligence on the operating costs and staffing structure is also prudent.

Should you wish to discuss my observations please contact me on (08) 9492 9819.

Yours sincerely


Steve Humfrey
Manager Facilities

14 June 2011



Building stronger, healthier, happier and safer communities

246 Vincent Street Leederville Western Australia 6007
PO Box 329 Leederville Western Australia 6903
Telephone (08) 9492 9700 Facsimile (08) 9492 9711
Email info@dsr.wa.gov.au
Web www.dsr.wa.gov.au

Claire Thompson

From: Gregg Harwood
Sent: Wednesday, 10 August 2011 3:54 PM
To: Claire Thompson
Subject: FW: Final Report and response to DACCI questions 7 Dec 2010
Attachments: Appendix F - Option 3.pdf; APPENDIX C Denmark Aquatic Indicative order of costx.pdf; Appendix D - Option 1.pdf; Appendix E - Option 2.pdf; Sc1393 - Final Report.pdf; APPENDIX A Aquatic Facility Feasibility Study Quest May 2010 Survey_148121953 (2).pdf; Questions Comments on CCA v2 (2) (2).docx; APPENDIX B - AQUATIC FACILITY FLOOR PLAN.JPG

From: David Lanfear [mailto:David_Lanfear@coffey.com]
Sent: Tuesday, 7 December 2010 6:15 PM
To: Damian Schwarzbach
Subject: Final Report and response to DACCI questions

Hi Damian,

Please find attached the final report and the responses to the questions which came back from DACCI. The main changes relate to the updated LIWA information and further checking of the financial modelling:

- The LIWA information contained within the report was based on survey data compiled by LIWA during 2008/2009 which was presented to the industry early this year. We were provided with copies in March and subsequently they have refined the data which has been produced and re-issued in September.
- The QS has updated the cost of the facility infrastructure which has a marginal increase on the cost of the facility
- The cost modelling has been reviewed in detail in light of the comments received from DACCI and the following amendments have been made:
 - Casual swim revenue has been revised due to a data input error for family swims.
 - Energy costs have been increased to 1% above CPI per annum.
 - Administration staffing costs have been reduced in recognition of the existing allocated costs to operate the dry facility.
 - The comprehensive revision of the cost modelling is provided in appendix D, E and F for all scenarios

The final report is now attached for your consideration. Please advise when you require a formal presentation to Council. I will arrange for hard copies and cd to be sent through the post. Plans are supplied on separate e-mails

Cheers

Dave

DAVID LANFEAR
Senior Consultant

Coffey Commercial Advisory

Suite 2, 53 Burswood Road Burswood WA 6100 Australia
T +61 8 9355 7117 F +61 8 9355 7111 M +61 420 959 054
coffey.com



Visit our Sport website
sport.coffey.com

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