

TOWN OF PORT HEDLAND

Needs Assessment, Concept Design
and Implementation Plan for the
Port Hedland Turf Club

CONCEPT DESIGN AND IMPLEMENTATION REPORT

DRAFT REPORT V2
NOVEMBER 2013



EXECUTIVE SUMMARY

Introduction

This report represents phase two and phase three of the Needs Assessment, Concept Design and Implementation Plan for the Port Hedland Turf Club.

The Needs Assessment Report has been completed and has been endorsed by Council in the September 2012 Ordinary Council Meeting. The key recommendation of the Needs Assessment report is to retain and upgrade the Port Hedland Race Course to meet both the passive and active future recreation needs of the community.

The Concept Design and Implementation Plan including an Indicative 5 Year Budget found within this report are based on this key finding. Concept Plans have been developed depicting the creation of a regional level, high capacity community hub in the heart of the Port Hedland town site that facilitates a wide array of usage types and is able to accommodate multiple user groups concurrently. It will also provide a quality events venue for the hosting of major race meets, concerts, circuses and festivals that are integral to the social and cultural vibrancy of the Town.

Concept Design

The Concept Plans include the following key features:

Multi-Purpose Community Pavilion

The existing PHTC pavilion is proposed to be replaced with a multi-purpose community pavilion that will cater for the PHTC, multiple community and sporting groups including the Town's strong dance community, the community in general, agencies and corporate groups. The Concept Plans for the Multi-Purpose Community Pavilion can be seen attached as Appendix 1 to this report.

In addition to providing for the functional requirements for the PHTC races, this proposed facility would provide a highly flexible, high capacity community venue capable of accommodating multiple user groups at the same time. With utilisation of the retractable walls, the building contains 6 hireable spaces. Fully opened up with all walls retracted, the upper level can provide a 450m² function room with excellent views over the race track and sporting fields. This facility would address the shortfall in quality spaces for hire which is currently resulting in a number of community groups travelling to South Hedland to utilise facilities there, and provide reasonable capacity for the future. It also provides Port Hedland with a highly attractive venue for special functions such as engagement parties, wedding receptions and corporate events from small to large.

The two multi-purpose activity rooms will be highly utilised by the dance clubs in Port Hedland. Port Hedland has a very strong dancing community with three dance clubs producing students that are dancing nationally and internationally. Each of the groups has shown a high degree of interest in utilising the proposed activity rooms that include sprung wooden floors. These spaces will also be attractive to groups offering a multitude of cultural activities, sporting groups and community groups for meetings and functions as well as corporate opportunities to conduct business, training and entertainment activities.

Regional Level Playground

A regional level playground is proposed to be located to the eastern side of the new pavilion. This will provide a major passive recreation facility for families in the heart of town close to the swimming pool, beach and shops.



Multi-Purpose Community Amenity

A multi-purpose community amenity is indicated on the site plan immediately adjacent the east of the pavilion. It is intended to be a flexible use space for groups/activities that require a more robust area than a standard indoor function/meeting room such as Scouts, Men's Shed, wood turning group etc.

Horse Facilities

New horse facilities are shown to the west of the pavilion. This includes stables, storage, tack room, saddling yard, swab box and urine room which will replace the existing ageing facilities.

Track Interior Redevelopment

The site plan shows significant upgrades to the track interior in order to enhance Port Hedland Race Course as a multi-use active and passive recreation venue. The proposed upgrades include:

- Dual Use Path with Seating and Outdoor Gym Equipment
 - The 1km looped dual use path indicated on the site plan is proposed to have solar lighting, rest/exercise stops at regular intervals with outdoor gym equipment and bench seating and entry/exit points at the pavilion and proposed commercial area. Furthermore, the pathway system through the racecourse/recreation site creates a continuous green linkage from the Boulevard Shopping Precinct through to the Civic Gardens and beach front.
- Turf Equestrian Arena
 - A multi-purpose turf equestrian arena is proposed to be situated on the existing active turf area in the south east corner.
- Sand Equestrian Arena
 - A multi-purpose sand equestrian arena is proposed to be situated on the undeveloped portion of the track interior to the east of the active reserve space.
- Floodlighting to Sports Fields
 - The active open space on the track interior is proposed to be lit to 100 lux to enable training and competition at a community level for large ball sports such as touch, soccer, rugby and football.
- Retention of Track Interior Active Open Space
 - The active open space within the interior of the race track is proposed to be retained for future use as overflow training and competition sporting fields, festivals and other large events and for passive recreation pursuits such as dog walking, kite flying and many other forms of recreation that require a wide open space of flat turf to be conducted.
- Signage
 - New signage is indicated on the site plan at the corner of Wilson Street / McGregor Street and at the entrance to the race course from McGregor Street.



Construction Cost Estimate

The indicative construction cost estimates for the proposed facility developments shown in the concept plans have been prepared by Neil Butler Quantity Surveying Services.

The Total Construction Cost Estimate for the proposed Port Hedland Race Course redevelopment is **\$26,173,000** ex GST. The full Cost Estimate report can be seen attached as Appendix 2 to this report.

Annual Life Cycle Cost Analysis

The indicative life cycle costs for the proposed facility developments shown in the concept plans have been prepared by Neil Butler Quantity Surveying Services.

The Total Annual Life Cycle Cost for the proposed facility developments is **\$877,000 p.a.** ex GST. The full Life Cycle Costings report can be viewed as Appendix 5 attached to this report.

Funding

In order to deliver the project a potential funding model has been developed and the following tables set out the indicative project budget and level of grant requested.

Funding Source	Amount (\$ Million)
CSRFF	1.5
Royalties for Regions	6.7
Landcorp	2.0
Federal Funding	6.7
Corporate Partners	6.7
Local Government/Community	2.0
RWWA	0.57
Total Funding	\$26.17 M

Management

The recommended management model for the proposed Multi-Purpose Community Pavilion is Management by the Town of Port Hedland.

The facility is intended to have a high proportion of community use, with the number of race events expected to remain at current levels (six per year) from May to August for the foreseeable future. Therefore, the recommended tenure arrangement is for the Town of Port Hedland to hire out the facility to interested community groups, sporting groups, commercial organizations, agencies and the general community.

A special hire arrangement will need to be organized with the PHTC that guarantees their usage of the entire facility for their race meets each year. It is also understood that there are three dance groups that will likely seek to be regular users of the activity rooms and therefore a special hire arrangement that prioritises these groups may also be warranted.



Full management of the facility by the Town of Port Hedland will ensure the MPCP is maintained to a high standard and equitable access is provided to all parts of the community. It is envisaged that the MPCP will fall under the responsibility of Recreation Services, being managed by the existing Bookings Officer who can take bookings, liaise with accounts for deposits and refunds, manage issues over extra cleaning or non/partial bond returns and post event inspections etc.

Indicative 5 Year Operating Budget for the Multi-Purpose Community Pavilion

An indicative 5 Year Operating Budget has been prepared for the Multi-Purpose Community Pavilion and can be seen in Section 8 of this report. The expenses are inclusive of life cycle costs (asset replacement/renewal and maintenance costs) and an internal charge for management of bookings of the facility. The room hire income has been based on modest occupancy rates with similar rates of fees and charges for existing facilities. The Room Hire calculations with supporting assumptions can be seen attached as Appendix 8 to this report.

It can be seen that an annual operating deficit of \$269,000 – \$277,000 p.a. has been projected in the 5 year budget, however, it is important to note that this is inclusive of full asset replacement and maintenance costs based on a 60 year lifespan, itself totalling over \$260,000 p.a. and a conservative assumption on room hire usage rates, with occupancy listed between 5% and 30% in most instances (i.e. 20% occupancy for a room on a weekday evening assumes that a booking will be made on one weekday evening per week on average). The Activity Rooms have higher occupancy rates during the peak periods (70% on Mon-Fri evenings); however, this too can be considered conservative as Port Hedland's considerable dance community (3 large dance groups with waiting lists) has expressed a strong desire to make use of the proposed facilities if constructed.

Styles Road Equestrian Facilities

The future location of the Styles Road Equestrian facilities, being the Port Hedland Pony Club (PHPC) and the PHTC stables has also been considered, as this area in the location of Pretty Pool has been identified in the Town's planning documents as a potential site for future residential development of which suitable land is in short supply.

The Needs Assessment identified the current SHOATA site as a likely short term solution for relocation of these groups with a long term solution being the procurement of a green field site for new facilities to be developed.

This short term solution is now uncertain given the Department of State Development has stated a clear position that it would strongly object to any further development at SHOATA that would result in any usage that is prohibited under the current Town Planning Scheme (5) due to the conditions of the Boodarie Industrial Buffer Special Control Area. Further, the Port Hedland Pony Club (PHPC) report that they are highly unlikely to survive a move to South Hedland due to the nature of their operations being made up of horse owners based in Port Hedland (predominantly children who are required to care and feed their horses requiring visits of up to 2 times per day).

As the SHOATA organisation ultimately requires a new facility as well, the location of a suitable site to accommodate the PHPC and SHOATA with stables to replace the existing Styles road facilities should be investigated as soon as possible. This will allow suitable time for future planning and consultation with stakeholders to occur. The facilities required for replacement of Styles road facilities (PHPC and PHTC Stables) are detailed below with supporting indicative costs.

Replacement of the Port Hedland Pony Club facilities has been costed at \$3.6 million ex GST.



Replacement of the Port Hedland Turf Club Stable facilities has been costed at \$2.7 million ex GST.

The Total Cost for Replacement of the Styles Road Equestrian Facilities is \$6.3 million ex GST.

The full construction cost estimate reports for these facilities can be seen attached as Appendix 3 & 4 to this report.

Life Cycle Costing Reports have also been prepared for the replacement of the Styles Road equestrian facilities including the PHPC facilities and the PHTC Stable facilities and can be seen attached as Appendix 6 & 7 to this report.

The Total Annual Life Cycle Cost Estimate for the replaced PHPC facilities is \$134,000 p.a. ex GST.

The Total Annual Life Cycle Cost Estimate for the replaced PHTC Stable facilities is \$109,000 p.a. ex GST.

The Total Annual Life Cycle Cost Estimate for the replaced Styles Road Equestrian Facilities is \$243,000 p.a. ex GST.

Funding

Funding of these proposed facilities will most likely be similar to the PHTC funding model based on the same rationale, being that the clubs themselves do not have any significant funds or assets that could be utilised towards new facilities.

Management

The overall management of a new facility that accommodates SHOATA, PHPC and the PHTC stable facilities is envisaged to be a Sporting Association model made up of the key stakeholders with an Advisory committee inclusive of appropriate Town staff and Elected member representation. Separate leases for specific areas of operations could be offered to the stakeholders with common areas and issues managed by the Association.

This proposed model will ensure that the best interests of all of the users and community in general is maintained with fair and equitable access is made available to a significant Town of Port Hedland facility.

Recommendations

It is recommended that the Town of Port Hedland:

- 1. Receive this Concept Design and Implementation Plan for the Port Hedland Turf Club.***
- 2. Support the developments as depicted in the Port Hedland Turf Club Concept Plans subject to the availability of funding.***
- 3. Endorse the management of the proposed Multi-Purpose Community Pavilion by the Town of Port Hedland as the preferred management model.***
- 4. Initiate discussions with the State Government, Federal Government and Corporate Partners regarding funding support for this project.***



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1 INTRODUCTION

This report represents phase two and phase three of the Needs Assessment, Concept Design and Implementation Plan for the Port Hedland Turf Club.

The Needs Assessment Report has been completed and has been endorsed by Council in the September 2012 Ordinary Council Meeting. The key recommendation of the Needs Assessment report is to retain and upgrade the Port Hedland Race Course to meet both the passive and active future recreation needs of the community.

The Concept Design and Implementation Plan including an Indicative 5 Year Budget within this report are based on this key finding. Concept Plans have been developed depicting the creation of a regional level, high capacity community hub in the heart of the Port Hedland town site that facilitates a wide array of usage types and is able to accommodate multiple user groups at the same time. It will also provide a quality events venue for the hosting of major races, concerts and festivals that are integral to the social and cultural vibrancy of the Town.

DRAFT



2 CONCEPT DESIGN

The concept design for the redevelopment of the Port Hedland Race Course site includes concept plans for a new multi-purpose community pavilion and a site plan detailing upgrades to supporting infrastructure (stables, parking etc) with active and passive recreational facilities; playground, equestrian and canine arenas, walking/exercise trail and floodlighting to the sporting fields. The proposed developments aim to transform the Race Course to a major community hub with active and passive recreation facilities for the whole community and a pavilion that can cater for a wide array of purposes such as functions, meetings and events as well as providing a highly desirable venue for weddings and other private functions. It also ensures that the Town of Port Hedland community can continue to come together to enjoy a day at the races for the long term future as they have done for over 100 years.

The design process has included research of contemporary racing and sports facility designs and consultation with current and potential user groups, other race clubs, Racing and Wagering Western Australia, Western Australian Jockeys' Association, Town of Port Hedland staff and the Project Control Group.

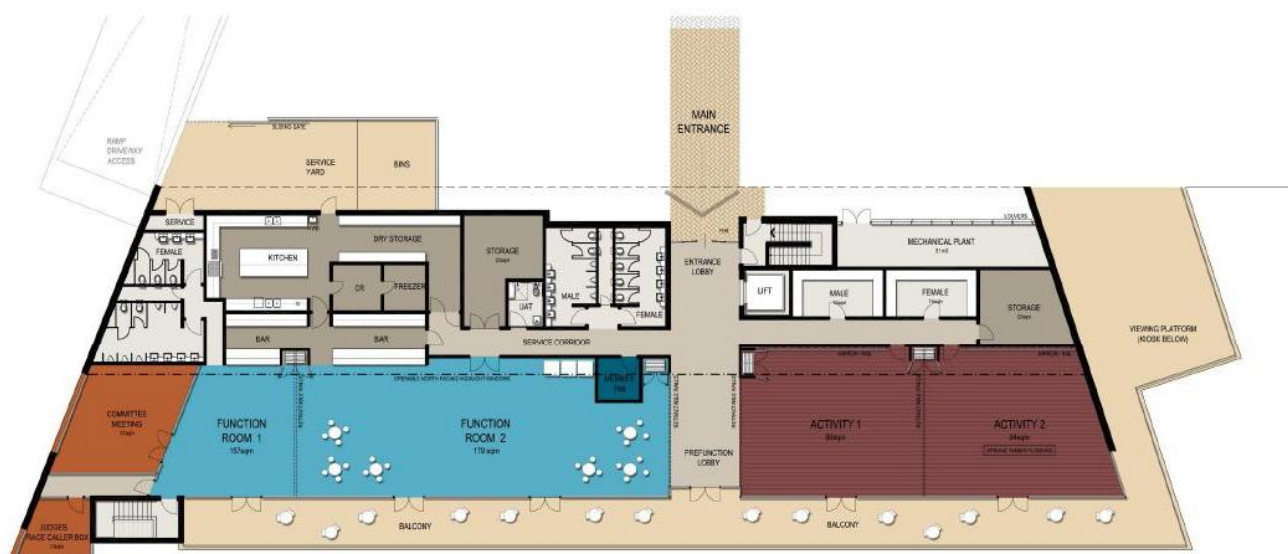
The Concept Plans are attached as Appendix 1 to this report. The following images are of the Concept Site Plan and Concept Floor Plans of the proposed facilities.



Port Hedland Race Course Concept Site Plan



LOWER GROUND FLOOR LEVEL



UPPER GROUND FLOOR LEVEL

New Multi-Purpose Community Pavilion Concept Floor Plan

The Concept Plans include the following key features:

Multi-Purpose Community Pavilion

The existing PHTC pavilion is proposed to be replaced with a multi-purpose community pavilion that will cater for the PHTC, multiple community and sporting groups including the Town's strong dance community, the general community, agencies and corporate groups.

- Upper Ground Level
 - Two function rooms (57m² + 179m²) with a retractable dividing wall and elevated viewing over the race track and sporting fields.
 - Commercial grade kitchen and split bar that can service the two function rooms individually.
 - Committee meeting room (41m²)
 - 2 multi-purpose activity rooms with a retractable dividing wall (96m² + 94m²) with fit-out to cater for dance classes (i.e. mirror wall, sprung wooden floor and stretching rail).
 - Changerooms to service the activity rooms.
 - 2 sets of M/F toilets
 - Service passage ways that allow the kitchen and amenities to be accessed without interrupting users of the other function rooms.
 - Central lobby area with wide entrance at ground level at the front of the building (facing the street).
 - Balcony (3m wide) along the track side of the building, and viewing platform on the east side of the building facing up the finishing straight.
 - Two large storage areas (22m² + 25m²)
 - Members TAB (7m²)
- Lower Ground Level
 - 2 x unisex changerooms with toilets and showers, sufficient size for jockeys and all senior grade sports.
 - Common Lounge (102m²), can be used for multiple purposes including as a jockeys room on race days, clubroom for sports clubs and as another hireable space for the community, with views looking out towards the race track and sporting fields. Is serviced with internal toilets and a kitchenette.
 - TAB (104m²) including space for 10 tote machines facing the track and window servery's.
 - Umpires changeroom and first aid room
 - Function race day offices (stewards office, race day office, ticket office, secretary's office).
 - Four storage rooms (9m², 12m², 29m², 31m²).
 - Public toilets
 - Lift and stairs to upper level
 - Large kiosk (60m²)
 - External bar (Bar 2, separate to building) with shade cover. The external members bar is located track side of the building towards the finishing line on the site plan.



- Large under cover area (170m²) adjacent to the external bar and the kiosk. Note: the bar, kiosk, betting facilities and public toilets are in the same area but have been designed with sufficient circulation space to allow ease of pedestrian flow during peak usage times.
- 3m wide verandah (under balcony) along track side of the building

In addition to providing for the functional requirements for the PHTC race meets, this proposed facility would provide a highly flexible, high capacity community venue capable of accommodating multiple user groups at the same time. With utilisation of the retractable walls, the building contains 6 hireable spaces. Fully opened up with all walls retracted, the upper level can provide a 450m² function room with excellent views over the race track and sporting fields. This facility would address the shortfall in quality spaces for hire which is currently resulting in a number of community groups travelling to South Hedland to utilise facilities and provide reasonable capacity for the future. It also provides Port Hedland with a highly attractive venue for special functions such as engagement parties, wedding receptions and corporate events of all sizes.

The two multi-purpose activity rooms will be highly utilised by a range of community groups that presently use other facilities less well suited for the nature of their activities and become the focus for community social and civic events and within the Town. It is also likely to generate opportunities for clubs and users to develop and participate in a range of cultural activities that currently do not exist. The new facility would replace and enhance available facilities within Port Hedland reducing the need to replace Gratwick Hall as it currently exists in the proposed new civic centre development. This will provide the Town with an opportunity for multiple civic facilities that are able to service the widest range of needs and purposes.

Port Hedland has a very strong dancing community with three dance clubs producing students that are dancing nationally and internationally. Each of the groups has shown a high degree of interest in utilising the proposed activity rooms that include sprung wooden floors. Each year the Australian Ballet School accepts 9 primary school aged students from across the nation for specialist training in Melbourne during school holidays. In 2013, three of these students were from Port Hedland (JABAT) which is a remarkable result considering the nationwide competition. Port Hedland currently does not have sprung wooden dance floors which are very important for the older ballet girls due to the high impact on their toes and ankles. The development of purpose built facilities at the Turf Club will meet a strong need of the community and facilitate continued exceptional performance in the field of dance.

Importantly, the proposed facility would ensure the Port Hedland Race Course can meet the current and future expectations of the racing community and the many thousands of spectators that gather for the big races, ensuring its continuation as key social institution in the Town of Port Hedland.

Parking

Extensive new parking areas are shown on the site plan. The parking bays immediately to the north and west of the proposed pavilion are proposed to include lighting. There is a large horse float parking area to the west of the pavilion and a large public car parking area to the east of the pavilion, directly adjacent the grassed “tent land” area where the proposed regional playground is indicated.



Regional Level Playground

A regional level playground is proposed to be located to the eastern side of the new pavilion. This will provide a major passive recreation facility for families in the heart of town close to the swimming pool, beach and shops. Furthermore, the highly regarded Port Hedland Skate Park is located approximately 700m further along McGregor Street to the east and would be highly complementary to a regional playground by catering for the youth. In addition, the walking trails, outdoor exercise equipment and large open green space ensure that the McGregor Street Precinct will be a passive recreation hub for residents and tourists of Port Hedland of all ages.

ABV have previously researched the key elements of regional playgrounds and have identified the following key elements;

Standards do not apply readily to regional playgrounds, particularly in smaller LGA's that may only have a need for one regional playground. A regional playground can be as large as the LGA is willing to afford and it may be used as a tourist attraction and showpiece for the town. An example of this is the Apple Fun Park in Donnybrook (shown below) opened in March 2008 at a cost of over \$1 million.

The amount allowed for in this report is \$1 million. This amount could vary dependant on the scale that the Town wishes to develop the facilities to.

A typical Regional Playground may include the following:

- In excess of \$150,000+ of play equipment. There is a wide variety of innovative play equipment available to choose from. The designs include elements for children of all ages and abilities.
- 1,000m² + of softfall, with a combination of loose and synthetic softfall. Assuming 1/3 of softfall is synthetic with the remainder sand the total cost for a 1,000m² area is likely to be more than \$120,000. (Note; softfall can be too hot for hot locations with limited shade).
- It is not practical to shade the whole of a regional playground. Natural shading is generally used where possible and shade sails used for equipment that is particularly exposed, with synthetic surfaces in particular requiring shading. A nominal area of 400m² would cost in excess of \$60,000 to cover.
- Supporting infrastructure including picnic facilities (barbeques, shelters etc), toilets, bins, water fountains, formal parking are all be considered standard items supporting a regional playground.
- Landscaping to provide interesting topography for pathways, and attractive planting to enjoy shade and complementary visual surroundings.

Donnybrook Apple Fun Park Playground



This regional playground is very large with approximately 3,500m² of sand softfall. Cost over \$1 million in total in 2008 and has lighting for night use.



Belmont Oasis Playground



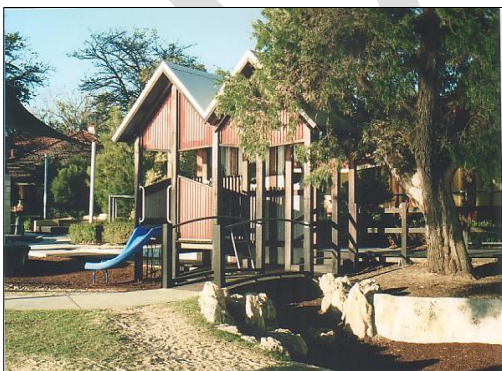
This is a themed regional playground (volcano). It utilises multiple softfall materials and features elements such as flying fox and steaming volcano.

Frankston City Regional Foreshore Park



This playground won the 2007 Sunsmart Local Government Shade Award Winner. Provides shade in key areas, critical for Port Hedland conditions.

Heathcote Playground – Applecross



This playground was built in 2007 at an approximate cost of \$800,000. It has a nautical theme in keeping with its location overlooking the Swan River with café and restaurant in close proximity.



Multi-Purpose Community Amenity

A multi-purpose community amenity is indicated on the site plan immediately adjacent the east of the pavilion. It is intended to be a flexible use space for groups/activities that require a more robust area than a standard indoor function/meeting room such as Scouts, Men's Shed, wood turning group etc. This facility would replace the ageing Scout Hall which has been providing this function in recent years and is proposed to be removed to make way for a new float parking area.

Horse Facilities

New horse facilities are shown to the west of the pavilion. This includes stables, storage, tack room, saddling yard, swab box and urine room. These will replace the existing ageing facilities. New horse facilities will ensure the Port Hedland Race Course meets all standards required of racing venues and continues to attract trainers and jockeys to Port Hedland from Perth and beyond.

Proposed Commercial Area

A proposed commercial area has been indicated on the site plan; however, it does not form part of this plan. The proposed commercial area is subject to separate investigations and planning by the Town. The positioning of the commercial area on the western end of the track has required relocation of the float parking area closer to the pavilion which is advantageous for equestrian users of the facilities; however, it requires removal of the old Scout Hall.

Canine Area

A fenced canine area is shown at eastern end of the major public car parking area. This is a proposed location for a new facility at such a time as urban development requires the land the current canine facility is situated on.

Track Interior Redevelopment

The site plan shows significant upgrades to the track interior in order to enhance Port Hedland Race Course as a multi-use active and passive recreation venue. The proposed upgrades include:

- Dual Use Path with Seating and Outdoor Gym Equipment
 - The 1km looped dual use path indicated on the site plan is proposed to have solar lighting, rest/exercise stops at regular intervals with outdoor gym equipment and bench seating and entry/exit points at the pavilion and proposed commercial area. This path will open up the track interior, including the large active open space, to the community as a major piece of recreation infrastructure that can be used for all manner of leisurely or active recreation and fitness pursuits. Furthermore, the pathway system through the racecourse/recreation site creates a continuous green linkage from the Boulevard Shopping Precinct through to the Civic Gardens and beach front.



- **Turf Equestrian Arena**
 - A multi-purpose turf equestrian arena is proposed to be situated on the existing active turf area in the south east corner. The turf already exists and therefore will only require suitable fencing and a spectator shelter. An equestrian arena in this location is not expected to adversely impact any sports and therefore is a cost effective solution for developing an equestrian event facility. Turf is a preferred riding surface for a number of equestrian events however it is not as hard wearing as sand and needs to be sufficiently rested between events to allow sufficient recovery time.
- **Sand Equestrian Arena**
 - A multi-purpose sand equestrian arena is proposed to be situated on the undeveloped portion of the track interior to the east of the active reserve space. It is proposed to include fencing, a low dust, non-compacting sand surface and a spectator shelter. The sand arena is suitable for a wide range of equestrian activities including high impact events such as rodeos.
- **Floodlighting to Sports Fields**
 - The active open space on the track interior is proposed to be lit to 100 lux to enable training and competition at a community level for large ball sports such as touch, soccer, rugby and football. The lighting should also be developed with power outlets on the poles which can be used for equipment used at events. The lighting will assist with increasing the availability of sporting fields at times when demand for utilisation is greatest (in the evening after work and out of the heat of the day).
- **Retention of Track Interior Active Open Space**
 - The active open space within the interior of the race track is proposed to be retained for future use as overflow training and competition sporting fields, circuses, festivals and other large events as well as for passive recreation pursuits such as dog walking, kite flying and many other forms of recreation that require a wide open space of flat turf to be conducted.
- **Signage**
 - New signage is indicated on the site plan at the corner of Wilson Street / McGregor Street and at the entrance to the race course from McGregor Street.



3 CONSTRUCTION COST ESTIMATE

3.1 Port Hedland Race Course Redevelopment

The indicative construction cost estimates for the proposed facility developments shown in the concept plans have been prepared by Neil Butler Quantity Surveying Services. The full Construction Cost Estimate report can be viewed as Appendix 2 of this report. A summary of the costs is provided below:

Item	Construction Cost Estimate
New Multi-Purpose Community Pavilion	\$6,409,000
Multi-Purpose Community Amenity	\$349,000
Horse Facilities (stables, washdown bays, tack room etc.)	\$661,000
Car Parking	\$1,433,000
Site Works	\$797,000
Dual Use Path	\$458,000
Sports Lighting	\$624,000
Canine Club Area	\$406,000
Regional Playground Allowance*	\$1,000,000
Turf Equestrian Arena	\$137,000
Sand Equestrian Arena	\$225,000
Contingencies (Design 10%, Contract 10%)	\$2,563,000
Headworks	\$155,000
Professional Fees	\$1,826,000
District Allowance Port Hedland	\$9,130,000
Total Construction Cost Estimate	\$26,173,000

*\$1 million is a nominal sum and can vary dependant on the scale the Town wishes to develop this facility to.



4 LIFE CYCLE COSTING

4.1 Port Hedland Race Course Redevelopment

The indicative life cycle costs for the proposed facility developments shown in the concept plans have been prepared by Neil Butler Quantity Surveying Services. Assumptions for the Life Cycle Costs include:

- 1.67% of building value p.a. for renewal/replacement of Multi-Purpose Community Pavilion based on 60 year lifespan.
- 2.5% of building value p.a. for renewal/replacement of sheds/ other structures buildings based on 40 year lifespan.
- 0.8% of building value p.a. for Operations (Note: MPCP operations costs as per operations budget, approximately 1.03%)
- 0.3% of building value p.a. for general maintenance.

The full Life Cycle Costings report can be viewed as Appendix 5 attached to this report. A summary of the Life Cycle Costs is provided below:

Item	Annual Life Cycle Cost
New Multi-Purpose Community Pavilion	\$404,000
Multi-Purpose Community Amenity	\$26,000
Horse Facilities	\$50,000
Car Parking	\$147,000
Site Works	\$18,000
Dual Use Path	\$48,000
Sports Lighting	\$42,000
Canine Area	\$32,000
Regional Playground	\$83,000
Turf Equestrian Arena	\$10,000
Sand Equestrian Arena	\$17,000
Total Annual Life Cycle Cost Estimate ex GST	\$877,000



5 FUNDING

The proposed development arose from the need to provide a long term permanent base for the Port Hedland Turf Club and equestrian sport within the community, with a view to meeting unmet and future community, sporting, cultural and social activity needs in the region. After extensive review through the Needs Assessment, the existing Port Hedland site was selected as being the most suitable for the proposed facilities when considering a range of factors including the need for a buffer from the BHP iron ore stock piles and processing, its prominent role in the social and cultural fabric of the Town, its historical significance and the lack of viable sites being identified elsewhere.

The concept plans depict the creation of a regional, high capacity community hub in the heart of the Port Hedland town site that facilitates a wide array of usage types and is able to accommodate multiple user groups at the same time. It provides a quality events venue of metropolitan standard for the hosting of major races, concerts and festivals which are integral to the social and cultural vibrancy of the Town.

5.1 Strategic Fit

The proposed development of a high capacity, modern, multi-purpose community venue fits closely with the vision of the Town of Port Hedland in the key areas of:

Celebrating Port Hedland's vibrancy:

Making our connected, attractive neighbourhood centres alive with activity and opportunities that are accessible to the whole community.

1. City of Neighbours: Becoming a community-minded, residential city with capacity to support 50,000 people.
2. International Gateway: Becoming a leading port city and gateway to Asia, Australia and the world.
3. Cultural Capital: Becoming the cultural capital of the North West.

Under the key theme of 'Community', the Town of Port Hedland strives to achieve the following:

- *Building a unified and connected community is a key priority for our regional city. Recognised as a vibrant destination by local residents as well as national and international tourists, Port Hedland will be a city of neighbours, alive with recreational, cultural and entertainment activities to enrich the quality of life of residents and visitors.*

The proposed developments represent an opportunity for the Town towards the achievement these aims whilst promoting best practice sustainability initiatives of shared use and collocation.



5.2 Funding Strategy

The estimated cost of the project is \$26.17 million (ex GST) and to deliver a project of this scale will require funding from a range of partners. With government and corporate support, there is a very real opportunity to create an integrated sporting, recreational and community facility in the Town of Port Hedland that will be a bench mark for other regional equestrian centres and provide for much needed developed active open space.

The funding strategy is multifaceted and inherent in this strategy is the confidence that the benefits of the redevelopment of this site are sufficient to produce strong funding support. The funding strategy includes:

1. Political Support
2. Government Funding
 - Political support (advocacy for the project)
 - Local, State, Federal
3. Commercial Sector Funding

5.2.1 Political Support

Without strong political backing, the project is unlikely to gather sufficient support to be successful in its funding applications. Obtaining political backing and support will be important in obtaining funding for this project.

The logical first targets would be relevant State politicians, followed by Federal Government Ministers with responsibility for, or an interest in the Town of Port Hedland and the people who live there. The following is a list of State politicians with relevant portfolios or responsibility for Port Hedland and/or the Pilbara.

- Hon. Brendan Grylls MLA, Minister for Regional Development, Lands
- Member for Pilbara
- Hon. John H D Day, Minister for Planning, Culture and the Arts
- Hon. Liza M Harvey, Minister for Police, Tourism, Road Safety
- Hon. Terry K Waldron, Minister for Sport and Recreation; Racing and Gaming

The following Federal positions within Government should also be approached for support.

- Local Federal Member for Durack – Melissa Price MP (Liberal Party)
- Minister for Infrastructure and Regional Development (Deputy Prime Minister & Leader of the National Party)- The Hon Warren Truss MP

5.2.2 State Government Funding

There are several State Government departments providing funding for infrastructure projects. The Department of Regional Development and Lands coordinates the Royalties for Regions Program with the most relevant component being the Pilbara Cities Community Fund, accessible through the Pilbara Development Commission (PDC). The PDC has recommended a strategy for future funding through Pilbara Place Activation Strategy. This strategy will be targeted at two key areas, one of which is 'Place Activation'. Projects will be assessed in accordance with five key criteria: leveraged funding; significant strategic partnerships or collaboration, place activation or civic participation, planning alignment; and sustainability.



There is some indication that the Royalties for Regions funding will be reduced in the current financial year. Whilst there is still opportunity for funding to be secured, if the level of funding suggested in the funding matrix cannot be secured, there may be a further burden on the community/Local Government to fund the shortfall.

The Department of Sport and Recreation's Community Sport and Recreation Facilities Fund (CSRFF) is the most obvious program to approach for sport and recreation infrastructure projects and should be considered for specific elements of the proposed facilities, specifically relating to multipurpose community facilities and the active open space provision.

With the development of this site to provide for active open space and the accommodation of additional community spaces that will in the long term assist with the future development of the Town (consistent with the Future Growth Plan being developed for Port Hedland), it seems appropriate that Landcorp should be approached to assist in this development.

5.2.3 Federal Government Funding

The current Coalition Federal Government has recently been elected. It is anticipated that Federal Funding will be available for regional community infrastructure projects as promoted in the Liberal Party's election promises.

There is no specific information provided as to how this will be distributed, however; the Coalition Government has identified in its plan for the future that funding will be made available through Infrastructure Australia.

5.2.4 Corporate Sector Funding

Developing a funding partnership with the commercial sector will assist in not only achieving the desired funding model outcome, but will also assist with government funding applications by leveraging funding contributions provided. It is a requirement of many government funds that corporate support for the project is attained.

The Pilbara is well known for its mining contribution to the country. The Town of Port Hedland has in recent years experienced a period of rapid growth and the resource companies have a vested interest in the growth of the communities in which they operate. Most recently, BHP Billiton was a major contributor to the development of the \$35 million Wanangkura Stadium. This project provides considerable opportunities within the Town for growth of the community, and being at the gateway to the Port Hedland town-site, its high visibility will have a major impact on visitors' impressions of the Town. Other companies that could be approached for support include:

- Fortescue Metals Group
- Hancock Prospecting
- Citic Pacific Mining

In approaching these or any potential corporate partners it is vital to understand their corporate responsibilities and develop an approach to see how the Port Hedland Turf Club development can meet their objectives. Evidently the Town has existing relationships with BHP Billiton in this regard which has supported this project study since inception.



5.2.5 Racing and Wagering Western Australia Funding (RWWA)

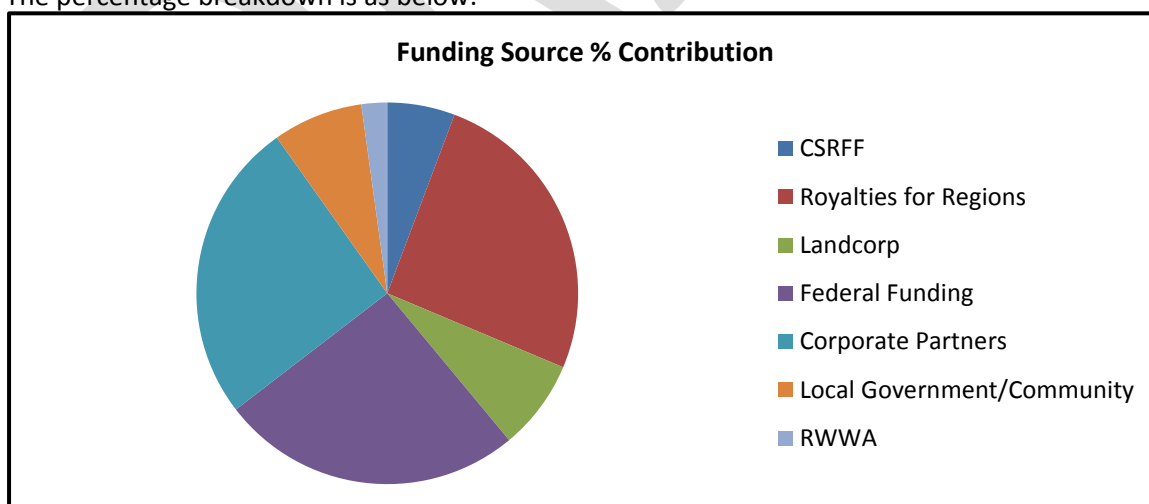
The RWWA have indicated (consulted throughout the development of the Needs Analysis) that funding a facility within the Pilbara region would not be considered a high priority indicating there is potential for funding of a minimal nature. With consideration to the level of amenity that is proposed at the Port Hedland Turf Club site and the potential to improve facilities to the extent that additional revenue streams (and potentially additional race meets can be accommodated throughout the race season), this is an avenue of funding that should be pursued.

5.3 Funding Matrix

In order to deliver the project a potential funding model has been developed and the following tables set out the indicative project budget and level of grant requested.

Funding Source	Amount (\$ Million)
CSRFF	1.5
Royalties for Regions	6.7
Landcorp	2.0
Federal Funding	6.7
Corporate Partners	6.7
Local Government/Community	2.0
RWWA	0.57
Total Funding	\$26.17 M

The percentage breakdown is as below:



It is also envisaged that the Town of Port Hedland will provide in-kind support for the project through project management and project administration.



5.4 Potential Staging

Ideally all proposed facility developments within the Concept Plans would be constructed in a single stage to enable the community to enjoy the full range of benefits that the redevelopment of the Port Hedland Race Course offers. However, if the main option of full development in one stage is not able to occur due to restricted funding availability or otherwise, a contingency plan is to move some components of the redevelopment to a second stage.

In this instance the following two stage development is suggested:

Stage 1

Item	Construction Cost Estimate
New Multi-Purpose Community Pavilion	\$6,409,000
Horse Facilities	\$661,000
Car Parking ¹	\$635,000
Site Works (80%)	\$638,000
Contingencies (10% Design, 10% Contract)	\$1,709,000
Headworks	\$155,000
Professional Fees	\$1,217,000
Port Hedland District Allowance (60%)	\$6,087,000
Stage 1 Construction Cost Estimate	\$17,511,000

¹Parking areas immediately to north and west of Pavilion + crossovers, lighting, pedestrian link paths and landscaping.

Stage 2

Item	Construction Cost Estimate
Multi-Purpose Community Amenity	\$349,000
Car Parking ²	\$798,000
Site Works	\$159,000
Dual Use Path	\$458,000
Sports Lighting	\$624,000
Canine Club Area	\$406,000
Regional Playground	\$1,000,000
Turf Equestrian Arena	\$137,000
Sand Equestrian Arena	\$225,000
Contingencies	\$854,000
Professional Fees	\$609,000
Port Hedland District Allowance	\$3,043,000
Stage 2 Construction Cost Estimate	\$8,662,000

²Tentland Parking and Float Parking areas



The staging scenario presented above results in 2/3 of the construction cost estimate occurring in Stage 1, and 1/3 of the cost occurring in Stage 2.

Stage 1 focuses on the construction of the New Multi-Purpose Community Pavilion which is the major piece of infrastructure proposed in the redevelopment. The development of the Pavilion impacts on the existing horse facilities, therefore, development of the horse facilities has also been included in Stage 1. New parking areas immediately adjacent the Pavilion and a new driveway entrance will also be necessary for Stage 1.

Stage 2 includes all of the external passive and active recreation facilities including the dual use pathway system including outdoor gym equipment, regional playground canine and equestrian arenas and sports field flood lighting. These facilities are not essential to horse racing and therefore can be delayed if required. The Multi-Purpose Community Amenity has also been scheduled for Stage 2 as it is not required for horse racing activities and no current active user groups have been identified that require use of the facility at the present time.

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6 FACILITY USAGE

6.1 Multi-Purpose Community Pavilion

As detailed in the Concept Plan section of this report, the proposed multi-purpose community pavilion is a substantial facility with flexible configuration that allows up to 6 individual rooms that can be utilised catering for small meetings through to major functions and events. When all retractable walls are fully opened, the upper level has capacity for functions of over 400 persons, whilst the facilities downstairs provides a social area, changerooms and amenities that are suitable for any sporting activity that could be conducted there. The proposed facility has ample capacity to cater for a wide range of community and sporting groups, the general public and the private sector.

Currently there are four principle user groups that have stated a strong interest in utilising a new community facility on a regular basis in the future should it be developed. They are as follows:

6.1.1 Port Hedland Turf Club

The PHTC organises 6 races from mid May to Early August each year. The events are held over the weekend and the entire facility is required exclusively for the races on these days. The PHTC would also meet on a regular basis in the committee meeting room during the racing season.

6.1.2 JABAT Dance Inc

The JABAT Dance Inc has conducts classes each week during school term, ending on 31 December each year. It is currently utilising the Rovers' clubrooms. Classes are conducted at the following times:

- Mondays 3:00pm – 8:00pm
- Tuesdays 10:00am – 11:00am & 3:00pm – 8:00pm
- Wednesdays 5:00pm – 8:00pm
- Thursdays 3:00pm – 8:00pm
- Saturdays 10:00am – 3:00pm

These classes are currently conducted in one room; however, the Club has indicated that if it were to have two rooms available it would use these to conduct more young age group classes at an earlier time. JABAT has indicated that it is using its available timeslots to capacity and that the provision of additional time/access to dance facilities will enable it to grow further.

6.1.3 Alliance Dance Company

The Alliance Dance Company currently runs classes during school term, breaking for the holidays although some special workshops/clinics can be organised for these times. It is currently utilising a room at the JD Hardie Centre however the flooring is vinyl on concrete which is places considerable impact on the older girls' toes and ankles. Classes are conducted at the following days/times:

- Tuesdays, Wednesdays, Thursdays 4:30pm – 7:30pm
- Saturdays 9:00am – 3:00pm



The Alliance Dance Company currently has 150 students. It is limited in further growth at present due to a lack of facilities being available. A waitlist has been developing. The Company would potentially use two rooms at the same time to enable growth and to allow the young children to dance at earlier time slots. The Company feels that purpose built dance facilities would quickly be used to capacity given the strength of dance in Port Hedland.

6.1.4 Hedland School of Dance

The Hedland School of Dance (HSD) currently books 12 hours per week from Monday through to Saturday at the South Hedland Lotteries House in the conference room at times that are made available to them. Demand for this facility is high, and HSD believes that it may be forced to reduce hours in 2014 due to increasing demand.

HSD currently conducts Jazz, Tap, Contemporary, Hip Hop and Acro dancing classes, and is looking to add ballet; however, it is currently restricted due to a lack of availability of time/space to conduct additional classes. HSD has been turning away children due to a lack of room hire availability.

HSD has indicated it would be highly interested in becoming a user of the activity rooms of the proposed Multi-Purpose Community Pavilion, and that access to such a facility may provide it with room to grow and increase on its 12 hours of usage per week. HSD also reports that other groups such as Taekwondo and Zumba would also be interested in using the proposed Activity Rooms due to a lack of suitable rooms being available.

6.1.5 Other User Groups

There are no other major regular user groups that have been identified for the pavilion at this time, however, should these plans proceed it could be expected that interest from potential user groups will grow quickly as awareness of the proposed facility increases. Consultation suggests the proposed Activity Rooms, with sprung wooden floors, will be very popular amongst indoor physically active recreation groups including dancing, martial arts and fitness groups as these types of facilities are reported as being in short supply.

The new facility should appeal to a very broad range of community sporting, cultural and leisure pursuits due to its flexible and well-appointed nature. The ability to make spaces larger or smaller and with supporting amenities and kitchenette facilities will make the facilities appealing to a large base of potential users. The venue will be highly suitable for corporate meetings and events like industry sundowners, as well as the more traditional functions such as weddings, engagements birthday parties etc.

With the impending closure of Gratwick Hall, Port Hedland has a lack of hireable spaces for community groups. The Town and community groups report that many groups now have to operate in South Hedland which is disadvantaging Port Hedland residents. The lack of facilities is resulting in clubs utilising facilities that are not suitable for the purpose as they are intended and may be discouraging persons from participating. A lack of suitable facilities in the Port Hedland area could potentially be hindering the growth of some organisations and possibly holding back others from forming, thus, there could be significant latent demand in the community for use of facilities that the proposed multi-purpose community pavilion provides.

Some sporting groups such as the Port Hedland Cricket Club may use the changerooms and toilets when they make use of the sporting fields for overflow training or competition, as would SHOATA and the PHPC when utilising the equestrian arenas for events.



As a modern facility with excellent views over the race course and playing fields and function room options to meet almost all needs, this facility would also be anticipated to be a highly sought after venue for corporate and government agency meetings, training seminars and functions, as well as private functions such as weddings, birthdays, wakes etc.

6.2 Grounds

The grounds at the Race Course are proposed to be substantially upgraded including the development of two equestrian arenas, a regional playground, a lit dual use looped path with rest stops and pieces of gym equipment at regular intervals and flood lighting for the sporting fields.

Passive Recreation Use

It is anticipated that the redeveloped grounds will attract a substantial amount of passive recreation users of all ages from the community and tourists alike. The pathways, large open active turf area, outdoor gym equipment, regional level playground and close proximity to the highly regarded Port Hedland Skate Park ensures that all members of the family are well catered for and therefore can be expected to be a popular place for families and all manner of individuals to frequent for leisure and exercise.

Turf and Sand Equestrian Arenas

SHOATA and the PHPC have indicated that they would each anticipate conducting up to 4 special events at the Race Course arenas each year. They would continue to host their own regular activities at their own facilities. Both organisations have indicated that they may also access the toilets and changerooms at the same time but would be unlikely to hire the Pavilion.

Active Open Space Area

The active open space within the track interior has in the past been the home venue of the Port Hedland Cricket Club, however, the Club now uses this space for training only as games are now played in South Hedland under lights. It is anticipated that demand for use of these fields will grow in the future as the population grows and that these fields will play an integral role in ensuring there is sufficient active reserve space to meet the outdoor sporting needs of the community.

The active open space is also used for large festivals and events. At the current time it is the only feasible space to host the North West Musical festival which attracts audiences of up to 8,000 people. The race course also accommodates travelling circuses and the Spinefex Spree which includes music, carnival rides and stalls. The upgrades to the race course including lighting, parking, amenities, pathways and development of equestrian arenas will further enhance the capability of this venue to host future major community events.

Canine Club Area

The proposed Canine Club Area replaces the existing facility bordering McGregor Street. This facility is used on Tuesday nights from 5:30pm to 9:00pm under lights from March to December and could be expected to continue to have similar usage in the future.



7 MANAGEMENT OPTIONS

For a multipurpose facility providing for various groups and events, there are a number of management options available for consideration.

The following major assumptions are relevant to the Port Hedland Turf Club Precinct Development:

- Management of the new development/s will be required.
- As all the proposed redevelopment elements sit on Crown land vested in the Town of Port Hedland ownership of any element constructed on this land will ultimately remain with Town of Port Hedland.
- Government capital funding will be required.
- Any management entity would need to satisfy Council/Government reporting requirements.

7.1 Management Model

Upon the review of industry trends, previous project experience and benchmarking analysis, three main options in relation to the overall management of the Multi-Purpose Community Pavilion (MPCP) have been identified, these being:

- Management by Local Government (Town of Port Hedland [ToPH]).
- Management by a consortium representing the key tenant club(s) or users.
- Management by key user (Port Hedland Turf Club).

The table below summarises the positives, negatives and issues identified throughout this review.

Management Option	For	Against	Issues
Management by Local Government	<ul style="list-style-type: none"> ▪ Opportunity to maximise focus on recreational and community benefit, diversity of usage and access to Precinct. ▪ Leverage other events and opportunities through the ToPH. ▪ ToPH has experience in managing facilities of this size and nature and is best placed to ensure the quality of the facility remains high. ▪ ToPH can ensure the facilities are open and available to a diverse range of user groups. ▪ ToPH has existing resourcing in HR, Financial, risk, asset management policies and processes. 	<ul style="list-style-type: none"> ▪ Complicated management structure making difficult to speak to the right person. ▪ Use of paid staff as opposed to being run by volunteers incurs significantly higher operational costs, borne by ToPH 	<ul style="list-style-type: none"> ▪ ToPH willingness to underwrite the operation of the facility. ▪ Potential to lose sporting volunteers.
Management by a consortium representing the key tenant	<ul style="list-style-type: none"> ▪ Consortium could appoint Professional manager/management to manage facility on their behalf. 	<ul style="list-style-type: none"> ▪ Clubs may not have the commercial expertise to manage the facility. ▪ Clubs may lack vision 	<ul style="list-style-type: none"> ▪ Sports clubs are more likely to have self-interest in managing facility.



club(s) or users.	<ul style="list-style-type: none"> ▪ Likely to maximise commercial benefit to clubs involved in management. ▪ Potential to co-opt members with a strong commercial understanding. ▪ Most likely to ensure that role of clubs is maintained. ▪ Removal of local politics on operation of facility. ▪ Potentially creates a democratic process whereby all groups have equal say. 	<ul style="list-style-type: none"> to pursue opportunities to maximise use of the facility. ▪ Conflict of interest with other potential users and financial viability of the facility. ▪ Competing interests amongst clubs. ▪ Not core club business. ▪ Slow decision-making process. ▪ Potential lack of responsibility / ownership of the facility. ▪ There is a high turnover of volunteers in the Pilbara region which could undermine the strength of the management committee. 	<ul style="list-style-type: none"> ▪ Clubs unlikely to have the specialist management expertise. ▪ Limited ability to financially underwrite. ▪ There would need to be a strong/binding Memorandum of Understanding between the tenant club/users.
Management by key user. (Port Hedland Turf Club)	<ul style="list-style-type: none"> ▪ Will have a good understanding of the tenant issues. ▪ Potential to co-opt members with a strong commercial understanding. ▪ Club could appoint professional manager to manage facility on their behalf. ▪ Maximise individual club support for the facility. ▪ Single communication point and decision maker. 	<ul style="list-style-type: none"> ▪ Could detract from viable usage by other users of the precinct. ▪ Potential conflict of interest with other potential users and financial viability of the facility. ▪ Could detract from non equestrian users of precinct. ▪ Likely to be difficult to consolidate management across the precinct. 	<ul style="list-style-type: none"> ▪ Club is understandably more likely to have self interest in managing facility. ▪ Club unlikely to have the management expertise and capacity for such a large community facility.

7.2 Tenure Arrangements

The following are considered the most viable tenure options for the recommended management option.

7.2.1 Lease

A lease is a right granted by the owner of land for an occupant to have the exclusive use of that land for a specified period of time in exchange for an agreed rental payment.

The lessee would have the ability to operate the facility and be responsible for the ongoing maintenance and management as per the conditions outlined within the lease agreement.



7.2.2 Management License

Under the terms and conditions of a license contract, the licensee is granted permission to access property for a specified purpose(s), such as conduct of a sporting activity, at specified times, and under specified conditions. Licences rather than lease agreements are usually used in cases where the facility or premises are shared by a number of user groups. A license agreement does not provide for exclusive use of a facility beyond the specified times of access.

7.2.3 Hire

Hire arrangements can be made on a one off basis and for regular users. Hirers can book to use a specific room at the proposed facility at a specific time.

7.3 Preferred Management Option and Tenure Arrangements

Due to the substantial specifications of the MPCP including six individual rooms for hire and the significant operational expertise and resourcing required to manage such a facility, the recommended management model for the facility is Management by the Town of Port Hedland. The new Pavilion would most suitably be described as a community facility that will be used by the PHTC, other organisations and the general community.

The facility is intended to have a high proportion of community use, with the number of race events expected to remain at current levels (six per year) from May to August for the foreseeable future. Therefore, the recommended tenure arrangement is for the Town of Port Hedland to hire out the facility to interested community groups, sporting groups, commercial organizations, agencies and the general community.

A special hire arrangement will need to be organized with the PHTC that guarantees their usage of the entire facility for their race meets each year. It is also understood that there are three dance groups that will likely seek to be regular users of the activity rooms due to a lack of suitable venues for high level dancing, and therefore a special hire arrangement that prioritises these groups may also be warranted.

It is recommended that an advisory committee be established inclusive of Councillor's, ToPH Staff and MPCP user groups to ensure a strong representation from the stakeholders and open and regular communication is maintained. Issues and concerns can be addressed and resolved efficiently and effectively with this model. This committee can facilitate direction for bookings, access and cooperation amongst the user groups to ensure usage requirements of the facility can be coordinated and adequately accommodated.

Management of the facility by the Town of Port Hedland will ensure the MPCP is maintained to a high standard and equitable access is provided to all parts of the community. It is envisaged that the MPCP will fall under the responsibility of Recreation Services, being managed by a staff member who can coordinate bookings, liaise with accounts for deposits and refunds, manage issues over extra cleaning or non/partial bond returns and post event inspections etc.

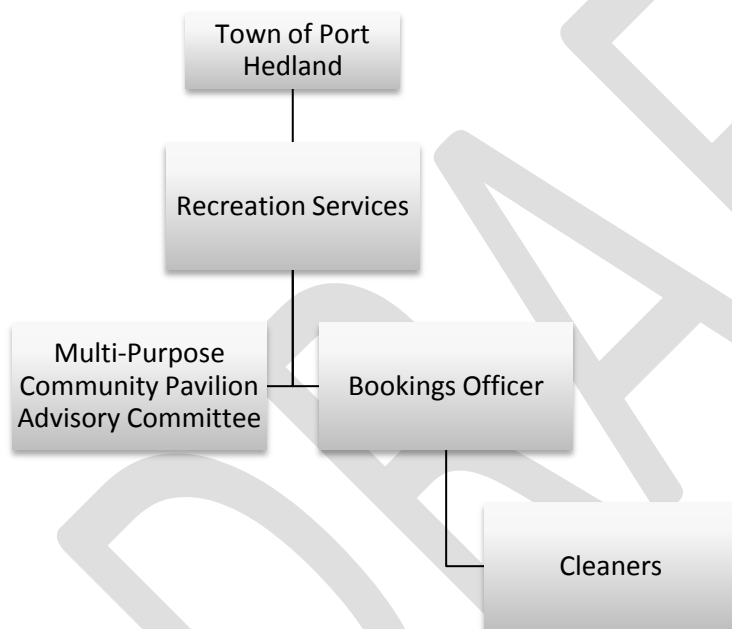


It would appear that the existing Bookings Officer is at capacity in terms of current responsibilities, in which case a new part time position may need to be created or a shuffling of responsibilities amongst the existing Recreation Services section staff to allow this role to be taken on within the section. An estimate of dedicated time required for this role is 0.2 full time equivalent or one day per week and a budget allocation has been made for such. (This resource allocation should be reassessed once operations are up and running but at the present time it is considered to be appropriate and used for budgeting estimates).

The professional management and coordination between other Town business units including Corporate Services and Building and Assets is critical to the ongoing professional management, high quality community service and maintenance and protection of the asset. This is a potential risk to the Town that should be afforded serious consideration.

A chart depicting the proposed management arrangement is shown below:

Multi-Purpose Community Pavilion Management Arrangement



8 INDICATIVE 5 YEAR OPERATING BUDGET FOR THE MULTI PURPOSE COMMUNITY PAVILION

An indicative 5 Year Operating Budget has been prepared for the Multi-Purpose Community Pavilion. The income and expenses have been prepared on a conservative basis. The expenses are inclusive of life cycle costs (asset replacement/renewal and maintenance costs) and an internal charge for management of bookings of the facility. The room hire income has been based on modest occupancy rates with similar rates of fees and charges for existing facilities. The Room Hire calculations can be seen attached as Appendix 8 to this report.

Port Hedland Turf Club - Proposed 5 Year Operating Budget

	Year 3 (100% Operational)				
Income	Year 1	Year 2	Year 3	Year 4	Year 5
Room Hire	\$86,899.80	\$113,638.20	\$133,692.00	\$147,061.20	\$153,745.80
Total Income	\$86,899.80	\$113,638.20	\$133,692.00	\$147,061.20	\$153,745.80

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Advertising	\$1,800	\$1,900	\$2,000	\$2,060	\$2,120
Rubbish Removal	\$2,700	\$2,850	\$3,000	\$3,090	\$3,180
Electricity	\$27,000	\$28,500	\$30,000	\$30,900	\$31,800
General Expenses	\$4,500	\$4,750	\$5,000	\$5,150	\$5,300
Insurance	\$22,050	\$23,275	\$24,500	\$25,235	\$25,970
Maintenance and Renewal (LCC)	\$237,600	\$250,800	\$264,000	\$271,920	\$279,840
Replacements (tables and chairs etc)	\$4,500	\$4,750	\$5,000	\$5,150	\$5,300
Security	\$5,850	\$6,175	\$6,500	\$6,695	\$6,890
Water Costs	\$1,800	\$1,900	\$2,000	\$2,060	\$2,120
Administration 0.2 FTE	\$19,125	\$20,188	\$21,250	\$21,888	\$22,525
Cleaning Staff Costs (casual)	\$18,450	\$19,475	\$20,500	\$21,115	\$21,730
External Gardening/Cleaning (casual)	\$18,450	\$19,475	\$20,500	\$21,115	\$21,730
Projected Total Expenses	\$363,825	\$384,038	\$404,250	\$416,378	\$428,505

Net Result	Year 1	Year 2	Year 3	Year 4	Year 5
	-\$276,925	-\$270,399	-\$270,558	-\$269,316	-\$274,759

Assumptions					
	Year 1	Year 2	Year 3	Year 4	Year 5
Trading operations graduated to Year 3 (100% Trading Income & Expenditure)	65% Trading Income	85% Trading Income	100% Trading Income	110% Trading Income	115% Trading Income
	90% Trading Expenditure	95% Trading Expenditure	100% Trading Expenditure	103% Trading Expenditure	106% Trading Expenditure
General Maintenance (0.3%) and Replacement/Renewal (1.67%) taken from LCC Analysis.					
Room Hire income as per Multi-Purpose Community Facility Room Hire Income Spreadsheet					
Other Expense item estimates based on figures from other applicable facility budgets with allowances made for Port Hedland conditions (i.e. increased electricity allowance for air-conditioning).					
Budget assumes ToPH will manage the facility and hire to regular and casual users through existing bookings structures.					
Administration - 1 day per week of FT Bookings Officer Level 4/5 \$85k p.a. + 25% oncosts					

It can be seen that an annual operating deficit of \$269,000 – \$277,000 p.a. has been projected in the 5 year budget, however, it is important to note that this is inclusive of full asset replacement and maintenance costs based on a 60 year lifespan, itself totalling over \$260,000 p.a. and a conservative assumption on room hire usage rates, with occupancy listed between 5% and 30% in most instances (i.e. 20% occupancy for a room on a weekday evening assumes that a booking will be made on one weekday evening per week on average). The Activity Rooms have higher occupancy rates during the peak periods (70% on Mon-Fri evenings); however, this too can be considered conservative as Port Hedland's considerable dance community (3 large dance groups with waiting lists) has expressed a strong desire to make use of the proposed facilities if constructed.

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9 STYLES ROAD EQUESTRIAN FACILITIES

The ultimate aim of identifying a single equestrian precinct for the Town's major equestrian organisations and agistment facilities was found not to be viable in the Needs Assessment, and that the most suitable location for the long term future of the Port Hedland Turf Club was for it to remain in its current location.

The future location of the Styles Road Equestrian facilities, being the Port Hedland Pony Club (PHPC) and the PHTC stables has also been considered, as this area in the location of Pretty Pool has been identified in the Town's planning documents as a potential site for future residential development of which suitable land is in short supply.

The Needs Assessment report has indicated that the SHOATA complex in South Hedland could be a potential short term solution for relocation of the users at the Styles Road facilities with a greenfields site being required for the long term. This solution is based on the need for some minor developments being required to accommodate the PHPC and PHTC Stables users in the short term whilst a long term land site was acquired and developed. However, further investigations reveal that the current SHOATA site does not present itself as a completely viable short term relocation option for the Styles Road users for two main reasons:

Firstly, the Department of State Development has stated a clear position that it would strongly object to any further development at SHOATA that would result in any usage that is prohibited under the current Town Planning Scheme (5) due to the conditions of the Boodarie Industrial Buffer Special Control Area. TPS 5 does not permit the development of dwellings or facilities that attracts persons within this area.

Whilst the Pony Club and stables are in line with existing uses of the SHOATA complex, it would result in significant additional persons using this area.

Secondly, the PHPC reports that a South Hedland location for the PHPC would not be viable as the members are predominantly made up of Port Hedland residents that keep their horses at the PHPC site at Styles Road. Children and their parents visit their horses twice a day or more to feed and care for their horses, which would be significantly more challenging if the horses and facilities were relocated to South Hedland. It could result in significant loss of membership and potential closure of the Club due to the considerable travel that would be required on a daily basis, therefore, the PHPC is strongly opposed to relocation to SHOATA.

Therefore the future of the PHPC appears uncertain. Assuming that the relocation to the SHOATA facility is unworkable and the club requires being located in Port Hedland as opposed to South Hedland to continue, then a suitable greenfield site is required to be found prior to the development of current land area. There is currently no obvious site that suitably matches this requirement.

As the SHOATA organisation ultimately requires a new facility as well, the location of a suitable site to accommodate the PHPC and SHOATA with stables to replace the existing Styles road facilities should be investigated as soon as possible. This will allow suitable time for future planning and consultation with stakeholders to occur. The facilities required for replacement of Styles road facilities (PHPC and PHTC Stables) are detailed below with supporting indicative costs.



9.1 Styles Road Facilities

Investigations into the costs of replacement of the Styles Road equestrian facilities at Pretty Pool including the PHPC facilities and the PHTC Stable facilities have been made. These indicative construction cost estimates will help to inform the Town's future decision making regarding potential future development of the Pretty Pool site and the financial impact that may be incurred should a decision be taken to relocate the Pretty Pool facilities, noting that a suitable long term alternative location for these facilities has not yet been identified.

Replacement of the Port Hedland Pony Club facilities has been costed at \$3.6 million ex GST.

Replacement of the Port Hedland Turf Club Stable facilities has been costed at \$2.7 million ex GST.

The Total Cost for Replacement of the Styles Road Equestrian Facilities is \$6.3 million ex GST.

The full construction cost estimate reports for these facilities can be seen attached as Appendix 3 & 4 to this report.

Life Cycle Costing Reports have also been prepared for the replacement of the Styles Road equestrian facilities including the PHPC facilities and the PHTC Stable facilities and can be seen attached as Appendix 6 & 7 to this report.

Assumptions made for the Life Cycle Costs of these facilities are as follows:

- 40 year lifespan for shed/building structures
- 20 year lifespan for fencing
- 5 years for riding surfaces

The Total Annual Life Cycle Cost Estimate for the replaced PHPC facilities is \$134,000 p.a. ex GST.

The Total Annual Life Cycle Cost Estimate for the replaced PHTC Stable facilities is \$109,000 p.a. ex GST.

The Total Annual Life Cycle Cost Estimate for the replaced Styles Road equestrian facilities is \$243,000 p.a. ex GST.

Currently the user groups are responsible for all maintenance/renewal costs of facilities. If this arrangement were to continue in the future, it is likely that part of the life cycle costs would be reduced through use of voluntary labour and resources.

Funding

Funding of these proposed facilities will most likely be similar to the PHTC funding model based on the same rationale, being that the clubs themselves do not have any significant funds or assets that could be utilised towards new facilities.



Management

The overall management of a new facility that accommodates SHOATA, PHPC and the PHTC stable facilities is envisaged to be a Sporting Association model made up of the key stakeholders mentioned above with an Advisory committee including appropriate Town staff and Elected member representation. Separate leases for specific areas of operations could be offered to the stakeholders with common areas and issues overall managed by the Association.

This proposed model will ensure that the best interests of all of the users and community in general is maintained with fair and equitable access is made available to a significant Town of Port Hedland facility.

To be successful, this is likely to require a shift in thinking and philosophies from the current ownership mentality that prevails based on historical personal investment and maintenance by stakeholders. The benefits to all stakeholders will be significant in terms of standard of facilities

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10 RECOMMENDATIONS

It is recommended that the Town of Port Hedland:

- 1. Receive this Concept Design and Implementation Plan for the Port Hedland Turf Club.*
- 2. Support the developments as depicted in the Port Hedland Turf Club Concept Plans subject to the availability of funding.*
- 3. Endorse the management of the proposed Multi-Purpose Community Pavilion by the Town of Port Hedland as the preferred management model.*
- 4. Initiate discussions with the State Government, Federal Government and Corporate Partners regarding funding support for this project.*

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11 APPENDICES

Appendix 1	Port Hedland Race Course Concept Plans
Appendix 2	Port Hedland Race Course Redevelopment Construction Cost Estimate
Appendix 3	Port Hedland Pony Club Replacement Construction Cost Estimate
Appendix 4	Port Hedland Turf Club Stables Replacement Construction Cost Estimate
Appendix 5	Port Hedland Race Course Redevelopment Annual Life Cycle Costs
Appendix 6	Port Hedland Pony Club Replacement Annual Life Cycle Costs
Appendix 7	Port Hedland Turf Club Stables Replacement Annual Life Cycle Costs
Appendix 8	Multi-Purpose Community Pavilion Room Hire Income

