

APPENDIX 8
ATTACHMENT 1

Crown Land

COJ Management order

Use: Parks and Recreation

Classified as Bush Forever



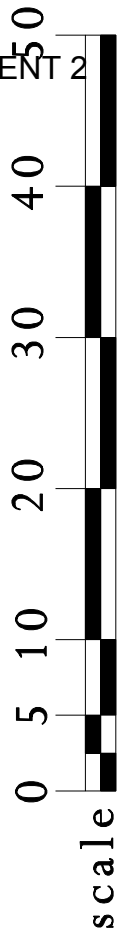
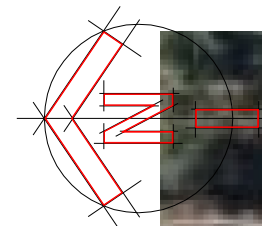
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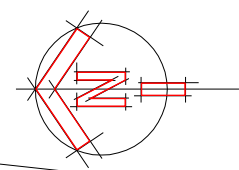
Warwick Open Space
Oval

Monday, 30 April 2012

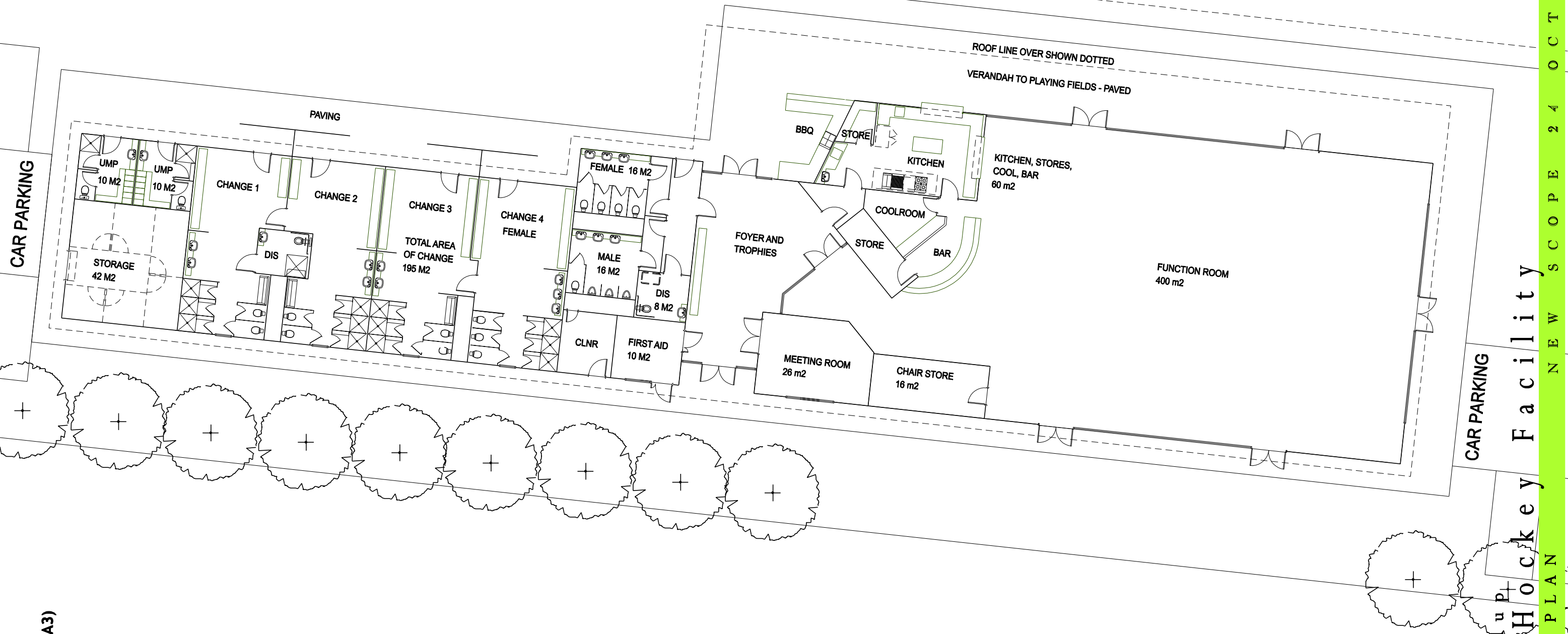
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HOCKEY FIELD





Property Management Framework





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1.0 Introduction

The City of Joondalup manages 148 buildings and structures over 19,000 square metres of property either as freehold or managed property which is reserved or dedicated under the *Land Administration Act 1997*. This property has been set aside for a diversity of purposes, such as recreation, public open space, drainage and administrative or infrastructure purposes.

The *Property Management Framework* will provide the City with a guide to managing all property under the City's ownership, care and control. The Framework will take into account the City's statutory obligations and the desire to promote the wellbeing of all people in the community through support of recreational and community groups and the provision of high quality and accessible facilities.

1.1 Objectives

- a. To define the classifications for which City owned and managed property is held.
- b. To establish the categories and associated principles under which City owned and managed property may be used and occupied.
- c. To promote equitable, effective and sustainable management practices for the use and occupation of City owned and managed property.



2.0 Planning context

Figure 1: Diagram of planning context



2.1 Related City plans and policies

2.1.1 Asset Management Plan 2009–2012 (under review)

Vision: For the City's community infrastructure to provide the desired level of service in the most cost effective manner for present and future customers.

2.1.2 Access and Inclusion Plan 2012–2014

Policy statement: The City is committed to ensuring that its activities and services are inclusive of all members, including people with disabilities and their families or carers, and people from culturally and linguistically diverse backgrounds. The City will make every effort to ensure that any person who lives, works in, or visits the City of Joondalup will not be denied access to any City facility, program, service or information prepared by the City on the basis of a personal disability or background.

2.1.3 Policies

a. Asset Management Policy

Objective: To outline a framework for the long-term management of City assets that aligns to the City's broader strategic objectives and reflects a sustainable approach to service delivery.

b. Child Care Centres Policy (under review)

Objective: To provide guidelines for the location, siting and design of child care centres to ensure that such developments are compatible with, and avoid adverse impacts on, the amenity of adjoining and surrounding areas.

c. Requests for New or Capital Upgrades to Existing Community Buildings Policy

Objective: To provide a coordinated approach to the assessment and approval of requests for new or capital upgrades to existing community buildings.

d. Facility Hire Subsidy Policy

Objectives: To provide guidance on determining the extent of subsidy to be offered to groups hiring City managed facilities; to ensure facility hire subsidies are applied in a consistent, transparent and equitable manner.

e. Leisure Policy (under review)

Objective: To guide the provision of leisure services, facilities and programs to assist in the achievement of the City of Joondalup's Mission, Vision and strategic objectives.

f. Reserves, Parks and Recreation Grounds Policy (under review)

Objective: To support best management practice for Council-controlled reserves, parks and recreation grounds while recognising community needs and community and Council responsibilities.

g. Installation of Telecommunications Facilities Policy

Objective: To outline the City's position on the installation of telecommunications facilities in the district.

3.0 The City's role and statutory obligations

Local Government has an obligation to provide and maintain adequate assets to meet community needs both for present and future generations. The major objective in property management is to ensure adequate services and facilities are provided to the community.

The City of Joondalup plays a significant role in property management. Depending on the type of property, the City is responsible for maintenance and disposal, including leasing/licensing and facility hire.

In addition to this broad role, the City has certain obligations under State and Federal legislation with regard to property management. Relevant legislation is outlined below.

3.1 Land Administration Act 1997 (State)

The City is responsible for the care, control and management of certain property within the City's boundaries which have been reserved by the Minister for Lands under the *Land Administration Act 1997*. The City manages this land in accordance with a Management Order made under section 46 of the Act which may include a power to lease or licence the whole or a part of the land. Any proposal to lease or licence land may not proceed without prior written approval from the Minister. The City is also responsible for the care and control of roads dedicated under this Act.

3.2 Local Government Act 1995 (State)

The City is bound by specific conditions under the *Local Government Act 1995* with regard to the disposal of property. Section 3.58 of the Act provides that a local government can only dispose of property by public auction, public tender or by undertaking the local public notice procedure set out in section 3.58(3). In this context, disposing of property means to 'sell, lease or otherwise dispose of, whether absolutely or not' (does not include licensing).

However, there are a number of exemptions to these requirements set out in regulation 30 of the *Local Government (Functions & General) Regulations 1996*. These include:

- where property is to be disposed to not-for-profit charitable, benevolent, religious, cultural, educational, recreational, or sporting organisations; and
- if the property is to be leased for a period of less than two years and the lease does not give exclusive possession of the property.

Section 3.59 of the *Local Government Act 1995* outlines the procedure for acquiring and disposing of property greater than one million dollars in value, including the preparation of a Business Plan, issuing of a Public Notice and a period of consultation. In addition to acquisition and disposal, under Part 6 of the *Local Government Act 1995*, the City is able to charge a fee for the hiring of property. Fees and charges set by Council under the Act are adopted yearly as part of the *Annual Budget* process.

3.3 Telecommunications Act 1997 (Federal)

Under the federal *Telecommunications Act 1997*, telecommunications carriers have very broad powers to enter land to install and maintain low-impact facilities. Carriers are not required to observe statutory obligations relating to the powers and functions of a local government. Accordingly, there is no requirement to obtain planning approval or meet the requirements of section 3.58 of the *Local Government Act 1995*. However, the *Telecommunications Act 1997* requires that carriers give prior written notice to the owner and occupier of the land before proceeding with the installation of a low-impact facility. There are limited rights of objection under the Act and an entitlement to compensation if a person suffers financial loss or damage. For this purpose, telecommunications carriers generally agree to pay a form of 'rental' and occupy their sites under a lease or licence agreement.

ATTACHMENT 4

In addition to the City's obligations under State and Federal legislation, the following local law is also relevant to property management.

3.4 Local Government and Public Property Local Law 1999 (City of Joondalup)

The City's *Local Government and Public Property Local Law 1999* was enacted under the *Local Government Act 1995*. This Local Law provides for the regulation, control and management of activities and facilities on City owned and managed property. The Local Law also describes the conditions which relate to public usage of City property, including prohibitions on smoking, alcohol consumption, anti-social behaviour, flammable substances and firearms etc.

4.0 Classification of property

Under this Framework, all property owned in freehold by the City will fall into one of the following three classifications which describe the primary purpose for which the property is held. Properties within each classification will not necessarily be static and may be re-classified following a review by the Council. Properties managed by the City under Management Orders have not been formally classified as these properties are all be considered to be held for *Community Purposes*.

Figure 2: Property classification types



4.1 Property held for Community Purposes

This classification includes property held for administration, operations, recreation, and/or infrastructure usage. Property held for *Community Purposes* will generally not be considered available for liquidation. Where appropriate, consideration will be given to leasing improvements to not-for-profit community groups at a subsidised rental (e.g. community halls, clubrooms, community centres, libraries, toilets/changerooms, drainage sites, and parks/public open spaces etc.).

4.2 Property held for Capital Appreciation

This classification includes property which is either undeveloped or underdeveloped, but which is not held for *Community Purposes*. Property held for *Capital Appreciation* will be developed for income where market conditions are favourable and the development risk is considered to be acceptable. Alternatively, these properties will be liquidated to advantage when market conditions are favourable. In general, income from any improvements should be maximised and property in this category will not be made available for community usage (e.g. vacant lots, underdeveloped sites etc.).

4.3 Property held for Income Generation

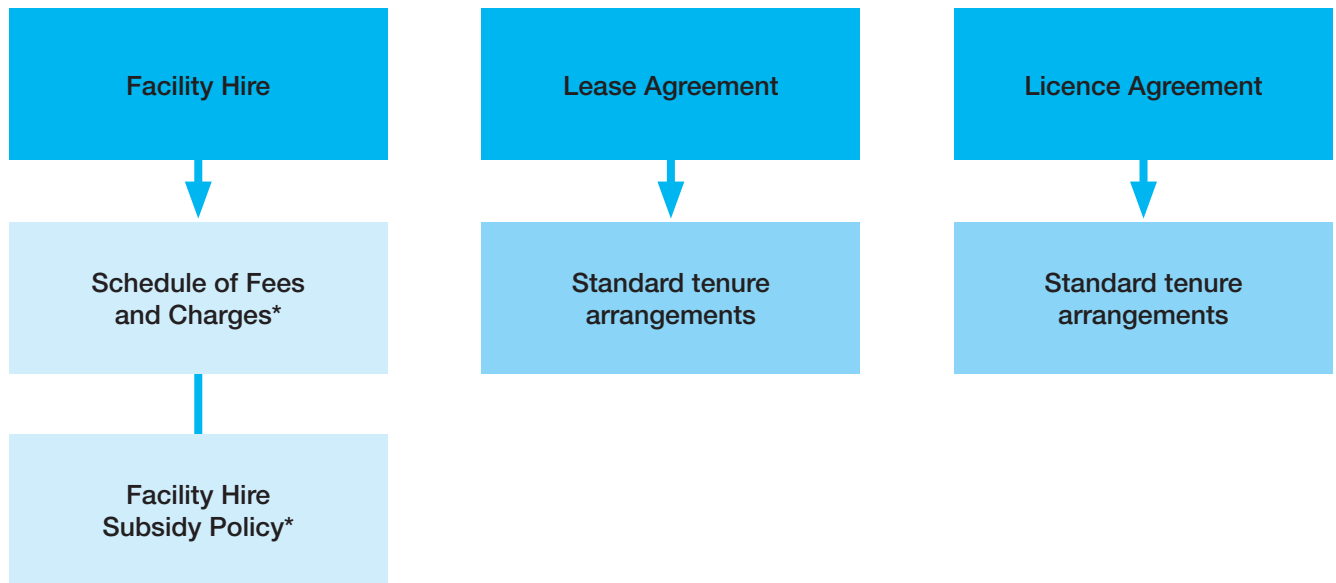
This classification includes property where the maximisation of the income stream is considered to be the primary objective. Property held for *Income Generation* will be developed to the highest and best use of the site. Rentals will be set by reference to market levels, with regular reviews, depending on the circumstances. In general, subsidised rentals will not be considered for properties within this classification (e.g. car parks, commercial buildings etc.).

It should be noted that whilst these classifications are intended to capture all property owned and managed by the City, it is recognised that not all property will fit exactly within these classifications. Appropriate discretion therefore, will be used by the City when dealing with any such property (including hiring, leasing/licensing, liquidating etc.). Current City owned properties have been classified in the *Inventory of City Freehold Property*.

5.0 Property utilisation by groups

Under this Framework, depending on the appropriateness of a site, City owned and managed property may be utilised by groups such as government agencies, business entities and community groups. The appropriateness of a site to be utilised for a particular purpose will be determined by the Council based on the classification of the property (see 'Classification of property' above). In general, property held for *Community Purposes* will be considered for utilisation by not-for-profit community groups at a subsidised rate, and property held for *Capital Appreciation* or *Income Generation* will be considered for utilisation by groups at full market rate. There are three different types of property utilisation that may be granted to groups which are described below.

Figure 3: Property utilisation types (*external documents)



5.1 Facility hire

The power to hire out a property or a portion of a property is granted under the City's *Local Government and Public Property Local Law 1999* (see 'The City's role and statutory obligations' above). Fees and charges for facility hire are adopted on a yearly basis by Council as part of the *Annual Budget* process and are based on a proportion of cost recovery.

Commercial organisations, community groups and individuals are able to hire numerous facilities in the City, ranging from parks and public open spaces to community centres and halls. Facilities can be hired on a casual (one-off) basis or on a regular (usually seasonal) basis.

Standard fees and charges apply for facility hire which are specified in the City's *Schedule of Fees and Charges*. Subsidised facility hire may be granted to not-for-profit groups and groups from educational institutions in accordance with the *Facility Hire Subsidy Policy*.

In addition to facility hire arrangements, the City provides allocated storage free-of-charge to many regular users of community facilities. Such storage ranges from small cages suitable for equipment to large storage rooms. These storage areas are allocated to user groups on application to the City, and are determined on a case-by-case basis, based on a demonstrated need.

5.2 Lease agreement

A lease agreement is established when a group wishes to have exclusive use of a property or a portion of a property. Such an agreement is established formally and allows a group to have a temporary interest in a property which they can use in accordance with the agreement.

As detailed in 'The City's role and statutory obligations' above, the City can only lease property by public auction, public tender or by undertaking a local Public Notice procedure (unless leasing to a not-for-profit charitable, benevolent, religious, cultural, educational, recreational, or sporting organisation).

Under the City's current *Delegated Authority Manual*, the Chief Executive Officer has the authority to dispose of property (including leases) for property valued at less than \$600,000.

The 'Standard tenure arrangements — leases and licences' section below provides guidance on the development of lease agreements for City owned or managed property.

5.3 Licence agreement

In the context of property management, a licence is a permit issued to enable the licensee to undertake an activity on a property under particular conditions. Conditions usually include regular payment as consideration.

Licences are entered into by the City where the intention is to grant non-exclusive possession of a property. This may include circumstances such as a sporting group which shares clubrooms with another sporting group, or a shared-use agreement for an oval between the City and a local primary school.

The 'Standard tenure arrangements — leases and licences' section below provides guidance on the development of licence agreements for City owned or managed property.

Notwithstanding the above, the City recognises that some licence agreements are entered into under particular circumstances which may require special concessions. Therefore, whilst the tenure arrangements below should be taken into consideration wherever possible, arrangements outside of these guidelines will be dealt with on a case-by-case basis.

In general, the City will endeavour to make City owned or managed property available for use by the wider community. In particular, property held for *Community Purposes* will be accessible to the general public wherever possible. With this in mind, it is the City's preference that facility hire arrangements be established over leases and licences. The City does recognise however, that in some instances, a lease/licence may be the most appropriate arrangement. Some groups, for example, may require tenure before committing to a capital improvement project or in order to appropriate external funding; the activities of some groups may necessitate an arrangement that excludes the general public from accessing the property (e.g. specialised medical equipment at a Child Health Centre); and/or some groups may have historical arrangements with the City which the City believes are appropriate to maintain. The type of property utilisation that may be granted to a group therefore, will be determined on a case-by-case basis with a preference for facility hire arrangements.

6.0 Standard tenure arrangements — leases and licences

Under this Framework, standard tenure arrangements will apply to leases and licences granted by the City for City owned and managed properties.

With respect to leases/licences over Crown property managed by the City under a Management Order, prior approval will be obtained from State Land Services, in accordance with the *Land Administration Act 1997*.

Lease/licence agreements will be advertised by a local Public Notice unless the organisation is a not-for-profit charitable, benevolent, religious, cultural, educational, recreational, or sporting one, in accordance with the *Local Government Act 1995*.

6.1 Key principles

The following key principles will guide the City's approach to tenure arrangements.

- a. The City acknowledges its obligation to provide and maintain its properties to meet community needs for present and future generations.
- b. The City recognises and supports the contribution made by community groups in achieving an active and sustainable community.
- c. The City encourages the use of its properties by organisations which provide a benefit to the community.
- d. The City promotes tenure arrangements which are consistent, transparent and equitable.
- e. The City promotes tenure arrangements which provide for access to the property by the wider community.
- f. The City promotes tenure arrangements which contribute to the financial viability of the City.

6.2 Tenure guidelines — general

Under this Framework, the following tenure guidelines will apply to all leases and licences granted by the City for City owned and managed properties (excluding *Telecommunications Carriers*). Additional guidelines will apply to specific groups categorised as *Commercial Organisations*, *Government Departments/Agencies*, *Not-for-Profit Community Groups* and *Other Groups*. These are detailed in 'Tenure guidelines — groups' below. A comparison of tenure guidelines is provided at Appendix 8.1.

- a. Type of agreement
 - i. Leases will be entered into where the intention is to grant exclusive possession of the property or part of the property.
 - ii. Licences will be entered into where the intention is to grant non-exclusive possession of the property or part of the property.
- b. Period of tenure
 - i. Leases will be granted for a period of up to ten years with two options to extend for further periods of up to five years.
 - ii. Licences will be granted for a period of up to three years.

c. Main responsibilities of lessee/licensee

- i. Lessee/licensee will be responsible for all non-structural maintenance within the leased/licensed area and will provide documentation on the following (if applicable):
 - fire equipment servicing;
 - mechanical services maintenance and service records (in accordance with Australian Standards);
 - annual gutter cleaning;
 - annual pest control treatments;
 - electrical compliance testing;
 - sewer pump and grease-trapping servicing; and
 - septic system servicing.
- ii. Lessee/licensee will be responsible for cleaning and the general presentation of the leased/licensed area.
- iii. Lessee/licensee will be responsible for all operational/running costs, including, but not limited to:
 - refuse collection;
 - emergency service levy (E.S.L.);
 - water rates; and
 - all utilities related to their use (e.g. electricity, gas, water, telecommunications etc.).
- iv. Lessee/licensee will be responsible for obtaining appropriate insurance (e.g. public liability insurance, contents insurance etc.).

d. Main responsibilities of lessor/licensor (City of Joondalup)

- i. The City will be responsible for arranging appropriate building insurance.
 - ii. The City will be responsible for all structural maintenance within the leased/licensed area.
- e. Lessees/licensees will be permitted to undertake capital improvements (with prior approval from the City); however, such improvements will not provide for an automatic entitlement to subsidised rental.
- f. Approval from the City will be required prior to any subletting of the premises (if granted the power to sublet).

6.3 Additional tenure guidelines — groups

The following tenure guidelines are intended to apply to leases and licences for all groups within each category. It is recognised however, that some groups (especially *Not-for-Profit Community Groups*) may be constrained by specific circumstances and appropriate discretion will be applied by the City in determining tenure arrangements for these groups on a case-by-case basis. A diagram illustrating the types of groups permitted to occupy property held for *Community Purposes*, *Capital Appreciation* and *Income Generation* is provided at Appendix 8.2.

6.3.1 Commercial Organisations

In general, *Commercial Organisations* will only be permitted to lease or licence facilities which are located on property held for *Capital Appreciation* or property held for *Income Generation*. As such, income received from the lease or licence should be maximised and subsidised rental should not be considered.

The following additional tenure guidelines apply specifically to *Commercial Organisations*:

- a. Rental will be based on the market rate, set with guidance from a licensed valuer, and reviewed every 12 months.
- b. Main responsibilities of lessee/licensee:
 - i. Lessee/licensee will be responsible for covering the cost of building insurance for the leased/licensed area.
 - ii. Lessee/licensee will be responsible for the cost of local government rates (unless exempt).

6.3.2 Telecommunications Carriers

Although considered to be carrying out commercial activities, *Telecommunications Carriers* are differentiated from *Commercial Organisations* due to their unique powers under the *Federal Telecommunications Act 1997* (as detailed in 'The City's role and statutory obligations' above). In particular, *Telecommunications Carriers* do not need to meet the requirements of section 3.58 of the *Local Government Act 1995*.

However, the *Telecommunications Act 1997* does provide for an entitlement to compensation; for this purpose, carriers generally negotiate to pay a form of 'rental' and occupy their sites under a lease or licence agreement. Due to the nature of the *Telecommunications Act 1997*, carriers are permitted to lease/licence land located on property held for *Community Purposes*, property held for *Capital Appreciation* or property held for *Income Generation*. Tenure arrangements for *Telecommunications Carriers* therefore will be determined on a case-by-case basis and the City will seek an access fee from Carriers requesting co-location of another carrier.

6.3.3 Government Departments/Agencies

Leases and licences held by *Government Departments/Agencies* can range from neighbourhood child health centres to large departmental offices. Consequently, depending on the purpose for which the lease/licence is to be used, *Government Departments/Agencies* may be permitted to lease or licence facilities which are located on property held for *Community Purposes*, property held for *Capital Appreciation* or property held for *Income Generation*.

In general, *Government Departments/Agencies* will be treated in the same manner as *Commercial Organisations*; however, subsidised rental may be granted on a case-by-case basis depending on the purpose for which the property is to be used. In addition, other formal agreements, memorandums-of-understanding or past obligations etc. may necessitate special tenure arrangements.

The following additional tenure guidelines apply specifically to *Government Departments/Agencies*:

- a. Rental will be based on the market rate, set with guidance from a licensed valuer, and reviewed every 12 months.
 - i. Subsidised rental may be granted in special circumstances; this will be determined by the Council on a case-by-case basis. Subsidy may be up to 100%. Lessees/licensees that are granted a rental subsidy are required to acknowledge this in promotional materials and letters etc.
- b. Main responsibilities of lessee/licensee.
 - i. Lessee/licensee will be responsible for covering the cost of building insurance for the leased/licensed area.

6.3.4 Not-for-Profit Community Groups

Not-for-Profit Community Groups are defined as those which are incorporated under the *Associations Incorporation Act 1987* and have their primary base of operation located within the City of Joondalup. In general, *Not-for-Profit Community Groups* will only be permitted to lease or licence facilities which are located on property held for *Community Purposes*. As such, where appropriate, these organisations will be granted a lease or licence at a subsidised rate in recognition of their perceived benefit to the community and their ability to pay.

The following additional tenure guidelines apply specifically to *Not-for-Profit Community Groups*:

- a. Rental will be set at 0.1% of the capital cost of the leased/licensed property (i.e. replacement value) determined by a licensed valuer and reviewed at the end of the lease/licence agreement.
 - i. Subsidised rental of the above rental charge may be granted to groups who contribute at least 30% of the cost of the construction of the building; this will be determined by the Council on a case-by-case basis. Subsidy may be up to 50%.
 - ii. Subsidised rental may be granted to other groups in special circumstances; this will be determined by the Council on a case-by-case basis. Subsidy may be up to 100%.
- b. Leases/licences will only be granted to groups which are incorporated under the *Associations Incorporation Act 1987*.

- c. Main responsibilities of lessor/licensor (City of Joondalup):
 - i. Lessor/licensor (City of Joondalup) will be responsible for covering the cost of building insurance for the leased/licensed area.
- d. Lessees/licensees are required to acknowledge these subsidised lease/licence conditions in promotional materials and letters etc.

6.3.5 Other Groups

Groups which cannot be wholly defined as *Government Departments/Agencies*, *Commercial Organisations*, *Telecommunications Carriers*, or *Not-for-Profit Community Groups* are considered to be *Other Groups*. This category may include groups such as those which fall across two different categories (e.g. a group partially funded by government and partially funded by private industry, or a not-for-profit group which is not locally-based and/or funded by a large umbrella organisation, etc.).

As the type of group falling within this category varies widely, tenure arrangements will be determined on a case-by-case basis using the guidelines from the categories above that most closely align with the group's mode of operation.

6.4 Review of tenure arrangements

Tenure arrangements will be reviewed at the end of the lease or licence period. The review will commence at least six months prior to the expiration date to enable the City and the lessee/licensee appropriate time to prepare for the new lease or licence, or prepare to vacate the property.

7.0 Conclusion

The City of Joondalup manages an extensive property portfolio on behalf of the community. The *Property Management Framework* provides the City with a guide to managing this portfolio, taking into account the City's statutory obligations and the desire to promote the wellbeing of all people in the community through support of recreational and community groups and the provision of high quality and accessible facilities.

The Framework is to be used to guide:

- the classification of City owned and managed property;
- the purpose for which such properties may be used and occupied; and
- the tenure arrangements for leased and licensed properties.

7.1 Review of the Property Management Framework

The *Property Management Framework* is to be reviewed every four years in alignment with the 10-year Strategic Community Plan.

Appendix 8.1

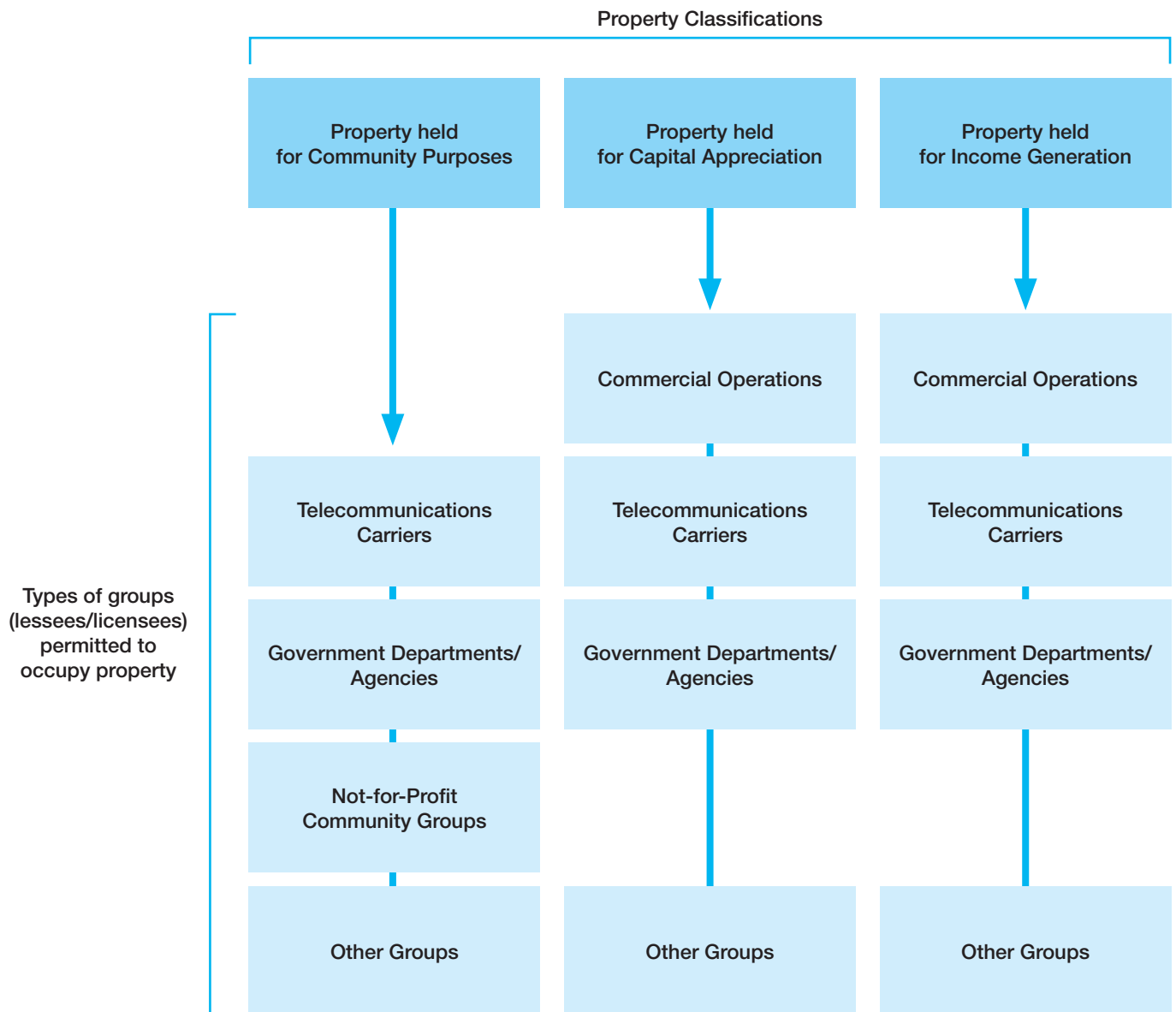
Comparison of tenure guidelines

8.0 Appendices

Groups				
	Commercial Organisations	Telecommunications Carriers	Government Departments/ Agencies	Not-for-Profit Community Groups
Responsibilities of lessee/licensee	Rent (market rate — no subsidy available)		Rent (market rate — subsidy potentially available)	Rent (0.1% of capital cost — subsidy potentially available)
	Local government rates (unless exempt)			Local government rates (unless exempt)
	Refuse collection charges		Refuse collection charges	Refuse collection charges
	Emergency services levy (E.S.L.)		Emergency services levy (E.S.L.)	Emergency services levy (E.S.L.)
	Water rates	Determined on a case-by-case basis	Water rates	Water rates
	Utilities charges		Utilities charges	Utilities charges
	Non-structural maintenance		Non-structural maintenance	Non-structural maintenance
	Cleaning		Cleaning	Cleaning
	Building insurance (cost of)		Building insurance (cost of)	Building insurance (cost of)
	Other appropriate insurance (public liability/contents etc.)		Other appropriate insurance (public liability/contents etc.)	Other appropriate insurance (public liability/contents etc.)
Responsibilities of lessor/licensor (City of Joondalup)	Building insurance (arrangement of)		Building insurance (arrangement of)	Building insurance (arrangement of)
				Building insurance (cost of)
	Structural maintenance		Structural maintenance	Structural maintenance

Appendix 8.2

Property classifications and types of groups permitted to occupy





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This document is available in alternate formats upon request.

City of Joondalup
Proposed Synthetic Hockey Pitch Facility

ATTACHMENT 5
Master Plan Costs
17 October 2012
(Revision 2)

Item	Description of Works	Unit	Quantity	Rate	Cost
1.0	Building Works				
1.1	New Hockey Clubrooms				
	Clubhouse (FECA = 900m2)				
1.1.1	Change 1	m2	49	\$ 2,500	\$ 122,500
1.1.2	Change 2	m2	49	\$ 2,500	\$ 122,500
1.1.3	Change 3	m2	49	\$ 2,500	\$ 122,500
1.1.4	Change 4	m2	49	\$ 2,500	\$ 122,500
1.1.5	First Aid	m2	10	\$ 2,100	\$ 21,000
1.1.6	Cleaner	m2	9	\$ 1,900	\$ 17,100
1.1.7	Storage	m2	42	\$ 1,500	\$ 63,000
1.1.8	Umpires Rooms	m2	20	\$ 2,700	\$ 54,000
1.1.9	Meeting	m2	26	\$ 2,200	\$ 57,200
1.1.10	Offices	m2	0	\$ 2,400	\$ -
1.1.11	Male toilet	m2	16	\$ 3,300	\$ 52,800
1.1.12	Female toilet	m2	16	\$ 3,300	\$ 52,800
1.1.13	Access Toilet	m2	8	\$ 3,300	\$ 26,400
1.1.14	Entry Foyer & Trophies	m2	55	\$ 2,200	\$ 121,000
1.1.15	Function Room	m2	400	\$ 2,400	\$ 960,000
1.1.16	Chair store	m2	16	\$ 1,500	\$ 24,000
1.1.17	Kitchen	m2	30	\$ 4,500	\$ 135,000
1.1.18	Dry store	m2	3	\$ 2,100	\$ 6,300
1.1.19	Bar	m2	7	\$ 4,000	\$ 28,000
1.1.20	Coolroom	m2	8	\$ 3,500	\$ 28,000
1.1.21	Bar Store	m2	7	\$ 2,100	\$ 14,700
1.1.22	Kitchen/Bar lobby	m2	5	\$ 2,000	\$ 10,000
1.1.23	Circulation	m2	16	\$ 2,000	\$ 32,000
		m2	890	\$ 2,464	\$ 2,193,300
1.1.24	Roof extension over paved verandah	m2	155	\$550	\$ 85,250
1.1.25	Site preparation - Under building and paved verandah	m2	1400	\$5	\$ 7,000
1.1.26	Filling under building	m3	1400	\$25	\$ 35,000
1.1.27	Paving around building	m2	500	\$85	\$ 42,500
1.1.28	Semi Permanent seating	Item			\$ 50,000
1.1.29	Bin Enclosure	Item			\$ 5,000
1.1.30	External water services	Item			\$ 15,000
1.1.31	External fire services	Item			\$ 10,000
1.1.32	External gas services	Item			\$ 5,000
1.1.33	External sewer services	Item			\$ 25,000
1.1.34	External electrical services	Item			\$ 25,000
1.1.35	Furniture and equipment to new Clubrooms and dug-outs etc	Item			\$ 80,000
	Sub Total Building Costs		890	\$ 2,897	\$ 2,578,050
1.2	Synthetic Field (1 No.)				
1.2.1	Synthetic field complete with base course, synthetic playing surface, perimeter walls and minimum surface excavation. (wet/dry playing surface)	Item			\$ 1,200,000
1.2.2	Lighting to field (500 LUX)	Item			included
1.2.3	Fencing	Item			included
1.2.4	Hockey goals and back curtains	Item			Included
1.2.5	Electronic scoreboard	Item			\$ 25,000
1.2.6	Allowance for CCTV to field	Item			\$ 20,000

City of Joondalup
Proposed Synthetic Hockey Pitch Facility

ATTACHMENT 5
Master Plan Costs
17 October 2012
(Revision 2)

Item	Description of Works	Unit	Quantity	Rate	Cost
1.3	Grass Fields (2 No)				
1.3.1	Renovate existing grassed area including top dressing and new turf	m2	15500	\$12.00	\$ 186,000
1.3.2	Reticulation to fields	m2	15500	\$1.50	\$ 23,250
1.3.3	Lighting to fields (250 LUX)	No	1	\$140,000	\$ 140,000
1.3.4	Hockey goals	No	4	\$1,200	\$ 4,800
1.4	Relocation of Cricket				
1.4.1	Relocation of cricket from WOS	Item			\$ 110,000
1.4.2	Allowance for removal of existing infrastructure (cricket centre pitch and softball diamonds) and making good	Item			\$ 10,000
Sub-Total for Building Works					\$ 4,297,100
2.0	Carparking				
2.1	Carpark and access road (35 bays)	m2	1325	\$70	\$ 92,750
2.2	Carpark and access road (16 bays)	m2	1000	\$70	\$ 70,000
2.3	Lighting to carpark and access road	Item			\$ 32,000
2.4	New trees (mature)	No	11	\$500	\$ 5,500
2.5	New trees (small)	No	38	\$250	\$ 9,500
2.6	Allowance for general landscaping upgrade	Item			\$ 30,000
Sub-total for Carparking					\$ 239,750
3.0	Siteworks				
3.1	Site clearance	m2	0	\$3	\$ -
3.2	Tree removal	m2	0	\$2	\$ -
3.3	Demolition of existing structures	Item			\$ 5,000
3.4	Retaining wall	m	0	\$350	\$ -
3.5	Filling to make up levels	m3	0	\$25	\$ -
3.6	Perimeter fencing to northern end	m	128	\$65	\$ 8,320
3.7	Bollards to perimeter of field to provide protection against vehicle access	m	380	\$30	\$ 11,400
3.8	Rehabilitation of disturbed areas	Item			\$ 25,000
3.9	Allowance for bore and pump	Item			\$ 35,000
3.10	Outdoor furniture - park benches, bins etc	Item			\$ 10,000
3.11	BBQ's	Item			\$ 10,000
3.12	BBQ seating and shelter	Item			\$ 15,000
3.13	Lighting to BBQ area	Item			\$ 10,000
3.14	Allowance for lighting to site footpaths (extent unknown)	Item			\$ 20,000
3.15	Allowance for site footpaths (extent unknown)	Item			\$ 20,000
Sub-total for Siteworks					\$ 169,720
4.0	MacDonald Park Softball Diamonds				
4.1	Back net 6m high	m	50	\$220	\$ 11,000
4.2	Free standing shelters approx 5m x 2m including concrete ground slab	No	4	\$2,500	\$ 10,000
4.3	Diamond markout (Initial)	Item	2	\$250	\$ 500
Sub-total for MacDonald Park Softball Diamonds					\$ 21,500

City of Joondalup
Proposed Synthetic Hockey Pitch Facility

ATTACHMENT 5
Master Plan Costs
17 October 2012
(Revision 2)

Item	Description of Works	Unit	Quantity	Rate	Cost
5.0	CONTINGENCIES				
5.1	Allowance for design contingencies	Item	10%	\$	472,807
5.2	Allowance for contract contingencies	Item	5%	\$	260,044
Sub-total for Contingencies					\$ 732,851
6.0	HEADWORKS				
6.1	Allowance for Water Corporation Headworks	Item		\$	50,000
6.2	Allowance for Western Power Headworks	Item		\$	75,000
6.3	Allowqnce for Telstra Headworks	Item		\$	5,000
Sub-total for Headworks					\$ 130,000
7.0	PROFESSIONAL FEES				
7.1	Allowance for professional fees comprising full service	Item	8%	\$	447,274
Sub-total for Professional Fees					\$ 447,274
8.0	ESCALATION				
8.1	No allowance for escalation in costs has been included	Item	0.00%	\$	-
Sub-total for Escalation					\$ -
TOTAL ESTIMATED COMMITMENT (Perth)					\$ 6,038,195
	Goods & Services Tax (10%)			\$	603,819
TOTAL ESTIMATED COMMITMENT (Including GST)					\$ 6,642,014

**City of Joondalup
Proposed Synthetic Hockey Pitch Facility**

**ATTACHMENT 5
Master Plan Costs
17 October 2012
(Revision 2)**

Item	Description of Works	Unit	Quantity	Rate	Cost
	DRAWINGS: The following drawings were used in the preparation of these Master Plan Costs: DPA - 01 Sketch 1:500 (A2) dated 24 October 2012 (New Scope) DPA - 02 Sketch 1:200 (A3) dated 24 October 2013 (New Scope)				

EXCLUSIONS: The following items have been specifically excluded from these Master Plan Costs: Geotech survey below proposed artificial playing field to confirm ground is suitable to receive basecourse. New Ministers water and sewer mains to site if required Holding and Finance charges Land costs Legal costs Computers, printers, facsimile machines etc. Escalation beyond October 2012

NOTES: Please note that this information is for indicative budgeting purposes only and should not be used as the basis for making a financial commitment Prior to making a financial commitment a detailed budget should be prepared based on input from the architect and the relevant consultants
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FINANCIAL ANALYSIS



Project Name:	WHITFORD HOCKEY CLUB – REVIEW OF FINANCIAL PROJECTIONS
Project Sponsor	Director Corporate Services
Project Manager	Coordinator Leisure Planning
TRIM No.	INT13/32461

Version	Date	Author	Amendments / Comments
1	23 Dec 2013	Alan Ellingham	First draft for review and input by Project Team
2	03 Feb 2014	Alan Ellingham	Final draft after review by L&CS
3	10 Feb 2014	Alan Ellingham	Amended after WHC have submitted revised Turf Projections
4	14 Feb 2014	Alan Ellingham	Amended following PM comments 14 Feb 2014

Template Owner	Coordinator Organisational Development	Approved by	Manager Strategic and Organisational Development	Reviewed Date	May 2013
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FINANCIAL ANALYSIS



EXECUTIVE SUMMARY

The City of Joondalup has approved (CJ103-06/13) the construction of Synthetic Hockey Pitch / Clubrooms (with 2 grass pitches) at Warwick Open Space, subject to successful Community Sport and Recreation Facilities Fund (CSRFF) grant. As part of the Council decision, the City is required to review in detail the financial projections of the Whitford Hockey Club (WHC).

The proposed management model is that the WHC would lease the clubroom and the synthetic hockey pitch (and associated floodlighting), and the City manage the grass hockey pitches (and associated floodlighting and car park).

WHC propose to operate as two separate entities, the "Club" and the "Turf". This is necessary to avoid GST costs. Separate financial projections have been provided as follows:

- Club from 2012 to 2022. This includes the same activities as the existing club (membership revenue, bar takings, payments for hire of pitches).
- Synthetic Pitch (the 'Turf'). A 10 year projection is submitted, from 2016 to 2025. The 'Turf' facility would include all of the other income and expenses associated with the Clubrooms and Synthetic Hockey pitch.

The City has reviewed the projections and notes that:

1. \$600,000 Contribution to the construction costs by WHC. The plans appear reasonable, although there is a lot of work for the WHC to complete in terms of fundraising.
2. Membership growth. There is high growth (85%) projected by WHC over the 10 year period.
3. Cash Surplus for the Club is estimated to be approx 8% per year, resulting in \$312,877 by 2025.
4. Turf Income projections are detailed, but slightly optimistic.
5. Turf Expense projections are more reasonable than the initial projections prepared in 2012, however still deemed to be slightly optimistic, for example the Repairs and Maintenance. The City acknowledges the intent for the WHC to use as much volunteer support to minimise costs e.g. cleaning and building repairs.
6. Turf Operating Surplus is high at 29% over 10 years, and therefore allows plenty of scope for variations to the projections whilst still generating a surplus.
7. Replacement Pitch funded by Turf is planned after 9 years, funded by the high operating surpluses. If there were less operating surpluses available the timing of the replacement could be delayed (unless surpluses from Club could be made available or alternative funding set up).
8. Lease Fee to the City of \$10,000 per year is assumed by WHC, with allowance for inflation. There is very little risk of the Turf being unable to afford this. The formulae within the Property Management Framework, based on a not for profit organisation, is \$4,301
9. Risk to the City of the Turf not being sustainable and requiring unplanned financial support from the City is very low.

The following should be considered as part of Lease Arrangement:

1. Lease Fee to the City should be higher than \$10k. The Turf should be classed as "Other Groups" within the Property Management Groups. A lease fee of at \$30,000 per year should be proposed, with the City settling for no less than \$20,000. The Lease should be increased per year in line with CPI.
2. Annual Financial Review between the City and the Club/Turf, reviewing the consolidated cash flows.
3. Building Maintenance. The City Building Maintenance team should be involved in the set up of the lease.
4. Capital Replacement costs should be funded where possible by the Turf/Club
5. City should review the fee structure annually, to ensure fairness to other clubs.

FINANCIAL ANALYSIS



INTRODUCTION

Background / Purpose of Paper

The City of Joondalup has approved (CJ103-06/13) the construction of Synthetic Hockey Pitch / Clubrooms (with 2 grass patches) at Warwick Open Space, subject to successful Community Sport and Recreation Facilities Fund (CSRFF) grant.

Part 8 of the Council decision was as follows:

“NOTES that the report detailed in Part 7 above will include more detailed financial projections for the Whitford Hockey Club including the proposed lease arrangement and the outcome of the City’s Community Sport and Recreation Facilities Fund application”.

The purpose of this paper is to support the requirements above by providing the following:

- FINANCIAL PROJECTIONS - provide details of financial projections for the Whitford Hockey Club (WHC), for both the Club itself and the Synthetic Hockey Pitch.
- ASSUMPTIONS – explain the assumptions used by WHC for the projections.
- COMMENT – provide commentary on the projections.
- RISK TO CITY – assess the sensitivity of the projections, consider the financial sustainability of WHC and to consider the risk to the City of WHC requiring unplanned financial support.
- RECOMMENDATIONS for the City in setting up the Lease arrangement.

Out of scope for this paper are:-

- Evaluate the overall project.
- City of Joondalup cashflows. This paper reviews the cashflows that would be incurred by WHC in operating their normal club activities and the new activities regarding the synthetic pitch. There are separate papers which review the City of Joondalup cashflows that were attached as part of the CJ103-06/13.
- Options analysis.

Management Model – Club/City

Council have supported the proposed management model whereby the WHC would lease the clubroom and the synthetic hockey pitch (and associated floodlighting), and the City manage the grass hockey pitches (and associated floodlighting and car park).

Data used for Analysis

The following information has been supplied by WHC and is used in this paper

No	Data	Details
1	Club 10 Year Forecast	<ul style="list-style-type: none"> ○ Projections from 2014 to 2023. This includes the following: <ul style="list-style-type: none"> ○ Annual estimates. ○ Membership numbers and expected growth. ○ Revenue estimates for all club activities, including membership, bar, sponsorship. ○ Expenses estimates for all items. ○ % Increase per year expected in Revenue and Expenses. ○ The details are summarised at Appendix 1.

FINANCIAL ANALYSIS



2 'Turf' 10 Year Forecast	<ul style="list-style-type: none"> ○ Projections for the income and expenses associated with the synthetic hockey pitch, referred to as the "Turf" ○ WHC would operate the Turf as a separate entity, to help reduce GST. Further explanation of the activities of each entity is explained in this paper. ○ The projections include detailed analysis of the hours and games that the facility would be used, the expected rates per hour and expense projections. ○ The details are provided at Appendix 2. ○ A 10 year projection is submitted. As the facility is planned to open in 2016 the City has escalated the projections submitted by WHC so that Year 1 commences in 2016.
3 Fundraising Plan	<ul style="list-style-type: none"> ○ WHC have agreed to contribute \$600k to the construction of the facility. The \$600k would be funded by: <ul style="list-style-type: none"> - Cash in hand \$150,000 - Borrowings from Hockey West Australia (HWA) \$200,000 - Fundraising \$250,000 (including a \$100,000 loan from members) ○ WHC have submitted to the City a detailed plan that lists various ideas to help raise funds, this is shown at Appendix 3.
4 HWA Loan Confirmation	<ul style="list-style-type: none"> ○ Letter from HWA (12 November 2013) which confirms that the HWA board have agreed a loan to WHC of \$200,000.
5 Turf Charges 2013	<ul style="list-style-type: none"> ○ Table which lists the various rates that are charged for using Synthetic Hockey Pitches in WA. ○ This table substantiates the proposed rates that WHC would charge for using the synthetic hockey pitch.

In addition to the above, the following information has been used to help with the analysis

- CJ103-06/13. Financial Analysis was prepared as part of the papers to Council and is referred to.
- Feasibility Study by Tredwell Management (Sport, Recreation and Open Space Specialists) – May 2012

Benchmarking

The City of Joondalup has visited the Melville synthetic hockey pitch as this is a similar size and type of facility. Additionally the management model used at Melville is the same as proposed by WHC. The City has received various information, from both the City of Melville and the Melville Hockey Club, to assist in the review of the WHC projections.

FINANCIAL ANALYSIS



FINANCIAL EVALUATION - ASSUMPTIONS

SPLIT OF RESPONSIBILITIES – CLUB vs CITY

The table below summarises the proposed split of responsibilities between the City and the Club. This shows that the majority of responsibilities would be with the WHC.

<u>City & WHC / Turf</u>		<u>Split of Responsibilities</u>	
Ref	Item	WHC	CITY
1	Income from Pitch Hire/Gate Takings	Synthetic Pitch	Grass Area
2	Utilities	Clubroom Costs, Synthetic Pitch Water Synthetic Floodlights	Grass Area - Water Grass Area - Floodlights
3	Clubroom income (Events / Hiring out Clubroom / Bar & Food Takings)	Club / Turf	-
4	Maintenance - Building (Clubroom)	Club / Turf	-
5	Clubroom Cleaning	Club / Turf	-
6	Lease of clubhouse	Expense to the City	Income from Club / Turf
7	Repairs and Maintenance - Synthetic	Club / Turf	-
8	Maintenance - Grass Pitches	-	City
9	Floodlights Maintenance	Synthetic Pitch	Grass Area
10	Fencing Maintenance	Synthetic Pitch	Grass Area
11	Maintenance / Lighting - Car Park	-	City
12	Water Quality Filter	-	City
13	Marketing and Promotion	Club / Turf	-
14	Staffing of Turf	Club / Turf	-
15	Staffing of Clubroom	Club / Turf	-
16	Sinking Fund for replacement of Turf	Club / Turf	-
17	Insurance costs for the building	Not Yet Determined	

The table below summarises the split of responsibilities between the Club and the Turf.

<u>Club vs Turf</u>		<u>Split of Financials</u>	
Ref	Item	CLUB	TURF
1	Membership Fees	Income	-
2	Pitch Hire/Gate Takings	Expense	Income
3	Utilities	-	Synthetic Pitch Water Synthetic Floodlights Clubroom utilities
4	Clubroom income (Events / Hiring out Clubroom / Bar & Food Takings)	Bar & Food	Clubroom Hire
5	WHC Hockey Activities (Coaching, Hockey WA)	Club	-
6	Maintenance - Building (Clubroom)	-	Turf
7	Clubroom Cleaning	-	Turf
8	Lease of clubhouse from City	-	Turf
9	Repairs and Maintenance - Synthetic	-	Turf
10	Floodlights Maintenance Synthetic Pitch	-	Turf
11	Fencing Maintenance Synthetic Pitch	-	Turf
12	Marketing and Promotion	-	Turf
13	Staffing of Turf	-	Turf
14	Staffing of Clubroom	-	Turf
15	Sinking Fund for replacement of Turf	-	Turf

FINANCIAL ANALYSIS



This shows that the Club would continue with the same activities as it currently has, and the Turf to be responsible for the synthetic hockey pitch and renting out the Clubroom. The lease with the City would be with the Turf. The split of responsibilities is consistent with the arrangements at Melville.

CLUB – KEY ASSUMPTIONS

The table below summarises some of the key assumptions within the Club Projections that are shown in Appendix 1.

Issue	Output / Details
1 Membership	<ul style="list-style-type: none"> WHC anticipate that membership will increase by approx 85% over a 10 year period, rising to over 1000 members. Membership is categorised into Seniors, Concession, Junior, Minkey / Graduates. The major contributing factor for the growth is the attraction of the synthetic hockey pitch.
2 Membership Income	<ul style="list-style-type: none"> Membership income is estimated to increase from approx \$100,000 in 2013 to \$260,000 by 2023, an increase of 160% The increase of 160% comprises of the increase in membership numbers (85%) and annual price increases of 3% per year.
3 Bar & Other Income	<ul style="list-style-type: none"> As membership income grows this has the benefit of also increasing bar income and other income. (e.g. Uniforms)
4 Expenses	<ul style="list-style-type: none"> Projections assume expenses will increase by 136% over the 10 year period, from \$143,000 in 2013 to \$339,000 in 2023. Expenses include the cost of hiring the grass pitches from the City. The majority of the expenses would increase as a result of growing membership.
5 HWA Fees Increase 5%	<ul style="list-style-type: none"> One of the largest cost elements is the fees paid to HWA, approximately \$35,112 in 2012, representing 24% of the total \$146,339 The fees are estimated by WHC to increase by 5% per year. WHC have been unable to provide any more supporting information to explain why the HWA fees would increase at a rate higher than CPI (3%).

TURF – KEY ASSUMPTIONS

The table below summarises some of the key assumptions within the Turf Projections that are shown in Appendix 2.

Issue	Output / Details
1 Seasons	<ul style="list-style-type: none"> Hockey is predominately a winter sport, with the league season being 18 weeks for seniors and 14 weeks for junior. During summer there are some night hockey games and training. Projections prepared by WHC have split up the assumptions

FINANCIAL ANALYSIS



	between winter and summer.															
2 Games & Hours	<ul style="list-style-type: none">o HWA have assumed the same usage of the facility each year:<ul style="list-style-type: none">- 521 hours used for Hockey Games per year (113 Junior, 228 Senior and 180 Night Hockey)- 878 Hours booked by training (536), other sports (108) or schools (234)o Total Hours per year is therefore estimated at 1,399o Average weekly hours paid for hire of the synthetic pitch is 27.o Availability of the pitch is assumed to be:<ul style="list-style-type: none">- Training/Week nights 5pm to 10pm- Saturday & Sunday 8am to 8pm- Other/Weekdays 9am to 5pmo Based on the assumptions above the utilisation of the synthetic pitch is as follows<table><tr><td></td><td><u>Winter</u></td><td><u>Summer</u></td></tr><tr><td>Training/Week Nights</td><td>80%</td><td>63%</td></tr><tr><td>Games/Weekends</td><td>46%</td><td>0%</td></tr><tr><td>Other/Weekdays</td><td>13%</td><td>6%</td></tr><tr><td>Total</td><td>39%</td><td>22%</td></tr></table>		<u>Winter</u>	<u>Summer</u>	Training/Week Nights	80%	63%	Games/Weekends	46%	0%	Other/Weekdays	13%	6%	Total	39%	22%
	<u>Winter</u>	<u>Summer</u>														
Training/Week Nights	80%	63%														
Games/Weekends	46%	0%														
Other/Weekdays	13%	6%														
Total	39%	22%														
3 Prices	<ul style="list-style-type: none">o As mentioned earlier the income assumptions for the Hockey Pitch are based on the current rates charged at other synthetic pitches in WA and deemed reasonable.															
4 Clubroom Hire	<ul style="list-style-type: none">o As WHC would operate the Clubrooms, they would have the opportunity to generate revenue by leasing out the clubroom.o Moderate assumptions have been included for Clubroom hire, with approx \$10,000 assumed in the first year, rising by 3% each year.															
5 Sponsorship	<ul style="list-style-type: none">o WHC have assumed that there is the opportunity for sponsorship revenue of \$1,500 in year 1, rising by 3% each year.															
6 Utilities	<ul style="list-style-type: none">o WHC have estimated utility costs of \$40,000 based at today's values.															
7 Repairs & Maintenance / Turf Maintenance	<ul style="list-style-type: none">o WHC had initially (April 2012) only estimated \$25,000 for maintenance of both the building and the pitch. This was deemed by the City to be unrealistic and information was provided to WHC to help them prepare a more robust forecast:<ul style="list-style-type: none">- List of activities that could be expected when maintaining a building- Current costs incurred by the City at other facilities e.g. Kingsley Memorial Clubrooms.o WHC amended their forecast and have now prepared a separate forecast for Repairs & Maintenance (\$28,000) and Turf Maintenance/Equipment (\$15,000).															
8 COJ Lease Fee	<ul style="list-style-type: none">o WHC have assumed an indicative lease fee of \$10,000 per year.															

FINANCIAL ANALYSIS



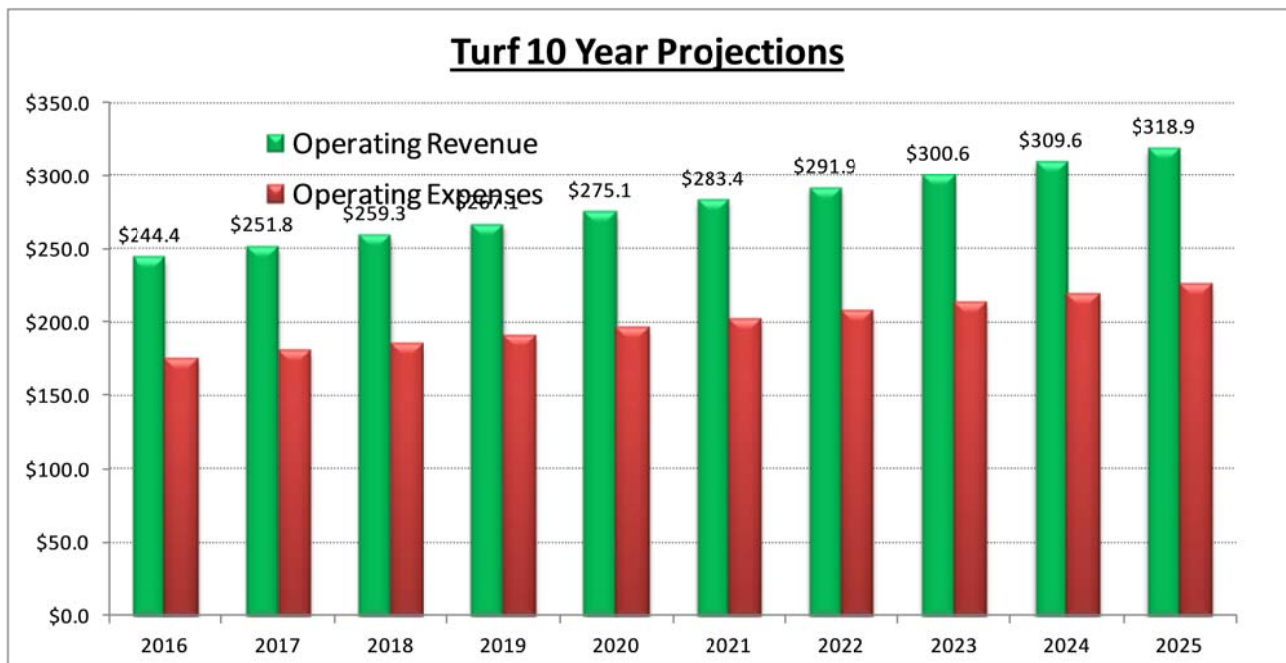
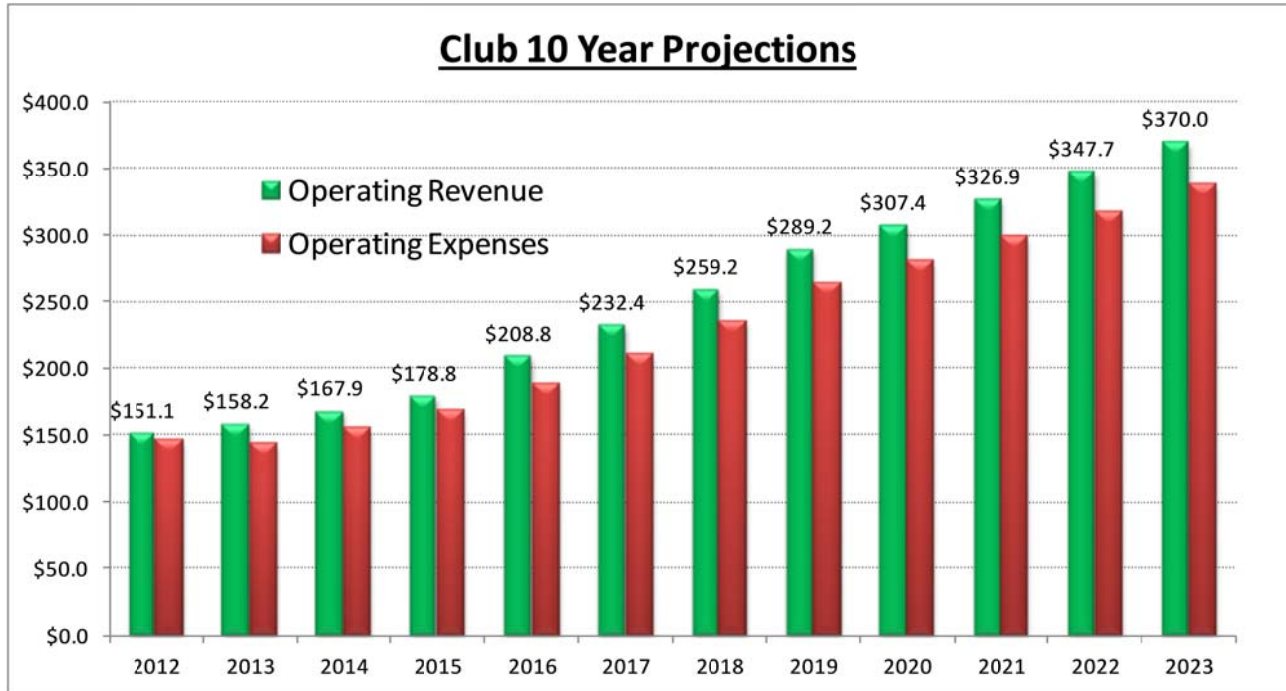
	<ul style="list-style-type: none"> ○ Based on the category of “Not for Profit Community Groups” within the Property Management Framework (PMFa lease fee is 0.1% of Capital Cost, which would be \$4,301 per year. ○ This is subject to comment later on within “Recommendations”
9 Management / Admin	<ul style="list-style-type: none"> ○ WHC would propose to have as much of the operation of the facility operated voluntarily from members. ○ In addition, WHC have included an assumption of \$50,000 for staff costs.
10 Cleaning / Casual wages	<ul style="list-style-type: none"> ○ WHC assumption is that the management of the facility as described above would help with cleaning. Meanwhile volunteers from within the facility would be expected to help out. ○ However initial estimates from WHC excluded any costs for cleaning, which the City believed was unrealistic. ○ WHC revised their forecasts and have now included an item for “Casual wages” (\$12,600 per year).
11 Marketing	<ul style="list-style-type: none"> ○ \$1,000 per year estimated costs.
12 Repayment of Loans	<ul style="list-style-type: none"> ○ The projections show that the loans are repaid as follows: <ul style="list-style-type: none"> - Fundraising loan from members paid back over 6 years - HWA repaid over 5 years.
13 Replacement Surface	<ul style="list-style-type: none"> ○ Synthetic pitches have a lifespan of between 7 to 10 years ○ WHC have assumed replacement is required year 9 and have built in the costs of replacement to the projections.
14 Year 1	<ul style="list-style-type: none"> ○ WHC have provided a 10 year projection, with Year 1 being in today's values i.e. 2013 ○ The facility is planned for construction in 2015-16 with opening in 2016. ○ As the facility will not be open for another 3 years, the projections from WHC have been escalated by the City to have the Year 1 values shown in 2016 values.

FINANCIAL ANALYSIS



FINANCIAL EVALUATION - COMMENTARY

The graphs below summarise the 10 year projections for the Club and the Turf. The table on the next page combines the projections.



FINANCIAL ANALYSIS



Summary Financial Projections 2012 to 2025

		Yr -1	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Total
Key Assumptions		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Members Total	Games	467	564	587	610	671	738	812	893	929	966	1,005	1,045	1,045	1,045	
Games Total	Games					390	390	390	390	390	390	390	390	390	390	
Hours booked Total	Hours					878	878	878	878	878	878	878	878	878	878	
Operating Revenue																
Club	\$	\$151,073	\$158,180	\$167,920	\$178,780	\$208,752	\$232,449	\$259,151	\$289,232	\$307,396	\$326,853	\$347,691	\$370,006	\$393,753	\$419,025	\$3,810,260
Turf	\$					\$244,416	\$251,751	\$259,306	\$267,088	\$275,104	\$283,359	\$291,863	\$300,622	\$309,644	\$318,936	\$2,802,090
Total Operating Revenue	\$	\$151,073	\$158,180	\$167,920	\$178,780	\$453,168	\$484,200	\$518,457	\$556,320	\$582,500	\$610,212	\$639,554	\$670,628	\$703,397	\$737,961	\$6,612,350
Operating Expenses																
Club	\$	(\$146,339)	(\$143,607)	(\$155,413)	(\$168,307)	(\$188,992)	(\$210,983)	(\$235,826)	(\$263,907)	(\$280,772)	(\$298,883)	(\$318,337)	(\$339,241)	(\$361,519)	(\$385,259)	(\$3,497,383)
Turf	\$					(\$175,068)	(\$180,108)	(\$185,306)	(\$190,656)	(\$196,164)	(\$201,834)	(\$207,671)	(\$213,681)	(\$219,868)	(\$226,237)	(\$1,996,592)
Total Operating Expenses	\$	(\$146,339)	(\$143,607)	(\$155,413)	(\$168,307)	(\$364,060)	(\$391,091)	(\$421,132)	(\$454,562)	(\$476,936)	(\$500,717)	(\$526,008)	(\$552,922)	(\$581,386)	(\$611,495)	(\$5,493,975)
Operating Surplus																
Club	\$	\$4,734	\$14,573	\$12,506	\$10,473	\$19,760	\$21,467	\$23,324	\$25,325	\$26,624	\$27,970	\$29,354	\$30,765	\$32,235	\$33,766	\$312,877
Turf	\$					\$69,348	\$71,643	\$74,001	\$76,432	\$78,940	\$81,525	\$84,192	\$86,941	\$89,776	\$92,699	\$805,498
Total Operating Surplus	\$	\$4,734	\$14,573	\$12,506	\$10,473	\$89,108	\$93,110	\$97,325	\$101,758	\$105,564	\$109,496	\$113,546	\$117,706	\$122,011	\$126,466	\$1,118,375
Turf: Borrowings, Repayments & Capital Expenditure																
Replacement Surface	\$														(\$436,773)	(\$436,773)
Repayment of Loan to Members	\$					(\$10,000)	(\$10,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)					(\$100,000)
Repayment of Loan to HWA	\$					(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)						(\$200,000)
Interest on Loan	\$					(\$11,400)	(\$9,000)	(\$6,600)	(\$4,200)	(\$1,800)						(\$33,000)
Interest earned on cash	\$					\$791	\$1,213	\$1,744	\$2,185	\$2,841	\$4,124	\$7,029	\$10,769	\$14,772	\$10,318	\$55,785
Total	\$					(\$60,609)	(\$57,787)	(\$64,856)	(\$62,015)	(\$58,959)	(\$15,876)	\$7,029	\$10,769	\$14,772	(\$426,455)	(\$713,987)
Cash Surplus/(Deficit) Annual																
Club	\$	\$4,734	\$14,573	\$12,506	\$10,473	\$19,760	\$21,467	\$23,324	\$25,325	\$26,624	\$27,970	\$29,354	\$30,765	\$32,235	\$33,766	\$312,877
Turf	\$					\$8,739	\$13,856	\$9,145	\$14,418	\$19,981	\$65,649	\$91,221	\$97,710	\$104,548	(\$333,755)	\$91,511
Annual Total	\$	\$4,734	\$14,573	\$12,506	\$10,473	\$28,499	\$35,323	\$32,469	\$39,743	\$46,605	\$93,619	\$120,575	\$128,474	\$136,783	(\$299,989)	\$404,388
Cash Surplus/(Deficit) Cumulative																
Club	\$	\$4,734	\$19,307	\$31,813	\$42,286	\$62,046	\$83,513	\$106,837	\$132,163	\$158,787	\$186,757	\$216,111	\$246,876	\$279,111	\$312,877	\$312,877
Turf	\$					\$8,739	\$22,595	\$31,740	\$46,157	\$66,139	\$131,788	\$223,008	\$320,718	\$425,266	\$91,511	\$91,511
Cumulative Total	\$	\$4,734	\$19,307	\$31,813	\$42,286	\$70,785	\$106,108	\$138,577	\$178,320	\$224,925	\$318,544	\$439,119	\$567,594	\$704,377	\$404,388	\$404,388

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Commentary

The following table provides some commentary to the projections:

Issue	Comments
1 \$600,000 Contribution by WHC	<ul style="list-style-type: none"> ○ WHC have proposed to contribute \$600,000 to the capital construction of the facility. ○ The assumptions and plan that WHC have for the contribution is reasonable: <ul style="list-style-type: none"> - Balance Sheet is healthy with \$122,000 as at August 2013 - HWA have confirmed in principle the provision of loan. - Fundraising plan is prepared (Appendix 3) ○ There is a lot of work regarding the fundraising to be completed. ○ \$100,000 of the fundraising is indicated as Loans from Individuals/Companies.
2 Membership growth	<ul style="list-style-type: none"> ○ There are large increases in membership anticipated by WHC. This is a reasonable assumption based on experience from Melville. ○ It is worth noting that the investment by the City in the synthetic hockey pitch is helping the Club to boost its finances. ○ The increase in fees per year of 3% is in line with CPI. As the members would be benefiting greatly from a new facility, it may be worth considering having a higher increase in fees to ensure that Club can support the Turf Capital Replacement, and to help fund a higher lease fee to the City.
3 Club Surplus	<ul style="list-style-type: none"> ○ By 2025 the Club is projected to have a large surplus of over \$300,000. ○ One of the cost assumptions (HWA fees) is assumed to increase by 5% per year, whilst all other income and costs increase by 3%. WHC could not provide any information to support the 5% projection for HWA fees and there is the possibility the costs may not increase by 5%. ○ Meanwhile there is the possibility of increasing member fees by more than 3% based on the provision of a new facility. ○ In summary, there is possibility that the Club Surplus to be as high as \$600,000 by 2023 and this should be borne in mind by the City when considering the Lease fee.
4 Turf Income	<ul style="list-style-type: none"> ○ To be updated after receipt of new model ○ There is no guarantee that HWA would place fixtures at the new pitch, but it is very likely.
5 Turf Expenses	<ul style="list-style-type: none"> ○ It is acknowledged that the Club would endeavour to minimise expenses as much as possible using volunteers from the Club. ○ Nevertheless the assumptions for expenses are slightly optimistic.
6 Turf Operating Surplus	<ul style="list-style-type: none"> ○ The projections estimate an Operating Surplus of 29%. ○ Although there is a risk with the projections for both the Income and the Expenses, and it is more likely that the Operating Surplus would reduce rather than increase, there is a reasonable level of confidence that the Turf will generate a positive surplus.
7 Replacement Pitch	<ul style="list-style-type: none"> ○ Operating Surpluses generated by the Turf are required to repay loan to HWA and to set aside funds for replacement of the Synthetic Pitch. The key question for the Turf projections is whether there will be sufficient



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	<p>surpluses by year 9.</p> <ul style="list-style-type: none"> ○ As there is a risk with both the Turf Income and the Turf Expenses, there is a high risk that the Turf would be unable to fund a replacement pitch by Year 9. ○ Although the Club and Turf are 2 distinct elements, there could be the potential for the Club surpluses to assist with Turf Replacement. This could be recognised as similar to the contribution being made by the Club to the construction of the facility. ○ Or the Turf could consider alternative methods of finance at Year 9 to help fund the replacement pitch. ○ It should be noted that Melville now has the funding in place for a second pitch.
8 Lease to City	<ul style="list-style-type: none"> ○ There is minimal risk to the City not receiving the Lease Income of \$10,000 per year. ○ Indeed there is the potential for the City to insist on a higher payment (see recommendations).
9 Risk to City	<ul style="list-style-type: none"> ○ One of the key objectives for the City with this project is to minimise any risk of WHC not being sustainable and requiring unplanned financial support from the City. ○ Although there are risks in the Turf Projections, which could impact on the timing of the planned replacement pitch, there is considered to be minimal financial risk for the City due to: <ul style="list-style-type: none"> - Surpluses generated by the Club - Comparison to Melville <p>This is further assessed below.</p>


Sensitivity Analysis

The following table provides some sensitivity analysis.

Scenario	Risk	Comments
<u>Income reduced</u> No surpluses available at Year 9 for replacement Pitch - ? How much would the Income Projections have to reduce by?	 22%	<ul style="list-style-type: none"> ○ The income projections are deemed optimistic ○ They would have to reduce by 22% to result in there being no surplus available at Year 9 to fund the replacement pitch.
<u>Repair & Maintenance increased</u> No surpluses available at Year 9 for replacement Pitch - ? How much would the Repair & Maintenance have to increase by?	 152%	<ul style="list-style-type: none"> ○ The estimate for Repairs & Maintenance is deemed optimistic, at \$27k (in today's values.) ○ If the Repair & Maintenance increased to \$70k this would eradicate all surpluses projected at Year 9 to pay for the replacement pitch. ○ The annual cost of maintenance at Kingsley Memorial Clubrooms was approx \$80,000 for 2012-13 (although it should be noted that the specification of the Kingsley Clubrooms is different to the proposed

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		specification at Warwick).
<u>Combined Adverse Impacts</u> What would be the impact of 3 - 10% lower income - 50% increase to Repair & Maintenance costs	 \$460k	<ul style="list-style-type: none"> ○ There would be a total reduction in cash over 10 years of \$460k, which would mean that there would be insufficient funds to replace the pitch.

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RECOMMENDATION / LEASE ARRANGEMENT

As outlined above, there is deemed to be low risk with the financial sustainability of the Turf. The City may consider alternative options with regards the annual lease fee. The table below summarises three options for the City to consider:

		Option 1 Based on Property Management Framework (PMF)	Option 2 WHC Proposal	Option 3 Higher Lease Fee
1	\$ Annual Lease Fee	\$4,301	\$10,000	\$20,000 to \$30,000
2	Classification within PMF	Not for Profit	Not for Profit	Other
3	Basis of Calculation	0.1% of Building Costs (as per PMF)	As per Financial Model submitted by WHC	Affordability assessment based on consolidated cashflows

It is recommended that the City pursue Option 3, a lease fee of at least \$20,000 per year. The issues to consider regarding the Lease Fee are:

- There is more risk than opportunity with the Turf Projections. Nevertheless there is a high degree of confidence that the facility will generate a surplus, particularly as the current projections estimate 29% Operating Surplus.
- The Turf facility will be generating significant surpluses and therefore within the Property Management Framework, the Turf should be classed as “Other Groups” which allows the consideration of rent at market rate with a subsidy potentially available.
- Meanwhile the Club has projected surplus of over \$300,000 by 2025, although it could be as high as \$600,000 by then if membership fees were increased by more than CPI and if the assumed cost increase for HWA fees was the same as CPI.
- It is only reasonable that for the investment made by the City, that there should be a higher lease payment. A higher lease fee is likely to cause a risk to the Turf to replace the pitch after 9 years, however there are adequate surpluses generated by the Club that should assist in the Turf replacement.
- An indicative market rent could be approximately \$180,000 (900 m² x \$200 per m²). This is obviously a cost that is far higher than could be proposed but does indicate how low the \$10,000 proposal is.
- The consolidated cashflows indicate that from 2016 the Club is projected to have an annual surplus of approximately \$20,000; however this could be as high as \$30,000 if some of the key assumptions were different. As a starting point for negotiation it is proposed that a Lease fee per year of up to \$30,000 be proposed.
- It is recognised that a lease fee of at least \$20,000 may appear high, and it may appear that this increases the risk of the Club/Turf not being sustainable and providing a risk to the City of having to provide financial support in the event of not being financial sustainability. The City is intent on having a sustainable Club/Turf, and for them to enjoy a healthy financial future that can pay for their own replacement synthetic pitch. The City can commit to the relationship by an annual financial review as part of the lease arrangement and having the discretion to amend the lease fee if the financial projections do not come to pass as originally estimated.
- Lease fee should be increased per year in line with CPI.

Taking account of the final projections, the impacts and the risks it is recommended that the following issues are proposed to be part of the Lease arrangements:

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Issue	Output / Details
1 Annual Financial Review	<ul style="list-style-type: none"> ○ The City and WHC undertake a financial review of both the Club and the Turf. ○ As part of the annual review, the City should provide any other advice to the Turf to help maintain and improve its financial sustainability. ○ Whilst it is recognised that there are 2 separate entities for purposes of the accounts and the operational model, the review should consider the consolidated cashflows. ○ Indeed in establishing the lease fee and other financial issues, the consolidated cashflows should be referred to first and foremost. ○ One of the key issues for the City to consider is the replacement of the synthetic hockey pitch, ensuring that the City is not having to fund this.
2 Building Maintenance	<ul style="list-style-type: none"> ○ City of Joondalup Building Maintenance team to include the following within the lease: <ul style="list-style-type: none"> - Schedule of standard maintenance requirements. - Procedures for unscheduled maintenance. ○ This is deemed necessary to ensure that the building is maintained in the same condition as would be expected if the City were maintaining it.
3 Capital Replacement	<ul style="list-style-type: none"> ○ In addition to a higher lease fee, the City should ensure that the Turf / Club provide a share of capital replacement / structural maintenance.
4 City Review / Approve Fees	<ul style="list-style-type: none"> ○ As part of the annual review, the City should review the fee structure, and ensure that the fees being charged to other clubs are reasonable.

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**APPENDIX 1 – CLUB PROJECTIONS**

Key Assumptions		Yr -1 2012	Yr 0 2013	Yr 1 2014	Yr 2 2015	Yr 3 2016	Yr 4 2017	Yr 5 2018	Yr 6 2019	Yr 7 2020	Yr 8 2021	Yr 9 2022	Yr10 2023	Yr 0 to 10 TOTAL
Members Senior	Qty	133	152	158	164	181	199	219	241	250	260	271	282	
Members Concession	Qty	38	48	50	52	57	63	69	76	79	82	86	89	
Members Junior	Qty	174	165	172	178	196	216	238	261	272	283	294	306	
Members Minkey/Graduates/Post Gradu	Qty	98	171	178	185	203	224	246	271	282	293	305	317	
Members Family	Qty	24	28	29	30	33	37	40	44	46	48	50	52	
Increase in Fees Per year	%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	

Operating Revenue

Members Senior Income Estimate	\$	\$42,560	\$50,160	\$53,731	\$57,557	\$65,212	\$73,885	\$83,712	\$94,846	\$101,599	\$108,833	\$116,582	\$124,882	\$973,559
Members Concession Income Estimate	\$	\$8,740	\$11,520	\$12,340	\$13,219	\$14,977	\$16,969	\$19,226	\$21,783	\$23,334	\$24,995	\$26,775	\$28,681	\$222,558
Members Junior Income Estimate	\$	\$24,360	\$24,750	\$26,512	\$28,400	\$32,177	\$36,457	\$41,305	\$46,799	\$50,131	\$53,700	\$57,524	\$61,620	\$483,735
Members Minkey/Graduates/Post Gradu	\$	\$7,840	\$14,535	\$15,570	\$16,678	\$18,897	\$21,410	\$24,257	\$27,484	\$29,441	\$31,537	\$33,782	\$36,187	\$277,618
Members Family Income Estimate	\$	\$3,240	\$3,920	\$4,199	\$4,498	\$5,096	\$5,774	\$6,542	\$7,412	\$7,940	\$8,505	\$9,111	\$9,760	\$75,998
Bar Income Income Estimate	\$	\$19,424	\$17,625	\$18,880	\$20,224	\$31,246	\$33,471	\$35,854	\$38,407	\$41,142	\$44,071	\$47,209	\$50,570	\$398,123
Total Other Income	\$	\$44,909	\$35,670	\$36,687	\$38,203	\$41,146	\$44,483	\$48,254	\$52,501	\$53,810	\$55,212	\$56,709	\$58,306	\$565,891
Total Operating Revenue	\$	\$151,073	\$158,180	\$167,920	\$178,780	\$208,752	\$232,449	\$259,151	\$289,232	\$307,396	\$326,853	\$347,691	\$370,006	\$2,997,481

Operating Expenses

Turf Hire hours Costs Estimate	\$	(\$22,800)	(\$22,500)	(\$24,102)	(\$25,818)	(\$29,252)	(\$33,142)	(\$37,550)	(\$42,544)	(\$45,574)	(\$48,818)	(\$52,294)	(\$56,018)	(\$440,413)
Turf Hire Games Costs Estimate	\$	(\$15,900)	(\$16,500)	(\$17,675)	(\$18,933)	(\$21,451)	(\$24,304)	(\$27,537)	(\$31,199)	(\$33,421)	(\$35,800)	(\$38,349)	(\$41,080)	(\$322,150)
Hockey WA Costs Estimate	\$	(\$35,112)	(\$38,340)	(\$41,867)	(\$45,719)	(\$52,806)	(\$60,990)	(\$70,444)	(\$81,363)	(\$88,848)	(\$97,022)	(\$105,948)	(\$115,695)	(\$834,154)
Total Club Activities	\$	(\$39,748)	(\$38,454)	(\$41,982)	(\$43,661)	(\$47,174)	(\$51,891)	(\$57,080)	(\$62,788)	(\$65,300)	(\$67,912)	(\$70,628)	(\$73,454)	(\$660,073)
Bar Costs Estimate	\$	(\$4,118)	(\$8,296)	(\$4,191)	(\$4,490)	(\$6,937)	(\$7,431)	(\$7,960)	(\$8,526)	(\$9,133)	(\$9,784)	(\$10,480)	(\$11,227)	(\$92,572)
Total Other Expense	\$	(\$25,543)	(\$19,517)	(\$20,596)	(\$24,635)	(\$26,272)	(\$28,072)	(\$30,052)	(\$32,230)	(\$33,189)	(\$34,185)	(\$35,222)	(\$36,300)	(\$345,814)
Capital Expenditure	\$	(\$3,118)		(\$5,000)	(\$5,050)	(\$5,101)	(\$5,152)	(\$5,203)	(\$5,255)	(\$5,308)	(\$5,361)	(\$5,414)	(\$5,468)	(\$55,429)
Total Operating Expenses	\$	(\$146,339)	(\$143,607)	(\$155,413)	(\$168,307)	(\$188,992)	(\$210,983)	(\$235,826)	(\$263,907)	(\$280,772)	(\$298,883)	(\$318,337)	(\$339,241)	(\$2,750,606)

Cash Surplus/(Deficit) To Annual	\$	\$4,734	\$14,573	\$12,506	\$10,473	\$19,760	\$21,467	\$23,324	\$25,325	\$26,624	\$27,970	\$29,354	\$30,765	\$246,876
Cumulative	\$	\$4,734	\$19,307	\$31,813	\$42,286	\$62,046	\$83,513	\$106,837	\$132,163	\$158,787	\$186,757	\$216,111	\$246,876	\$246,876

Surplus as % of Revenue	%	3%	9%	7%	6%	9%	9%	9%	9%	9%	9%	8%	8%	8%
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#1 Opening balances excluded. Balance Sheet Aug 2013 approx \$140k Cash In Hand, to contribute to cost of construction. Funds raised by Club for construction contribution are also ignored from above

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**APPENDIX 2 – TURF PROJECTIONS**

		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr 0 to 10
Key Assumptions (1) - Use of Pitch		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
Junior Games Total	Games	84	84	84	84	84	84	84	84	84	84	
Senior Games Total	Games	126	126	126	126	126	126	126	126	126	126	
Night Hockey Games Total	Games	180	180	180	180	180	180	180	180	180	180	
Hockey Training Hours Total	Hours	536	536	536	536	536	536	536	536	536	536	
Other Sports Total	Hours	108	108	108	108	108	108	108	108	108	108	
School Hire Hire Hours Total	Hours	234	234	234	234	234	234	234	234	234	234	

Key Assumptions (2) - Rates \$

Junior game hire	Per team	\$60	\$62	\$64	\$66	\$68	\$70	\$72	\$74	\$76	\$78	
Junior gate fee	Per Club	\$55	\$57	\$58	\$60	\$62	\$64	\$66	\$68	\$70	\$72	
Senior game hire	Per team	\$99	\$101	\$104	\$108	\$111	\$114	\$118	\$121	\$125	\$129	
Senior gate fee	Per club	\$80	\$82	\$85	\$87	\$90	\$93	\$96	\$98	\$101	\$104	
Hockey training	Per hour	\$155	\$160	\$164	\$169	\$174	\$180	\$185	\$191	\$196	\$202	
Other sports	Per hour	\$155	\$160	\$164	\$169	\$174	\$180	\$185	\$191	\$196	\$202	
Schools	Per hour	\$55	\$56	\$58	\$60	\$61	\$63	\$65	\$67	\$69	\$71	

Operating Revenue

Hire of Pitch	\$	\$231,760	\$238,713	\$245,874	\$253,250	\$260,848	\$268,673	\$276,733	\$285,035	\$293,586	\$302,394	\$2,656,867
Clubroom Hire	\$	\$11,009	\$11,342	\$11,685	\$12,038	\$12,402	\$12,777	\$13,163	\$13,561	\$13,971	\$14,393	\$126,339
Sponsorship	\$	\$1,647	\$1,697	\$1,748	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026	\$2,087	\$2,149	\$18,884
Total Operating Revenue	\$	\$244,416	\$251,751	\$259,306	\$267,088	\$275,104	\$283,359	\$291,863	\$300,622	\$309,644	\$318,936	\$2,802,090

Operating Expenses

Utilities	\$	(\$46,305)	(\$47,694)	(\$49,125)	(\$50,599)	(\$52,117)	(\$53,680)	(\$55,291)	(\$56,949)	(\$58,658)	(\$60,418)	(\$530,835)
Advertising/Marketing	\$	(\$1,158)	(\$1,184)	(\$1,220)	(\$1,256)	(\$1,294)	(\$1,334)	(\$1,374)	(\$1,415)	(\$1,458)	(\$1,502)	(\$13,195)
Repairs & Maintenance	\$	(\$30,771)	(\$31,701)	(\$32,659)	(\$33,646)	(\$34,663)	(\$35,711)	(\$36,790)	(\$37,902)	(\$39,048)	(\$40,228)	(\$353,118)
Turf maintenance	\$	(\$16,514)	(\$17,013)	(\$17,527)	(\$18,057)	(\$18,603)	(\$19,165)	(\$19,744)	(\$20,341)	(\$20,956)	(\$21,589)	(\$189,509)
CoJ hire fee	\$	(\$11,009)	(\$11,342)	(\$11,685)	(\$12,038)	(\$12,402)	(\$12,777)	(\$13,163)	(\$13,561)	(\$13,971)	(\$14,393)	(\$126,339)
Management/Admin	\$	(\$54,636)	(\$56,275)	(\$57,964)	(\$59,703)	(\$61,494)	(\$63,339)	(\$65,239)	(\$67,196)	(\$69,212)	(\$71,288)	(\$626,345)
Casual wages	\$	(\$14,431)	(\$14,647)	(\$14,867)	(\$15,090)	(\$15,316)	(\$15,546)	(\$15,779)	(\$16,016)	(\$16,256)	(\$16,500)	(\$154,449)
Bad debts	\$	(\$244)	(\$252)	(\$259)	(\$267)	(\$275)	(\$283)	(\$292)	(\$301)	(\$310)	(\$319)	(\$2,802)
Total Operating Expenses	\$	(\$175,068)	(\$180,108)	(\$185,306)	(\$190,656)	(\$196,164)	(\$201,834)	(\$207,671)	(\$213,681)	(\$219,868)	(\$226,237)	(\$1,996,592)

Operating Surplus	\$	\$69,348	\$71,643	\$74,001	\$76,432	\$78,940	\$81,525	\$84,192	\$86,941	\$89,776	\$92,699	\$805,498
as % of Operating Revenue	%	28%	28%	29%	29%	29%	29%	29%	29%	29%	29%	29%

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	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	<u>Yr 0 to 10</u>
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
Borrowings, Repayments & Capital Expenditure											
Replacement Surface										(\$436,773)	(\$436,773)
Repayment of Loan to Members	\$ (\$10,000)	(\$10,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)					(\$100,000)
Repayment of Loan to HWA	\$ (\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)						(\$200,000)
Interest on Loan	\$ (\$11,400)	(\$9,000)	(\$6,600)	(\$4,200)	(\$1,800)						(\$33,000)
Interest earned on cash	\$ \$791	\$1,213	\$1,744	\$2,185	\$2,841	\$4,124	\$7,029	\$10,769	\$14,772	\$10,318	\$55,785
Total Borrowings, Repayments & Capital	\$ (\$60,609)	(\$57,787)	(\$64,856)	(\$62,015)	(\$58,959)	(\$15,876)	\$7,029	\$10,769	\$14,772	(\$426,455)	(\$713,987)
Cash Surplus/(Deficit) Total Annual	\$ \$8,739	\$13,856	\$9,145	\$14,418	\$19,981	\$65,649	\$91,221	\$97,710	\$104,548	(\$333,755)	\$91,511
Cumulative	\$ \$8,739	\$22,595	\$31,740	\$46,157	\$66,139	\$131,788	\$223,008	\$320,718	\$425,266	\$91,511	\$91,511

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**APPENDIX 3 – FUNDRAISING PLAN**

Item No.	Idea	Description	Effort	\$ impact	Priority	Estimated Funds	Potential Date
1	Foundation Sponsors	This would be in the form of a loan from individuals/companies that will be paid back of a guaranteed period of time once all other liabilities were paid off. A order of merit would need to be set up depending on donation value	↑	↑	↑	\$ 100,000	April - Sept 14
2	a. Plaques	Donations made by individuals to the turf, plaques on wall would show our appreciation to the individuals/companies. A order of merit would need to be set up depending on donation value	↑	→	→	\$ 20,000	April - Sept 14
	b. Tile Brick sponsor	Buy a brick that would form part of the path inbetween clubroom and turf. Brick would have the name of person/family/business that bought the brick	→	→	→	\$ 10,000	April - Sept 14
	c. Buying square meter	Divide the turf into square meters and sell off each square. Picture of the pitch plus names of individuals/companies would be kept on the wall in the clubroom	→	→	→	\$ 45,000	April - Sept 14
	d. Buying seat in stand	If there is going to be seating looking onto the pitch we could sell off the seats and have names on the seats	→	→	→	\$ 10,000	
	e. Building Levy	Charge everyone a building levy next year ontop of their subscriptions	↑	→	→	\$ 28,250	Apr-14
3	a. Car Raffle	Hook up with a local dealer to get a car that we can raffle off to the public	↓	→	→	\$ 10,000	
	b. Naming Rights	See if we could sell the naming rights of the turf/facility to a local company	→	→	→	\$ 20,000	
4	Celebration Dinner	Once we have confirmed that the project is going ahead hold a celebration dinner. Could try to get guest speaker and with donations run a large raffle and auction	↓	→	→	\$ 30,000	May-14
5	a. Team fundraiser	Get each team in the club to do their own fundraiser setting a limit per team	→	→	→	\$ 14,000	April - Sept 14
	b. Golf Day	Golf day with prizes, try to get people outside the club to come along for the day	→	→	→	\$ 5,000	Jun-14
	c. Farmers Market	Organise a market down at the clubrooms	↓	↓	↓	\$ 4,000	
	d. Theme night party	Party night with a theme, charge for entrance include food and run a great bar. Games and prizes on the night	→	↓	→	\$ 3,000	
	e. Men who cook	Men within the club cook food to bring down to the clubrooms. People come along for the night and pay per head to taste the food	→	↓	↓	\$ 1,500	
6	Car Number Plates	Register for WHC registration plates, could be sold off for just over the cost price and or raffle off the first 11 (number in the team) to generate additional funds	→	→	→	\$ 12,000	May-14
	TOTAL					\$ 312,750	