

CITY OF BELMONT

FAULKNER CIVIC PRECINCT COMMUNITY CENTRE

Business Plan



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Creating opportunities



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1 EXECUTIVE SUMMARY

This business plan outlines the rationale behind the intention of the City of Belmont to deliver integrated cultural and community services to a disadvantaged community through the establishment of the Faulkner Civic Precinct Community Centre. As a community hub, the Faulkner Civic Precinct Community Centre will allow for the colocation of the following uses:

- District Library and Digital Hub
- Museum
- Senior Citizens Centre
- Not for Profit organisations
- Café/restaurant
- Crèche

The construction of the building is estimated to cost \$40M over three years. During the construction phase, the project is expected to result in flow-on effects to other economic activity and generate significant employment in both the construction industry and the wider economy. The estimated impacts have been summarised below.

- **Employment:** The construction of the project is expected to directly support an average of 68.0 full-time, on-site construction jobs and indirectly support a total average full-time employment of 183.8 across the building construction, technical services and retail industries.
- **Economic Contribution:** The considerable flow-on benefits to downstream and upstream suppliers will result in an expected increase in economic activity during the construction phase of the project of around \$62.3 million (i.e. the economy will be \$62.3 million larger).

(Note: Unless otherwise stated, all estimates of employment and economic impact stemming from this project have been sourced from REMPlan Economy – Economic Modelling and Planning System)

In addition to the construction-related impacts, there are large and ongoing impacts of the project on the regional economy which occur during the operational phase.

- **Employment:** The measured direct, ongoing impacts are expected to manifest themselves as greater expenditure within the region and the wider Australian economy which will support ongoing employment opportunities. Employment generation was estimated at equivalent to an average of 31.0 ongoing full-time equivalent roles.
- **Visitation:** There will be an estimated increase in visitation expenditure equivalent to \$2.8 million per annum (or 17.1 ongoing full-time roles), with visitation levels supported by a number of key amenities such as a new and expanded library (which is likely to encourage between 52,195 and 250,938 new trips to the area each year), museum with cultural and heritage attractions and a 293 square metre café. The project will also support an array of existing events in Faulkner Park and support the creation of function space at the existing library.
- **Amenities:** Based on published literature of amenity enhancements, the value of improved amenity created by the project is expected to be equivalent to approximately \$15.2 million.
- **Social Impacts:** The architecturally designed civic hub will allow local for purpose service providers to service those in the community considered disadvantaged (such as higher proportions of non-English speaking residents, unemployed and alcohol dependent) in the City of Belmont. While the exact impacts of the various not-for-profit programs vary in regards to their effect due to the various natures of the services, published literature has demonstrated that the impact of improved for purpose services on crime and drug/alcohol abuse rates can be profound – equivalent to benefits of \$2.2 million in the City of Belmont.

The proposed Faulkner Civic Precinct Community Centre will have significant positive social impacts. These impacts will be felt across the broader community and will be over and above the current positive impacts from the existing facilities. The positive impacts will be felt most strongly by the communities of interest which include some of the most disadvantaged. The communities of interest are:

- Disadvantaged
- Migrant groups and those for whom English is a second language
- Aboriginal and Torres Strait Islanders
- Seniors
- Youth
- Unemployed

The City has received strong partnership support for this project. The Federal Government has committed to providing \$9.6M from the National Stronger Regions Fund Lotterywest has committed to providing \$3.8M direct funding to the City of Belmont for this project. Further, the City received expressions of interest for taking up accommodation within the Community Centre and Library from a range of organisations. These include: the YMCA; Diabetes Australia; Palmerston Association; Life Without Barriers; the Mental Illness Fellowship of WA; the Ability Centre; and the African Professionals of Australia.

The need for this project is well documented, and the potential economic and social benefits are compelling. Notwithstanding, there are significant capital costs associated with realising the vision. To this end the City of Belmont is seeking to ensure that this significant project proceeds.

Current and predicted demographic data paint a picture of Belmont as an area with significant needs - needs that are only going to increase. As will be illustrated later in this document, based on a combination of comprehensive consultation and an assessment of the demographics shown here, the City of Belmont has concluded that action must be taken to provide the community infrastructure necessary to support these needs and provide a focal point for the provision of essential services.

The City is now moving to develop a new Community Centre and Library, and has received a significant level of financial support from external sources. However, given the extent of expenditure necessary to establish this facility, it is necessary to address the provisions of Section 3.59 of the *Local Government Act 1995* with particular reference to the preparation of a business plan for a major land transaction.

2 PROJECT CONTEXT

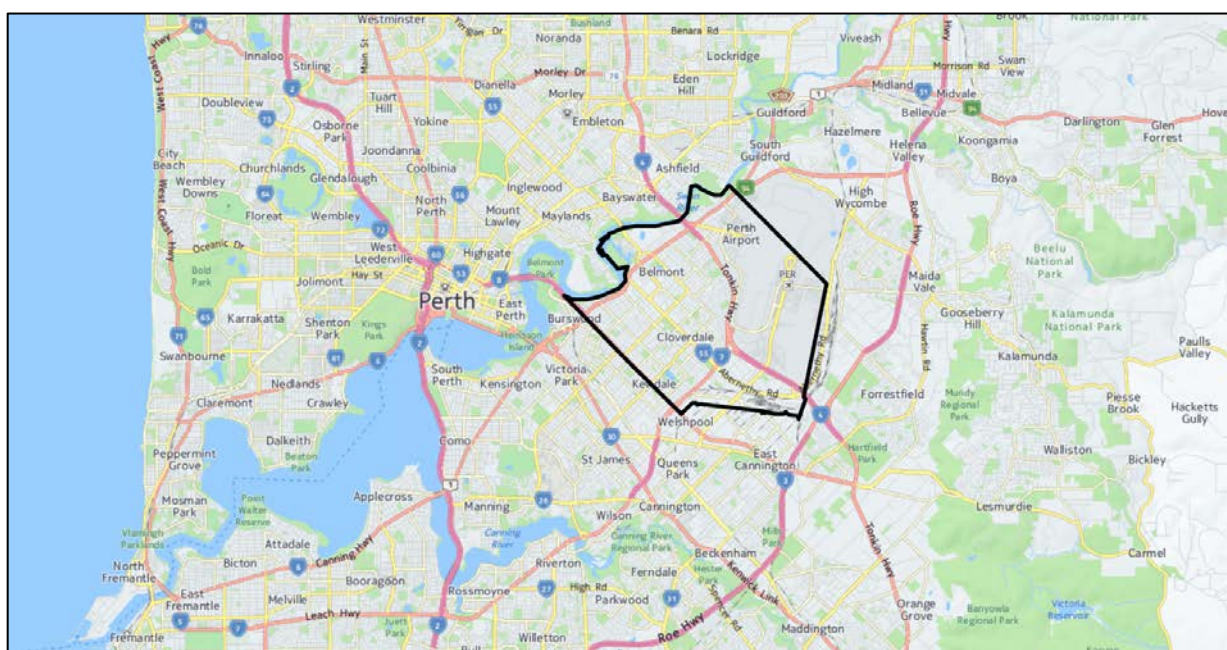
2.1 Locality

Established in 1898, the City of Belmont is a local government area in the inner eastern suburbs of the Western Australian capital city of Perth. It is located 6 kilometres from the Perth Central Business District (CBD) and on the main connection to Perth International Airport via Great Eastern Highway. The City covers an area of 3,978 ha and has a population of 41,270 (2016).

The local government area comprises the suburbs of Ascot, Belmont, Cloverdale, Kewdale, Perth Airport, Redcliffe and Rivervale.

As shown in Figure 1, the boundaries of the Belmont Local Government Area (LGA) are Orrong Road to the west, the Swan River to the north-west, Perth International Airport to the north-east, the standard gauge railway line to the east, and the Kewdale Freight Terminal to the south. The Perth Domestic and International Airports account for 33.7% of the City of Belmont's land area.

Figure 1: Locality



Source: City of Belmont (2016)

The proposed Faulkner Civic Precinct Community Centre will be located within the Faulkner Civic Precinct. The Faulkner Civic Precinct comprises the City's main civic and administrative functions, and is centrally located within the urban areas of the City. The precinct is located on the boundary of the suburbs of Belmont and Cloverdale. The Faulkner Civic Precinct measures in excess of 11 hectares and is bound by Alexander Road to the north-west, Abernethy Road to the north-east, Wright Street to the south-east, and Robinson Avenue to the south-west. The precinct currently accommodates the following civic and recreational uses:

- City of Belmont Civic and Administration Centre;
- Ruth Faulkner Public Library;
- Belmont Oasis Leisure Centre;
- The Volcano Park playground area;
- The Belmont War Memorial;
- The Belmont Museum;
- The Belmont skate park;
- Belmont Senior Citizens Centre; and
- Is home to several festivals throughout the year.

In addition to the above facilities there are a number of other uses adjacent to the study area as shown in Figure 2.

Figure 2: Faulkner Civic Precinct



Source: City of Belmont (2016)

The proposed Faulkner Civic Precinct Community Centre will be located on Wright Street, where the Senior Citizens Centre is currently situated (Figure 3).

Figure 3. Faulkner Civic Precinct Community Centre Proposed Location

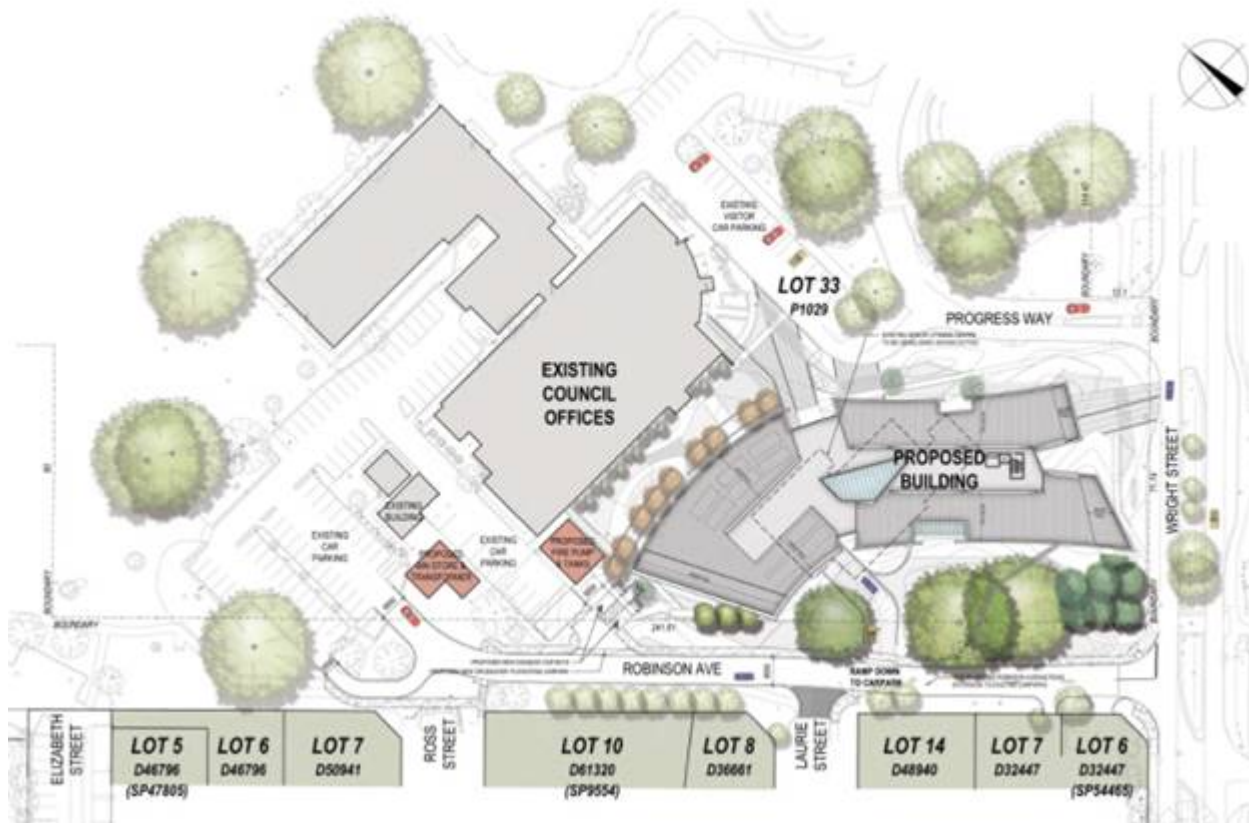


Source: City of Belmont (2016)

2.2 Detailed Design Description

The concept design and footprint of the proposed Faulkner Civic Precinct Community Centre nests itself between the existing City of Belmont administration buildings, whilst taking full advantage of the fig trees for the shaded outdoor area at the café. The street frontage addresses suitable entry into the building, and avoids disruption to the existing bus stop. Figure 4 demonstrates the placement of the building footprint in relation to the existing context.

Figure 4. Proposed Building Footprint



2.2.1 BUILDING ACCOMMODATION

Through development of the concept design and consultation with key stakeholders, the following areas have been assigned to specific building levels that allow full flexibility and connectivity:

Basement Level:

- Car parking for Community Centre;
- Building Services, switchboards and necessary fire and hydraulic facilities; and
- End of Trip Facilities for bike storage and change rooms.

First Floor Level:

- Café
- Library (with connection to level 1 digital hub);
- Library administration; and
- Senior Citizens.

Second Floor Level

- Digital Hub (with connection to Ground Floor Library);
- Museum with associated restoration and storage rooms; and
- Office space for City of Belmont.

Third Floor Level

- Flexible floor plan accommodating Not for Profit organisations; and
- Crèche for short term child care.

2.2.2 SPATIAL ARRANGEMENTS

The spaces throughout the Community Centre are proposed to maximise flexibility and connectivity whilst maintaining suitable secure zones for incoming and outgoing library items.

Library / Digital Hub:

The Library and Digital Hub are proposed to have a direct connection to each other, promoting alternative methods of use. The Library, located on the ground floor contains a range of spaces to cater for multiple user groups:

- Reading areas;
- Study zones;
- Kids section;
- Youth area; and
- Library Events space for group activities.

The shelving arrangements are designed to provide flexibility and the opportunity for pod type reading areas and to move away from rigid linear shelving set outs.

The digital hub on the upper level will cater for a range of other activities with a focus on modern technology. With direct connection via stairs and a lift within an open void, the area has been designed to offer open-plan arrangements with 120 degree computer desks, providing additional opportunities for group collaboration within a public environment. Training and meeting rooms catering to small and larger groups are also proposed for more private group collaborations. Recording studios located within the digital hub will provide the community with a dedicated space set up with equipment for editing and recording of voice overs, audition tapes, spoken works including oral histories, readings and instrumental works.

Senior Citizens:

Belmont's existing Senior Citizens building currently sits on the proposed site and is required to be demolished to make way for the Community Centre. The City of Belmont has worked closely with the Belmont Senior Citizens Club Inc. to ensure the proposed facilities will be suitable, based on their current and future activities. Within the proposed Senior Citizens space, the following facilities will be provided:

- Commercial sized community kitchen;
- Hall for carpet bowls and public bingo to accommodate 200+ personnel;
- Amenities as required;
- Min 30sqm storage space;
- Pool/billiard room;
- Motorised mobility scooter parking;
- Hairdressing salon; and
- Office for President, Secretary, Treasurer and Bingo management.

The Belmont Senior Citizens Club Inc. has acknowledged that the spaces dedicated to their needs are acceptable and in principal, endorsed the proposed concept design.

Museum:

Previously the Belmont Museum was located in a residential area with limited exposure to the public, it has now been relocated to a small section of the existing Ruth Faulkner Library. The proposed Museum, located on the First Floor, is directly adjacent to the digital hub and generates an educational link between the history of Belmont and modern technology.

The Museum space has been determined to accommodate the current overloaded museum exhibits whilst providing additional space for restoration and required climate controlled storage.

Office:

The Third Floor will be dedicated to the colocation and 'hub' of targeted Not for Profit (NfP) organisations addressing the current gaps (i.e. mental health, alcohol and drug etc.) in service delivery that will provide in-demand community support services direct to the community. The base building will provide an open floor plate and dependent on the individual tenant, they will have the opportunity to build multiple fit outs across the Third floor.

In addition to the NfP tenancy on the Third floor there is a crèche that will provide short term care for children of parents, family members and caregivers accessing the support services provided by the NfP organisations, all of whom have provided letters of support for this necessary development initiative.

Further office space is proposed for the accommodation of administration staff related to the operation of the building.

Café:

The café is to have direct access from Wright St, inviting customers off the main road through Belmont. This proposal generates further opportunity for the community to engage with the public use facilities.

Amenities:

Suitable compliant amenities across each level will be provided in line with the National Construction Code and Property Council guidelines.

The flexibility of spaces within the proposed Community Centre is fundamental to the success of this building. Open plan areas allow for a range of spatial layouts. The flexibility of the space also ensures that the facility is able to remain relevant as the community evolves socially and technologically.

2.3 Demand

The primary driver of demand for community infrastructure is the size and nature of the catchment it serves. Recent and ongoing changes in Australian society have placed increasing demands on the community services sector. These changes include:

- The ageing of Australia's population resulting in a greater demand for services to cater for the unique needs of this cohort.
- Rising levels of poverty leading to increased demand for low cost, supported housing, and other basic goods and services.
- Growth in women's workforce participation resulting in greater demand for child care services.
- Unprecedented levels of illicit drug and alcohol abuse leading to a need for rehabilitation, education and other harm minimisation services.
- Growing prevalence of disability, in particular psychological disability, over time, leading to a greater need for disability and mental health services.

This chapter outlines the current and future state of the catchment for the Faulkner Civic Precinct Community Centre. The profile is not comprehensive, but rather, focused specifically on the main demographic factors which are likely to influence demand for the type of social infrastructure, activities and services that will be accommodated in the Faulkner Civic Precinct Community Centre.

2.3.1 Current State

Demographics

In 2016 the residential population of the City of Belmont was estimated to be 41,270 (*all demographic data sourced from .id community*). An analysis of the City's population profile shows that the residential communities in this area are generally characterised by:

- Smaller proportions of children and young people (5 - 19 years) and larger proportions of people in the young adult cohort (20-35 years) and the older cohort (70 years and over) as compared with the greater Perth Area.
- A diverse mix of family and household types including relatively large proportions of one parent families, lone person households and group households.
- Higher proportions of low income households. Approximately 27.9% of household incomes were in the lowest quartile, compared with 24% for both the Eastern Metropolitan Regional Council (EMRC) region and the Greater Perth Area.
- Much larger proportions of homes being rented. Approximately 37.4% of households in the City Belmont were rented in 2016, compared with 23.5% for the EMRC region and 25.5% for the Greater Perth Area. This can largely be attributed to the high proportion of social housing that is accommodated within the City of Belmont. In 2016, 6.9% of rented households in the City Belmont were social housing, compared with 3.5% for the EMRC region and 3.1% for the Greater Perth Area.
- Higher proportions of Indigenous persons. Approximately 3.72% of Belmont residents identify as Aboriginal and/or Torres Strait Islander, compared with 2.90% in the EMRC region and 1.88% in the Greater Perth Region, which results in a greater demand for culturally appropriate specific services.
- Larger proportions of people who were born overseas and larger proportions of people who speak a language other than English at home. The main community languages spoken at home were predominantly Asian languages, with a smaller number of European and Middle Eastern languages also spoken.
- Social and economic disadvantage - many residents of the City of Belmont are disadvantaged socially and/or economically. In 2011, the City of Belmont ranked 986.8 on the Socio-Economic Index for Areas (SEIFA Index) of disadvantage. This makes Belmont the second most disadvantaged Local Government Area within the Greater Perth Area, which enjoys a SEIFA Index of 1,033.4. Significant contributors to the low local SEIFA Index are the persistence of relatively high rates of local unemployment, and a lack of access to economic resources. (2016 SEIFA Indices have not yet been released.)

- As well as these Australian Bureau of Statistics (ABS) indicators, Belmont also has high rates of unemployment. The March 2017 Small Area Labour Market report records unemployment in the City of Belmont at 7.1% as compared with 6.1% for the EMRC region and 6.5% for the Greater Perth Area.

This analysis illustrates not only the chronic disadvantage experienced by many groups of residents in Belmont, but also the growing inequities which fracture the community. Based on these characteristics the catchment can be expected to have an above average demand and requirement for community infrastructure and services.

Communities of interest

The Faulkner Civic Precinct Community Centre is being developed to benefit the entire population of the Local Government Area and beyond. However, there are some specific communities for whom the development is intended to have a significant benefit. These may not necessarily be residents who live nearby, but those who are most in need. The communities of interest are:

- Disadvantaged¹
- Migrant groups and those for whom English is a second language
- Aboriginal and Torres Strait Islanders
- Seniors
- Youth
- Unemployed

The Social Impact Assessment by Creating Community, which is including as an attachment to this submission describes the 'Communities of Interest' in detail, outlining the characteristics of each group and how particular groups will benefit from the Community Centre and Library development.

Current users

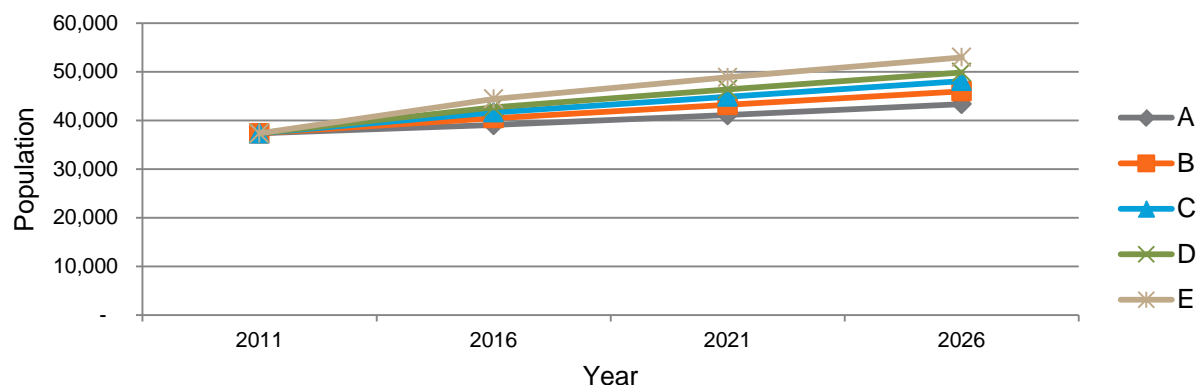
At present there are 52 user groups/ activities/events operating from the facilities in the proposed redevelopment area. For the most part, these are groups that meet frequently or semi-frequently. Also included in this overview are a number of annual events delivered at the library and museum.

There is a strong correlation between the Belmont communities of interest and the existing community groups that currently use Belmont facilities. This suggests that the facilities are servicing the needs of hard-to-reach or minority groups and that the proposed facility will continue to service these needs while having the capacity to expand its reach and increase participation.

2.3.2 Future State

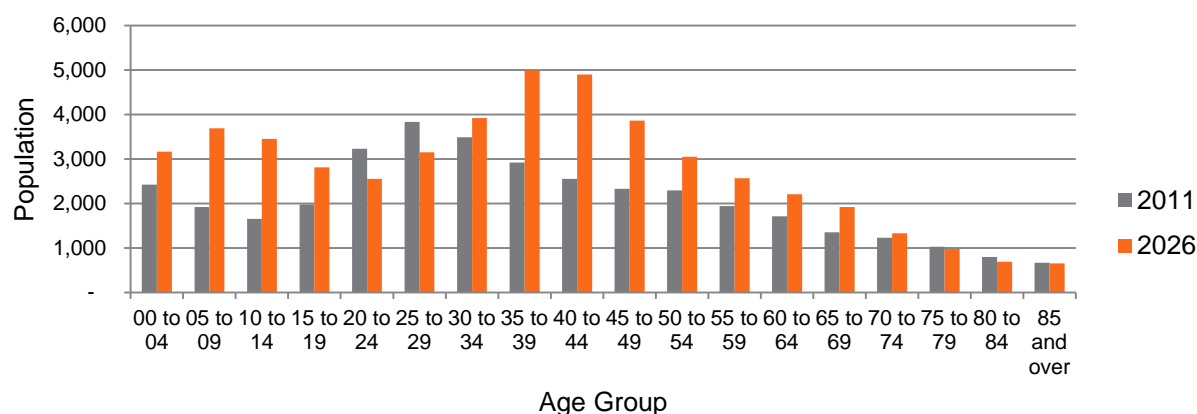
Western Australia Tomorrow is a set of forecasts representing the best estimate of Western Australia's future population size based on current fertility, mortality and migration trends. The population forecasts for the City of Belmont are shown in Figure 5. Western Australia Tomorrow includes a forecast range known as 'bands'. Bands A and B contain the lower forecasts, Band C is the median forecast and bands D and E represent the higher forecasts. This is the range of plausible futures for the projected population growth of Belmont. The forecast range that best reflects the growth experienced in the City of Belmont since 2011 is B and D. Looking to 2026, the most likely outcome is for the City of Belmont to accommodate a residential population of 50,000 people.

¹ This section addresses disadvantage across the City of Belmont in a broad sense. The communities of interest below describe specific disadvantaged communities, their needs, and how these might be met by the development.

Figure 5. City of Belmont Population Projections

Source: WA Tomorrow WAPC (2014)

Beyond the forecast 22% increase in the population, the age profile of residents is anticipated to shift significantly (Figure 6). By 2026 the City's current young adult cohort will be raising families, resulting in an increase in the number of young children in the area. Beyond the increase from the existing population, a significant increase in the number of families in the region will be attributed to immigration. Based on these forecasts, the City of Belmont can be expected to experience steady growth in the demand for community infrastructure and services, and continued demand for settlement services and culturally specific services.

Figure 6. City of Belmont Demographic Shift

Source: WA Tomorrow WAPC (2014)

2.4 Summary

Current and predicted demographic data paint a picture of Belmont as an area with significant needs - needs that are only going to increase. As will be illustrated later in this document, based on a combination of comprehensive consultation and an assessment of the demographics shown here, the City of Belmont has concluded that action must be taken to provide the community infrastructure necessary to support these needs and provide a focal point for the provision of essential services.

The City is now moving to develop a new Community Centre and Library, and has received a significant level of financial support from external sources. However, given the extent of expenditure necessary to establish this facility, it is necessary to address the provisions of Section 3.59 of the *Local Government Act 1995* with particular reference to the preparation of a business plan for a major land transaction. The remainder of this document will specifically address the requirements outlined in Section 3.59 (3) of the *Local Government Act 1995*.

3 SECTION 3.59(3)(A) EXPECTED EFFECT ON THE PROVISION OF FACILITIES AND SERVICES BY THE CITY OF BELMONT

In assessing the likely effect of the proposed land transaction on the provision of facilities and services provided by the CoB, a review of their current services and facilities along with their funding and expected expenditures has been undertaken.

3.1 Supply

The Faulkner Civic Precinct Community Centre project will form part of a network of facilities and services which residents across the region will access. The current state of this network, and any known future changes and developments, is outlined here.

3.1.1 Current State – Local supply

In 2013, a Community Infrastructure Plan for the City of Belmont was completed by Thao Ashford (Planning Consultant). This report provided a high level analysis of the current provision of community infrastructure within the City of Belmont. The study found a number of gaps with regard to local infrastructure provision.

Ruth Faulkner Library

The library houses a diverse collection of books, magazines, audio-visual materials and online resources. It runs regular activities for children, young people and adults, including a book club, a homework club, English conversation classes, children's story time and movie session for young adults. Computer and printing facilities are available for public use for a nominal fee. Aside from computer stations and study desks, the library also has an events room and a meeting room (catering for 30-50 people depending on seating configuration), which are regularly used by community groups to run meetings and activities. Library patronage averages 500-600 people per day.

The original library building was built in the 1970's, a time when libraries were principally focused on print material. Since then the function of libraries has changed. Libraries are going through a renaissance, both in terms of the social infrastructure they provide and in terms of a diversification of the services and experiences offered.² Beyond the changing function of libraries, the population of Belmont has grown significantly and the existing library is currently operating at full capacity in terms of physical space, electricity demand and holding stock. While the current building still has a useful life, it is no longer fit for purpose as a modern, digital enabled library.

The Belmont Museum

The Belmont Museum is owned and managed by the City of Belmont. It was previously located in a purpose-built building housing a collection of artefacts and items of high local historical significance. The building consisted of a main exhibition area, an administration office, kitchen, toilets and courtyard. The museum was well supported by the local community and heritage groups, but was isolated in its location. Other issues associated with the museum building include:

- Lack of storage and exhibition areas
- No quarantine area for processing of artefacts
- No temperature/humidity control
- Lack of public access to research facilities

Belmont Senior Citizens Club

The Belmont Senior Citizens Club was a well-used facility and has a membership of 300 members with up to 80 people participating in programs and activities at any one time. The centre was in an ideal location because of the bus stop and proximity to the shopping centre. Discussion with a representative from the seniors centre management committee indicated that this facility is used frequently.

However, there are issues with multiple bookings (i.e. activities wanting to be on at the same time) in a constrained facility, as well as structural issues with the building. The Senior Citizens Centre Building was developed in 1970 and, as such, is reaching the end of its useful life.

The City of Belmont's Building Services Department recently commissioned an independent structural assessment of all buildings owned by the Council and ranked them against an accepted rating schedule. A rating of 0 indicates, "A new asset or an asset recently rehabilitated back to new condition." A rating of 10 indicates, "An asset that has failed, is no longer serviceable and should not remain in service. There would be an extreme risk in leaving the asset in service." Based on this, the fit-out, associated plant, roof and roof structure of the existing Senior Citizens Club were rated as 6, meaning, "An asset in Fair to poor overall condition. The condition deterioration would be quite obvious."

² Future Libraries (2015) ARUP University, London
Faulkner Civic Precinct Community Centre: Business Plan



Asset serviceability would now be affected and maintenance cost would be rising.” The rest of the facility was rated as 4 or 5. Clearly, it is not appropriate or acceptable that a valued section of the Belmont community should be using facilities that are in poor condition. The Club has been relocated to what was the Museum building on a short term basis.

Community Office Space for Not-for-Profit Community Service Providers

Belmont does not currently have any facilities in the Faulkner Civic Precinct that offer space for community meetings, or office space for not-for-profit organisations. Several recent surveys and research projects indicate that Belmont has an increasing number of gaps in the delivery of vital community services. Whilst Belmont has a strong network of community and not-for-profit organisations, and a dedicated Community Development Department, the inability to access suitable facilities is a key issue impacting on the capacity of the local community sector to provide essential services and programs to meet emerging social and cultural issues and needs.

3.1.2 Current State – Regional supply

Beyond the municipal boundaries, City of Belmont residents are often required to access facilities and services in the wider Greater Perth region. While there is an extensive network of senior citizens centres, public libraries and local museums, there are only a few examples of comparable multipurpose facilities. Three multipurpose facilities identified are outlined below:

The RISE – City of Bayswater

The RISE is located in the City of Bayswater, approximately 10km by road, north of the Faulkner Civic Precinct Community Centre. RISE is an acronym for Recreation, Information, Socialising and Entertainment. The RISE offers a range of facilities for the community, including a multifunction sports hall, new library, gymnasium, infant health clinic, crèche facility, youth space, community and function rooms, café and an outdoor performance area. The RISE was completed in 2011.

Cannington Leisureplex – City of Canning

Located in the heart of the Cannington City Centre, the Cannington Leisureplex is located approximately 8km by road, south of the Faulkner Civic Precinct Community Centre. The Cannington Leisureplex opened in September 2012. The building includes a library with multi-media zone, indoor swimming pools, waterslide and outdoor splash pad, sports courts, a function centre, high tech gym, kid's indoor playground, a crèche and a cafe.

Darius Wells Library and Resource Centre – Town of Kwinana

Located approximately 40km from the Faulkner Civic Precinct Community Centre, the Darius Wells Library and Resource Centre operates in a different catchment. However, it is still a useful benchmark. Completed in 2013, the Darius Wells Library and Resource Centre comprises a new district library and information services facility, community facilities including a multipurpose hall, crèche, café, an art and design workshop and office accommodation for a number of community services organisations. The building is fully integrated with the adjacent Town Square.

Like these facilities the Faulkner Civic Precinct Community Centre, will provide for a community ecosystem seamlessly integrated into a town centre. However, the value proposition will be very distinct. Figure 7 compares the current and proposed value proposition for Faulkner Civic Precinct Community Centre. It illustrates how the project will not only enhance the offer of the Library, Museum and Senior Citizens Centre, but will provide for a diverse range of other necessary social, cultural and community spaces.

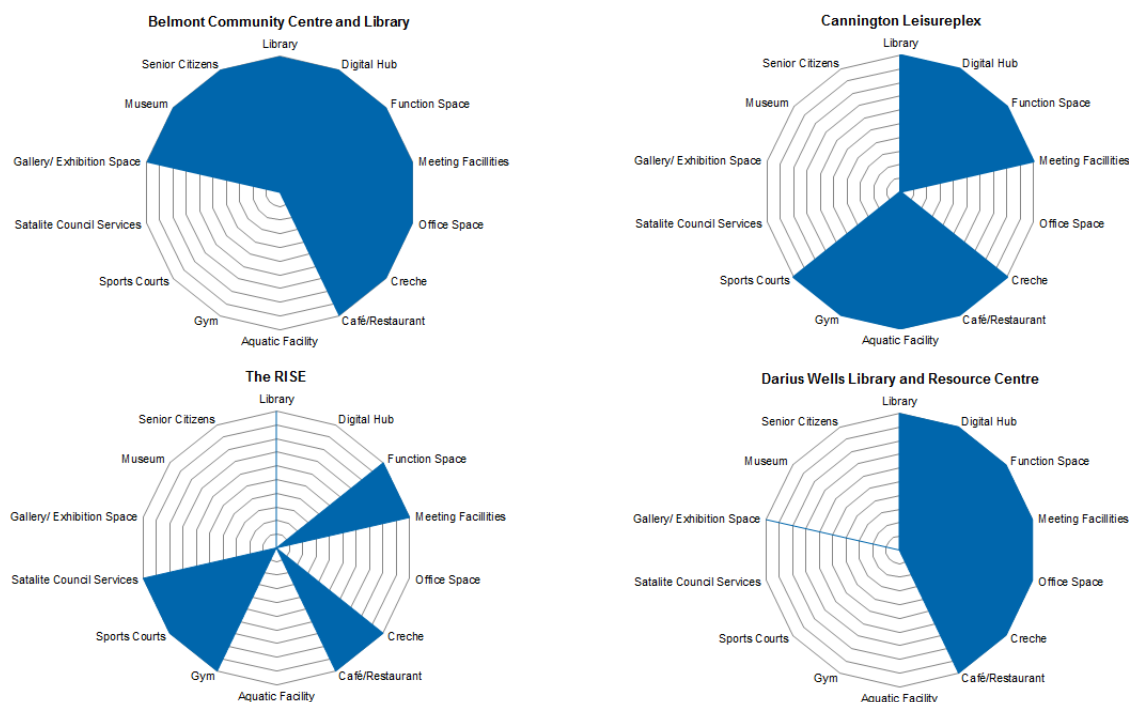
Figure 7. Change in value proposition



Source: City of Belmont (2015)

Figure 8 summarises the comparative value proposition of the proposed Faulkner Civic Precinct Community Centre and the other identified multipurpose facilities. As illustrated the Faulkner Civic Precinct Community Centre has a unique mix of uses designed to meet the specific needs of the Belmont Community. It sits in contrast to the RISE and the Cannington Leisureplex which both have a distinct sports and leisure focus.

Figure 8. Comparative value proposition



Source: City of Belmont (2015)

3.1.3 Future State

Beyond the existing network of facilities in the metro area, a number of new facilities are being planned and developed. The most significant and proximate to the City of Belmont is the Manning Community Hub. The Manning Community Hub is a \$16 million civic project being undertaken to develop a precinct in the City of South Perth. This project was initiated in response to studies demonstrating that the existing community facilities were ageing and reaching the end of their useful life. The Manning Community Hub will include the relocated Manning Library, a community hall, Manning Child Health Clinic, Moorditj Keila Aboriginal Group, a sporting clubroom to house the Manning Rippers Football Club and an early years' centre that will be the home of the Manning Toy Library and a new Manning Playgroup association. Construction of the Manning Community Hub Facility is scheduled to commence in May 2015 and is expected to be completed at the end of 2016.

The City of Belmont is not aware of any planned developments for additional community infrastructure seeking to meet the unique needs of the Belmont community. Without this investment in community infrastructure, the gap between demand and supply in the region will continue to widen.

3.2 Summary

At present there are 52 user groups/ activities/events operating from the facilities in the proposed redevelopment area. There is a strong correlation between the Belmont communities of interest and the existing community groups that currently use Belmont facilities. This suggests that the facilities are servicing the needs of hard-to-reach or minority groups and that the proposed amenity will continue to service these needs while having the capacity to expand their reach and increase participation. Analysis by Creating Communities based on data provided by the City of Belmont suggests that an overwhelming majority of user groups are not having their needs adequately met by the current facilities (86%). The population of the City of Belmont is forecast to grow by 22% by 2026. This additional growth will bring increased demand on public facilities and services.

It is clear that there is demand for, and the potential to provide services for, the significant level of services required by the residents of the City of Belmont. What is lacking is a convenient, central, location where these services can be provided. Further, the opportunities for coordination and effective delivery of services from a one stop, multi user facility are completely lacking. The intent of the City is to provide this facility. The purpose of the Business Plan is to demonstrate that this need exists, that the City is aware of it, and that concrete plans are in place to address the issue.

4 SECTION 3.59(3)(B) EXPECTED EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES

In 2013, a Community Infrastructure Plan for the City of Belmont was completed by Thao Ashford (Planning Consultant). This report provided a high level analysis of the current provision of community infrastructure within the City of Belmont. The study found a number of gaps with regard to local infrastructure provision. A consistent theme throughout the findings of this Plan was that there was high demand for community services from the Belmont Town Centre and a significant level of organisations who were ready and able to provide these services. The missing element in meeting this demand was the lack of a physical location for it to happen from.

While the proposed Faulkner Civic Precinct Community Centre will be available for the entire community, it is recognised that particular demographic groups will experience enhanced benefit from the facility. The section below outlines the current representation of each of these groups, and details the expected impact that the proposed facility will effect.

4.1 Target Populations

The City of Belmont currently provides a range of services through the facilities located in Faulkner Park. These services are targeted towards those sections of the resident population that Officers and/or Council consider to represent significant need. It must be emphasised that in most cases the City has had to provide these services in the absence of another person or organisation targeting these groups.

4.1.1 Migrant groups/CaLD

KEY STATISTICS (2016 ABS)	BELMONT	GREATER PERTH
% born overseas	40.4	36.1
% speaks language other than English at home	29.5	20.1

In 2016, 29.5% of people in the City of Belmont came from countries where English was not their first language. These statistics demonstrate that there is likely to be a high proportion of residents with a culturally and linguistically diverse (CaLD) background utilising community facilities and accessing services.

There was a larger proportion of recent overseas arrivals (those who arrived between 2011 and 2016) when compared with those who arrived from overseas before 2006. This suggests that the number of library members with a culturally diverse background will increase as the migrant/CaLD population in the City of Belmont continues to grow.

There is no other organisation or persons providing facilities or services dedicated to the migrant/CaLD population within the City of Belmont. All services are currently being provided through the Belmont Library.

CaLD users of Current Facilities

There are currently three active migrant/CaLD groups who use the current Belmont Library:

- Cultural Diversity Focus Group
- Learning English Through Storytime (LETS)
- Conversation Class

These groups use the meeting rooms and event room either on a weekly or monthly basis. These groups have indicated that their facility needs are currently not being met and that additional benefit would be derived from an upgraded facility.

Benefits to CaLD users of Proposed Facility

The inclusion of the Third Floor at the proposed Faulkner Civic Precinct Community Centre will be a key to addressing the increasing population and disadvantage of migrant and CaLD groups. It is anticipated that the services delivered from the Third Floor will include English programs, support and integration services, and referral services targeting migrant and CaLD groups. In addition, a host of programs addressing these groups will be delivered through the library, such as conversation classes, life skills support programs and computer literacy classes. As is stated in Rajeswari Chelliah's research paper on Community Building, Multiculturalism and the Suburban Public Library, 'the public library is strategically located to draw diverse individuals from a wide catchment area and contribute towards community building strategies and integration in the Region' (page iv)

Thus, the improved facility will have a strong impact on bringing CaLD communities together, increasing their skills and capacity, and therefore reducing disadvantage.

4.1.2 Aboriginal people

KEY STATISTICS (2011 ABS)	BELMONT	WESTERN AUSTRALIA
% total Aboriginal and Torres Strait Islander population	3.0	3.1
% Aboriginal and Torres Strait Islander people aged 12 to 17 years	12.7	7.9
% Aboriginal and Torres Strait Islander people aged 18 to 24	14.7	9.7

There is a higher proportion of Aboriginal and Torres Strait Islander people residing the City of Belmont when compared with the greater Perth area. Additionally, Belmont has a higher proportion of young people aged 12 to 24 years living in the area.

There are other organisations or persons providing facilities or services dedicated to the Aboriginal Community within the City of Belmont. The majority of these are focused on specific needs, eg employment assistance or financial advice, and it is evident that demand exceeds the level of service they can provide from their current funding base.

Aboriginal users of Current Facilities

There are currently two active Aboriginal groups using the existing Belmont Library:

- Aboriginal Reference Committee
- Aboriginal Reference Committee - Community Members meeting

These groups use the Rivervale Meeting Room, located in the Civic Centre, weekly and bi-monthly, respectively. These groups have indicated that their facility needs are currently not being met and that additional benefit would be derived from an upgraded facility.

Benefits to Aboriginal users of Proposed Facility

While the ethnicity of borrowers cannot be distinguished, there has been growing interest in the Indigenous collection of print and non-print materials from the Library. The borrowing behaviour from the Indigenous collection over the last three years is shown here.

Use of the Library Indigenous collection

YEAR	ADULT COLLECTION	JUNIOR COLLECTION
2013	1	0
2014	55	39
2015	40	64
Jan/Feb 2016	20	10

The additional space offered by the new facility would allow the indigenous collection to expand. At present the collection is at capacity due to a shortage of shelf space. The increased collection would encourage education; communicate important cultural practices and stories; and transmit significant histories, customs and languages. The Digital Hub, in particular, has been earmarked as a space through which Noongar oral history will be recorded. Each of these elements will be of cultural and educational benefit to not only the indigenous community but the wider City of Belmont community.

4.1.3 Seniors

KEY STATISTIC (2016 ABS)	BELMONT	GREATER PERTH
% seniors (aged 70 to 84)	7.5	7.5

The City of Belmont has a similar proportion of people in the older age groups (70 – 84) to the greater Perth region).

Senior users of Current Facilities

There are currently two active seniors groups who use the current Belmont Library, and consist of:

- Age Friendly Focus Group
- Belmont Senior Citizens Club

The Age Friendly Focus Group currently uses the Function Room, located in the Civic Centre, every three months. They have indicated that their accommodation needs are currently not being met and that additional benefit would be derived from an upgraded facility.

The Belmont Senior Citizens Club currently uses the Belmont Senior Citizens Centre exclusively but this facility was constructed in 1970 and is currently not meeting the needs of the club due to its inefficient design and structural issues. The proposed facility will include a new and dedicated space for the Senior Citizens Club.

There are no other persons or organisations providing services to Seniors within the City of Belmont.

Benefits to Senior users of Proposed Facility

The co-location of amenities and services will be of particular benefit to those in older age brackets, increasing the ease of accessibility. The central location of the facility and its close proximity to the shopping centre and associated support services will increase its use and enhance the vibrancy of the precinct as a town centre. Additionally, a larger number of senior programs, services, activities and events will be enabled through the facility's increased capacity and upgraded resources. Not-for-profit services targeted at aged-care will also provide increased support and referrals to those in older age brackets, increasing visitation to the area and supporting the reasons for co-location.

4.1.4 Youth

KEY STATISTICS (2016 ABS)	BELMONT	GREATER PERTH
% secondary schoolers (12 to 17 years)	4.9	7.2
% tertiary education and independence (18 to 24 years)	10.4	9.4

While the percentage of secondary school students is lower in Belmont than in the Greater Perth area, the proportion of those aged between 18 and 24 years is slightly higher. The tertiary education and independent age bracket also registered a significant population increase between 2011 and 2016 (an additional 340 persons).

Youth users of Current Facility

There are currently six young people's groups and youth groups operating from the existing Belmont Library:

- Belmont Youth CAN (Collaborative Action Network)
- Quarterly Youth Services Management Meetings
- M12+ Movie Club
- Homework Club
- School Leaders Liaison Meeting
- South East Metropolitan Human Services Regional Managers Forum (focussed on youth)

These groups generally utilise larger spaces including the activity area, Rivervale Meeting Room and Function Room, as well as the Training Room at the Youth Services Building. Some users expressed that their needs were currently being met by the existing facilities. However, others felt that their needs were not being met.

There are no other persons or organisations providing services to Youth within the City of Belmont.

Benefits to Youth Users of Proposed Facility

A range of elements of the proposed facility will have considerable impact on local youth. The Third Floor hosting of not-for-profit agencies will assist with a number of topics pertinent to young people including school-to-work transitions, mental health support and referrals from nearby schools. The digital hub of the upgraded library will act as a significant drawcard for young people, who will use the space for schoolwork, job-seeking, Wi-Fi access and entertainment. The facility's co-location with the proposed youth plaza hub will also increase the use of the area, as will the inevitable traffic from young people as they cross the precinct to reach nearby schools and public transport.

4.1.5 Unemployed

KEY STATISTICS (2011 ABS)	BELMONT	GREATER PERTH
% of unemployed	5.2	4.8
% looking for full-time work	3.2	2.7
% total labour force (participation rate)	62.1	64.5
% of unemployed aged 15 - 24	10.6	10.1
% of unemployed aged 55 years and over	4.1	2.9

Key ABS Employment Statistics for 2016 have not yet been released. However, the Small Area Labour Market statistics referenced in section 2.3.1 indicate that the situation in Belmont has not improved since 2011. The statistics show that there is a higher proportion of residents unemployed in the City of Belmont when compared to the greater Perth region.

Benefits to the unemployed of Proposed Facility

A number of elements proposed for the Faulkner Civic Precinct Community Centre will benefit Belmont's unemployed community.

In particular, the Third Floor has been earmarked to deliver a range of employment services to link residents to employment opportunities and assist with work transitions. In addition to the Third Floor, upgraded resources in the Library and digital hub will also provide benefit to those seeking work. Access to a larger number of computers and the internet will allow residents to actively seek job opportunities while Library resources will improve education and help to build skills and capacity.

4.2 Overview of Existing Facility Use and Demand

User Group Type

At present there are 52 user groups/ activities/events operating from the facilities in the proposed redevelopment area. For the most part, these are groups that meet frequently or semi-frequently. Also included in this overview are a number of annual events delivered at the library and museum.

There is a strong correlation between the Belmont communities of interest and the existing community groups that currently use Belmont facilities. This suggests that the facilities are servicing the needs of hard-to-reach or minority groups and that the proposed amenity will continue to service these needs while having the capacity to expand their reach and increase participation.

Facility Use

In general, the groups that meet more frequently tend to use meeting rooms, event rooms or activity areas. The museum and display areas are used less frequently, for the most part for one-off/annual events or a short series of events.

The most frequently used facilities are:

- Events Room - General and Function Room - (20 users)
- Meeting Rooms - General, Rivervale, Library Oasis Centre - (14 users)
- Activity Area (13 users)
- Museum (7 users)

User Group Demand

Data provided by the City of Belmont suggests that an overwhelming majority of user groups are not having their needs adequately met by the current facilities (86%).

User Group	No. of Respondents – Demands <u>Are Not</u> Currently Being Met	No. of Respondents – Demands <u>Are</u> Currently Being Met	Percentage of Respondents Whose Demands <u>Are Not</u> Currently Being Met
Aboriginal (2)	2	0	100%
Migrant groups / CaLD (3)	3	0	100%
Seniors (1)	0	2	100%
Youth / young people (6)	2	4	33%
Families (18)	18		100%
Adults (13)	13		100%
All Ages (8)	7	1	87.5%
Total	45	7	86%

Data source: City of Belmont 2016

The findings from the data suggest that 96% of user groups would derive additional benefit from the development of the Belmont Library and Community Centre.

User Group	No. of Respondents – Who Would Derive <u>Additional</u> Benefit	No. of Respondents – Who Would Derive the <u>Same Level</u> of Benefit	Percentage of Respondents Who Would Derive <u>Additional</u> Benefit
Aboriginal (2)	2		100%
Migrant groups / CaLD (3)	3		100%
Seniors (2)	2		100%
Youth / young people (6)	4	2	66%
Families (18)	18		100%
Adults (13)	13		100%
All Ages (8)	8		10%
Total	50	2	96%

Data source: City of Belmont 2016

Key reasons outlined for deriving additional benefit included:

- Additional event/activity space
- Access to improved facilities/equipment
- Access to improved seating capabilities
- Allow more people to attend with increased capacity
- Access to current online information due to improved technology capabilities

No reasons were listed for those groups that suggested they would derive the same level of benefit.

4.3 Summary

All of the research conducted by the City of Belmont through either its own resources or commissioned research supports our assertion that there is a significant level of unmet demand for community support services within the City. The research also supports the opinion that the primary inhibitor to this level of demand being met stems from a lack of facilities to deliver it from. These assertions have been supported by both a range of consultation initiatives and the funding provided by State and Federal Government.

5 SECTION 3.59(3)(C) EXPECTED FINANCIAL EFFECT ON THE CITY OF BELMONT

The City of Belmont is committed to the development of the Faulkner Civic Precinct Community Centre. However, the high capital costs associated with the development necessitated seeking funding support.

Lotterywest has approved funding to the City of Belmont of \$3,837,557 for this project as they consider it to be of significant importance to the community in terms of both the services it offers and the collocational model in which they will be offered. The Commonwealth Government, through the National Stronger Regional Fund, has also provided support to assist the City of Belmont through a \$9,675,081 contribution arrangement for building and external works associated with the development of the Faulkner Civic Precinct Community Centre.

The remaining financial commitment will be met by the City of Belmont.

5.1 Total Construction Budget

The construction cost for the Faulkner Civic Precinct Community Centre has been provided by quantity surveyor Ralph Beattie Bosworth (RBB) and is summarised in Table 1.

Table 1: Capital Cost Estimates

Item	Cost (\$) June 2017
Building Works	30,193,000
External Works	1,429,000
External Services – Building	362,000
Third Floor Fitout	1,974,000
Construction Contingency	1,593,000
Head works & Statutory Charges	190,000
Public Art; allowance	239,000
Fibre Optic Services	78,300
Furniture & Equipment	1,650,000
Professional Fees & Disbursements	2,335,000
Estimated Total Commitment (Excluding GST) at June 2017	\$40,043,300

Source: RBB (2017)

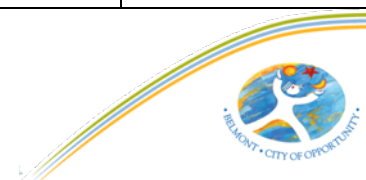
5.1.1 Construction Funding Strategy

The City of Belmont has received funding from Lotterywest and the Federal Government, through Round Three of the National Stronger Regions Fund (NSRF), for the construction of the Belmont Community Centre & Library. One challenge in seeking funding from diverse sources is ensuring that the specific eligibility requirements of each funder are met.

The City of Belmont has undertaken detailed analysis address these eligibility requirements as they relate to this project. Table 2 provides a funding summary for the project.

Table 2. Project Funding Summary

Item	Lotterywest	NSRF	City of Belmont Commitment	Total Project Cost
Building Works	2,955,632	8,840,903	18,396,465	30,193,000
External Works	-	334,529	1,094,471	1,429,000
External Services	162,848	199,152	-	362,000
Third Floor Fitout	719,077	300,497	954,426	1,974,000
Construction Contingency	-	-	1,593,000	1,593,000
Headworks & Statutory Charges	-	-	190,000	190,000
Public Art; allowance	-	-	239,000	239,000
Fibre Optic Services	-	-	78,300	78,300
Furniture & Equipment	-	-	1,650,000	1,650,000
Professional Fees & Disbursements	-	-	2,335,000	2,335,000
Total	3,837,557 Approved	9,675,081 Approved	26,530,662 Committed	40,043,300



The City will fund its component by way of new borrowings and reserve funds. The City of Belmont's Long Term Financial Plan 2016 – 2025 outlines the funding arrangement and confirms the City's capacity to fund this.

5.1.2 Fit out of other spaces

As discussed, the fitout of the third floor will be jointly funded by Lotterywest and the City of Belmont and the estimates have been included in the above costings.

The full fit out of the café space will be funded by the Café operator. The Belmont Senior Citizens Club Inc. and the crèche operator are also assumed to fund the fit out of these spaces. It is likely that the not-for-profit occupants will be able to access State funding toward the fit out and the City is committed to assisting with the applications where possible.

Detailed cost estimates for the fit out for the library and museum have not yet been completed; however benchmarking suggested that the fit out for these spaces will be in the order of \$3M and \$2M respectively. It is anticipated that the City will be able to secure some external funding toward this cost.

Given that \$25.3M in funding for the overall Civic Centre project, of which the Faulkner Civic Precinct Community Centre is a key component, has been identified in the City of Belmont's Long Term Financial Plan 2016–2025, the City has the capacity to fund these items.

5.2 Operating Analysis

A comprehensive operating analysis has been undertaken to demonstrate the viability and sustainability of the project.

5.2.1 Assumptions

The operating analysis relies on a number of assumptions about key inputs and variables. The extent to which these assumptions hold true in the market will affect the validity of the results. The following assumptions underpin the analysis:

- The present values of the annual net cash flows are calculated over a 20 year period and discounted at a real discount rate of 4%.
- Operating costs and revenues have not been escalated above CPI. In recent years, the Local Government Cost Index has been at or below that of the Consumer Price Index.

As the City currently operates the library and museum, it has existing revenues and costs associated with the delivery of these programs. As such this analysis is limited to consider only the net change in the operating position from the perspective of the City of Belmont.

5.2.2 Building

The primary revenue sources for the facility will be the levying of rents to tenants. The rents for the community office spaces will be set on a cost recovery basis. This is estimated at \$200 per sqm per annum and includes;

- Depreciation
- Water Rates
- Building Insurance
- Outgoings

This rent is consistent with estimated accommodation budgets that potential tenants provided during the EOI process.

The café operator will be charged a commercial rent, but it may be discounted in lieu of the significant capital investment required for the fit out of the space. For the purposed of a conservative analysis, this has been estimated at the cost recovery rate. The operating revenues associated with the facility are outlined in Table 3. Overall the facility is expected to recover \$483,600 per annum.

Table 3: Annual Building Revenue

Item	Rent (\$/sqm)	Applicable Sqm	Total Revenue per Annum
Café	200	293	58,600
Not-for-Profit Office Space	200	2,125	425,000
Total	200		483,600

Source: City of Belmont (2016), Rawlinson's Construction Handbook (2015), GHD (2015)

Increasing operation and maintenance costs present a challenge for all facilities managements. The increased operating costs associated with the new facility are outlined in Table 4.

Table 4: Annual Cost of Building Operations

Item	Cost (\$/sqm)	Applicable Sqm	Total Cost per Annum
Insurance	7.6	11,612	88,251
Air Conditioning	8.3	7,735	64,201
Lifts			12,000
Fire Protection	1.4	11,612	16,257
Energy	25.9	11,276	292,048
Cleaning	14.9	8,152	121,465
Security	2.8	11,612	32,514
Repairs and Maintenance	6.2	11,612	71,994
Sundries	4.3	11,612	49,932
Total	71		748,661

Source: Rawlinson's Construction Handbook (2015), GHD (2015)

One of the most significant costs of operating the facility will be energy costs. Once detailed designs are undertaken, options for improving energy efficiency and reducing the ongoing operating cost will be explored in more detail.

The current Ruth Faulkner Library building and the Museum building will be retained, but used for new purposes. However, the existing Senior Citizens centre will be demolished. The operating costs associated with the Senior Citizens centre building are \$50,304 per annum.

The net change in building operations and maintenance associated with the project is predicted to be an increase of approximately \$214,757 per annum.

5.2.3 Library

Revenue

The key driver of operating revenue for all the spaces within the facility is utilisation. Visits to the Ruth Faulkner Library are currently in excess of 162,000 visits per annum. Upon the opening of the new facility this figure is likely to increase significantly owing to the following key factors:

- The Faulkner Civic Precinct Community Centre is designed to include new offerings to encourage maximum usage by residents and the general public.
- To get full value for the community in return for this expenditure the opening hours of the library will be extended to Saturday afternoons and Sundays.
- A marketing strategy will translate latent demand to revenue as well as attract funding

To understand the impact the new facility will have on utilisation of the Library, benchmarking was undertaken with similar projects. A summary of benchmarking findings is given in Table 5. Benchmarked increase in utilisation. This illustrates the variation in impact.

Table 5. Benchmarked increase in utilisation

Facility	Year Completed	Total Project Cost (\$M)	Gross Floor Area	Increase in Utilisation
Armadale Library (WA)	2010	\$1.60	2,200	100%
Wanneroo Library and Cultural Centre (WA)	2009	\$13.30	4,200	87%
West Footscray Library (VIC)	2007	\$2.31	960	125%
Bendigo Library (VIC)	2014	\$9.12	4,000	26%

Source: City of Belmont (2016)

Based on the above benchmarking, utilisation of the new Library is anticipated to increase by 80%. This increase in utilisation will be the key driver of library revenue. It should be noted that, consistent with the role and function of libraries, there are limited opportunities for revenue generation. Current sources of revenue for the library include:

- Facility hire
- Sales
- Printing, photocopying and laminating
- Fines
- Grants

Revenue from these sources is expected to increase proportionally with utilisation. This equates to additional revenue of \$13,300 per annum in present dollars. Revenue from facility hire is anticipated to increase significantly due to the development of a number of new hireable spaces, including the recording studio, meeting rooms and the training room. Additional revenue of \$22,000 per annum in present dollars is anticipated from the hire of facilities. Table 6 summarises the estimated net additional operating revenue associated with the new Library.

Table 6. Library Net Additional Operating Revenue

Item	Revenue (\$2016)
Hire	22,000
Fines	8,400
Sales	2,000
Printing etc.	1,400
Grants Income	800
Misc. Income	700
Total	35,300

Source: City of Belmont (2016)

Operating expenses

Staff driven expenses

The operation of the library is highly labour intensive, with costs associated with labour accounting for nearly 60% of the operating budget. In the new facility the operating hours of the Library will increase by 20%. In addition to increased casual staff to support the additional opening hours the library will require two new FTE:

- Digital Resource Officer – responsible for coordinating and supporting the delivery of technical services and administration for the Digital Hub.
- Library and Heritage Education Officer – responsible for organising and encouraging participation in educational programmes to ensure the library and museum's collections act as a learning resource for the entire community.

Overall, a 20% increase in salaries and on costs is anticipated. This equates to an additional expense of \$255,800 per annum in present dollars. The corporate overhead for the library includes human resources, information technology etc. As these are directly related to the number of staff, these costs are assumed to increase proportionally with the increase in staff. This equates to an additional expense of \$105,500 per annum in present dollars.

Utilisation driven expense

Other cost centres are most likely going to be driven by changes in the utilisation of the library. Variable costs likely to be impacted by increased utilisation include:

- Materials, stationery and printing
- Subscriptions
- Senior Services
- Services
- Utilities
- Grants
- Book Purchases

Table 7 summarises the estimated net additional operating expenses associated with the new Library.

Table 7. Library Net Additional Operating Expenses

Cost Line	Year Completed
Staffing	255,800
Corporate Overhead	105,500
Printing and Stationary	29,000
Services	28,700
Subscriptions	19,600
Utilities	6,900
Book Purchases	2,000
Grants Expenses	800
Misc. Expenses	600
Total	448,900

5.2.4 Museum

The new facility represents a paradigm shift in the way the Belmont museum functions. To understand the costs associated with operating a museum in the new space it is worth comparing with a similar facility (Table 8)

Table 8. Benchmarked Museum Operating Costs

	13/14 Operating Per Annum	Net Cost	Floor (sqm)	space	Net Cost Per Annum	Operating Per Sqm
Geraldton Museum		\$830,000		1,300		\$638

The building operating cost of \$71 per sqm (Table 7) was subtracted from average net operating cost per square meter to avoid double counting. The resulting rate was applied to the proposed 862 sqm footprint of the new Belmont Museum. Based on this, the estimated cost of operations for the museum will be \$488,754 per annum. Subtracting the existing operating cost of \$66,240 per annum, the anticipated net change in the operating position of the museum is an increase of \$422,514 per annum.

5.2.5 Senior Citizens

There is not envisaged to be a net change in the operating position of the Senior Citizens.

5.2.6 Crèche

It is envisioned the operation of crèche will be outsourced to an external provider. The direct operating costs of the crèche are estimated to be \$100,000 per annum, predominantly staff salaries. The crèche will generate approximately \$20,000 per annum in revenue. The net cost to council is expected to be \$80,000 per annum.

5.2.7 Capital replacement

Beyond repairs and maintenance, the facility will incur capital replacement expenses. It is envisaged that mechanical plant and lifts will need to be replaced after 25 years.

5.2.8 Repurposing retained buildings

The Ruth Faulkner Library and the Belmont Museum space will be retained and repurposed. The intention of the City is to use the current Ruth Faulkner library building as a function centre. The capital cost associated with the conversion of the buildings is unknown. However it is conservatively assumed that the new uses for these spaces will, at a minimum, cover the costs associated with building operations and maintenance.

5.3 Finance costs

The construction of the building will require new borrowings of \$15M or \$20M. At a WA Treasury interest rate of 4.57 percent, the indicative annual repayments on a 20 year loan would be between \$1,152,222 and \$1,536,296 per annum depending on repayment frequency.

5.3.1 Pre-opening and development budget

The pre-opening and development budget will be equal to six months operating expenses and will cover:

- Leasing
- Recruitment
- Program development
- Marketing
- Administration

5.3.2 Net position

Assessing the feasibility of the project is challenging as conventional measures of project success such as Net Present Value, Internal Rate of Return and payback period are insufficient to capture the investment decision. It is important to note that this analysis has been undertaken from the perspective of the City of Belmont.

If \$20M of borrowing is used to finance the construction the Project will require the upfront cash investment from the City in the order of \$6.53M over three years. Beyond construction, the operation of the facility will require funding from the City in the order of \$1,130,870 per annum. \$1,536,296 per annum will be required to cover the cost of finance. Over twenty years the net present cost of the project to the City will be \$36,878,920.

It is important to note that the facility represents a significant increase in the provision of cultural, social and community activity by the City of Belmont. If these cultural, social and community activities are not provided it will be at the expense of the local community who will either miss out on necessary services or will be required to travel to access facilities and services provided by other Local Councils.

5.4 Economic Impact

Cost benefit analysis is an economic evaluation technique used to inform public and private sector decision-making. The technique involves the estimation and summation of the money equivalent value of the benefits and costs that will result from a project or policy. The basic decision criterion for a cost benefit analysis is that a project should proceed if the net present value of the project is positive. When comparing projects, the project with the highest net present value is preferred. The methodology ignores the distribution of the benefits and costs as justified by the Hicks/Kaldor compensation test.

As Lind, Arrow et al. (1982) note, cost benefit analysis should be employed as a guide for decision making rather than a substitute for judgment. Increasingly government decision makers are incorporating alternative techniques into their considerations of project merit. An example of this is Infrastructure Australia's treatment of wider economic benefits. Infrastructure Australia recognises the importance of wider economic benefits in project appraisal and considers them independently of a traditional cost benefit analysis (IA 2013). Increasingly cost benefit analysis is one of a suite of techniques employed in project assessment.

The City has undertaken an economic impact assessment of the project using REMPlan and standard cost benefit analysis methodologies.

5.4.1 The Construction Phase

During the construction phase, the project is expected to result in flow-on effects to other economic activity and generate significant employment in both the construction industry and the wider economy. The estimated impacts have been summarised below.

- **Employment:** The construction of the project is expected to directly support an average of 68.0 full-time, on-site construction jobs and indirectly support a total average full-time employment of 183.8 across the building construction, technical services and retail industries.
- **Economic Contribution:** The considerable flow-on benefits to downstream and upstream suppliers will result in an expected increase in economic activity during the construction phase of the project of around \$62.3 million (i.e. the economy will be \$62.3 million larger).
- In addition to the construction-related impacts, there are large and ongoing impacts of the project on the regional economy which occur during the operational phase. These have been assessed based on published literature, case studies and industry standards. The key ongoing impacts have been summarised below.

5.4.2 The Operational Phase

In addition to the construction-related impacts, there are large and ongoing impacts of the project on the regional economy which occur during the operational phase.

- **Visitation:** It is expected that there will be an increase in visitation expenditure equivalent to \$2.8 million per annum (or 17.1 ongoing full-time roles), with visitation levels supported by a number of key amenities such as a new and expanded library (which is likely to encourage between 52,195 and 250,938 new trips to the area each year), museum with cultural and heritage attractions and a 293 square metre café. The project will also support an array of existing events in Faulkner Park and support the creation of function space at the existing library.
- **Amenities:** Based on published literature of amenity enhancements, the value of improved amenity created by the project is expected to be equivalent to approximately \$15.2 million.
- **Social Impacts:** The architecturally designed civic hub will allow local for purpose service providers to service those in the community considered disadvantaged (such as higher proportions of non-English speaking residents, unemployed and alcohol dependent in the City of Belmont). While the exact impacts of the various not-for-profit programs vary in regards to their effect due to the various natures of the services, published literature has demonstrated that the impact of improved for purpose services on crime and drug/alcohol abuse rates can be profound – equivalent to benefits of \$2.2 million in the City of Belmont.

The measured direct, ongoing impacts are expected to manifest themselves as greater expenditure within the region and the wider Australian economy which will support ongoing employment opportunities. Employment generation was estimated at equivalent to an average of 31.0 ongoing full-time equivalent roles.

5.4.3 Leveraged Investment

- The project is expected to increase amenity in the area which will improve the desirability of the area as a place to live, work, visit and invest. This is expected to translate into developments progressing earlier than they would otherwise.
- The value of major planned projects within the City of Belmont's borders as of March 2016 were estimated as being worth a combined \$438.7 million, including \$220.2 million of proposals in the suburbs of Cloverdale and Belmont. The projects within the Cloverdale and Belmont suburbs are estimated to directly support 507.6 FTEs.

5.5 Social Impact

Beyond the economic impact, the Faulkner Civic Precinct Community Centre consciously seeks to create a positive impact socially. The challenge with valuing intangible social impacts is that the value is largely subjective and it is highly context specific. Historically, we as a society implicitly understand the value of social infrastructure. Contemporary approaches to project prioritisation require that the value of social infrastructure be measured objectively and quantified explicitly. However, there are many other social benefits of this project which cannot be quantified. To this end, the City of Belmont engaged Creating Communities to undertake an independent qualitative assessment of the social impacts included in the City of Belmont's submission and to elaborate on any additional impacts that may not have been captured. The full report from Creating Communities is included as an attachment to this business plan.

Creating Communities' assessment is that the proposed Faulkner Civic Precinct Community Centre will have significant positive social impacts, which will be felt across the broader community and will be over and above the current positive impacts from the existing facilities.

The positive impacts will be felt strongly by disadvantaged people and the groups that represent them, due to the identification and targeting of these 'communities of interest'. The hard and soft infrastructure, as well as the proposed monitoring regime has been developed to ensure benefits for these disadvantaged groups.

Figure 9 below summarises the key findings of the assessment, including showing the impacts, factors which enhance these impacts and the external verification findings gathered by Creating Communities.

Figure 9. Summary of Social Impact

Social Impacts	Factors enhancing the benefit	External verification
<p>Reduced disadvantage, including:</p> <ul style="list-style-type: none"> • Education • Economic • Unemployment • Community cohesion and connectedness (social capital) • Wellbeing and health <p>Negative impacts (well managed)</p>	<p>Precinct currently well utilised (including by disadvantaged)</p> <p>Development targeted to communities of interest</p> <p>Additional functions/facilities over existing</p> <p>Co-locating services is best practice</p> <p>Growing, coherent town centre</p> <p>Increasing visitor numbers expected</p> <p>Evaluation framework encourages constant improvement</p>	<p>Unmet need from current and future users</p> <p>Stakeholders are supportive</p> <p>Disadvantage demonstrated</p> <p>Case studies indicate benefit</p> <p>Economic assessment quantifies impact</p>

5.6 Summary

The benefits of the Faulkner Civic Precinct Community Centre are wide ranging and encompass the value delivered to users directly and indirectly. This Business Plan seeks to quantify much of the economic and social benefits associated with the Faulkner Civic Precinct Community Centre. It is however a conservative analysis. Cost benefit analysis for the project is approximately 2, meaning that for every \$1 invested in this project, the Region will receive \$2 in benefit. On this metric alone, the Faulkner Civic Precinct Community Centre presents a valuable investment in pursuit of a stable, secure and viable Belmont community.

Notwithstanding this compelling evidence, the Faulkner Civic Precinct Community Centre is a community investment that is long overdue. Repeated studies have highlighted the need for centralised community resources within the heart of a growing, but challenged community. The outcomes of the Faulkner Civic Precinct Community Centre will be much more than books, museum visits or coffee. It is the linking and integration of a wide range of services meeting the needs of a wide demographic which will ensure that the Faulkner Civic Precinct Community Centre will be, and will continue to be, a successful investment by Government into place making and community development.

6 SECTION 3.59(3)(D) EXPECTED EFFECT ON MATTERS REFERRED TO IN THE CITY OF BELMONT'S PLAN PREPARED UNDER SECTION 5.56

6.1 Policy and Strategic Framework

The Faulkner Civic Precinct Community Centre is a strategic initiative that the City of Belmont initiated as a key element of the repositioning of the City in the 2000s. Since then, the City invested in the technical studies to align the project with local and regional strategies ready for implementation. This chapter summarises the policy and strategic context for the project.

6.1.1 Corporate Business Plan

The City of Belmont's Corporate Business Plan 2015-2019 is an internal business-planning tool that translates the Council's priorities from the Strategic Community Plan 2016-2036 into operations within the resources available. The Plan describes a number of actions that will be pursued by the City to achieve good asset management, reduce risk and achieve sustainable growth within the Local Government Area. The following actions are noted from the current Corporate Business Plan 2015-2019:

Table 9: City of Belmont Corporate Actions

#	Action
Built Belmont Corporate Actions	
003	Landowners within the Town Centre are to be encouraged to progressively upgrade and redevelop commercial and support facilities
011	Explore state, federal and private investment in public infrastructure by seeking external funding sources
196	Finalise detailed drawings (for the Community Centre and Library) following a value management process. Call tenders for the construction of the Building, including the demolition of the existing Seniors Centre. Finalise a café operators contract.
197	Progress the Faulkner Civic Centre Master Plan through implementing the Hydrology, Flora and Fauna studies finding. Review future uses of the existing Library Building.
Business Belmont Corporate Actions	
051	Coordinated inter government lobbying and development strategies.
Business Excellence Corporate Actions	
103	Grow the capacity of the City by sourcing alternative funding support.
230	Identify grants, funding, and partnerships to support the financial sustainability of the organisation where appropriate.
Social Belmont Corporate Actions	
193	Continue to develop and enhance ongoing sustainable partnerships with service providers and other key local stakeholders to address the needs of the local community
203	Ensure the library continues to be an environment that explores and encourages learning opportunities.
185	Deploy the Library and Heritage Plan 2013-2017 to ensure the City's rich and diverse history is promoted and preserved for future generations
187	Encourage the community to share their local history knowledge and ensure the information is captured and recorded for the benefit of future generations
188	Ongoing implementation and review of Community Infrastructure Plan

Source: City of Belmont's Corporate Business Plan 2017-2021.

It is clear that the proposed Faulkner Civic Precinct Community Centre fits strongly within a broad range of Actions within the City's Corporate Business Plan.

6.1.2 Alignment with Regional Planning

Directions 2031 is the State Government's strategic metropolitan spatial framework. One of the primary objectives of Directions 2031: The Draft Spatial Framework for Perth and Peel is to promote sustainable city development by achieving a balanced distribution of population, dwellings and employment across the metropolitan area. This involves:

- Increasing the level of employment in the outer sub-regions
- Increasing the distribution of new residents and dwellings to the central sub-region

While planning policy aims at a more balanced distribution of employment across the metropolitan area, consolidation of population growth into the central sub-region means the trend of centralised employment is likely to continue. This is recognised in Perth and Peel at 3.5M which extends the planning horizon of Directions 2031 some twenty years. In contrast to Directions 2031, which required a reduction in central sub-region employment self-sufficiency, Perth and Peel at 3.5M allows for increase in employment self-sufficiency to 2031.

To support the achievement of a more sustainable footprint for the Perth and Peel conurbation, the State Planning Policy 4.2: Activity Centres for Perth and Peel (SPP 4.2) envisages a shift away from retail-centric planning to an integrated activity centres based approach. SPP 4.2 requires that activity centres plan for the capacity to meet the appropriate floor space diversity target for the centre type and scale, and contribute meaningfully to the sub-regional employment self-sufficiency target.

The Belmont Centre is classified as a Secondary Centre in the hierarchy of retail/ commercial centres and incorporates the Belmont Forum and Faulkner Civic Precinct.

According to SPP 4.2 Activity Centres for Perth and Peel, Secondary centres:

‘...share similar characteristics with strategic metropolitan centres but serve smaller catchments and offer a more limited range of services, facilities and employment opportunities. They perform an important role in the city’s economy, and provide essential services to their catchments.’

The City of Belmont is one of the most diverse Secondary Centres in the Perth and Peel region and has the potential to support significant residential densification and population growth. The challenge will be in addressing the physical interface of Wright Street between the Faulkner Civic Precinct and the Belmont Forum which is currently perceived as a barrier to optimum activity centre performance. The Faulkner Civic Precinct Community Centre will provide for even greater diversity of use within the centre while simultaneously improving the accessibility and legibility of the centre.

6.2 Summary

The City of Belmont’s Vision Statement is that:

“The City of Belmont will be home to a diverse and harmonious community, thriving from the opportunities of our unique, riverside City”

The proposed Faulkner Civic Precinct Community Centre project seeks to deliver a multiple purpose community facility which will anchor the wider Faulkner Civic Precinct. However, this project will not only provide much needed community infrastructure upgrades, but will further demonstrate the City’s commitment to our vision. This will be achieved through a range of measures.

- **Partnerships**

The initiative is designed to form and leverage partnerships between local, state and federal governments, the private sector and community groups. Upon operation, it is envisaged that the colocation of the City facilities, key Not for Profit organisations and the café will foster collaborative partnerships between tenants, thereby improving the outcomes for the community.

- **Stable and Viable Communities**

The stability and viability of a community is a function of the level of social capital that exists within it. The Faulkner Civic Precinct Community Centre will do more than employ the latest technology and provide a wide range of resources and services. As a central anchor institution and colocated hub, it will offer opportunities to build social capital and allow all people equal access to those opportunities. The Faulkner Civic Precinct Community Centre is social infrastructure fundamental to developing further the social capital that underpins stable, secure and viable local and regional communities.

- **Activity, Employment and Productivity**

Redevelopment of community and cultural facilities can be a catalyst for urban renewal, encouraging investment in adjacent properties. A regional example of such catalytic effects is the redevelopment of the Senses building to accommodate the Western Australian Ballet. This development has been a cultural catalyst for the redevelopment of the Maylands town centre.

The City of Belmont has a very clear plan for its future. The proposed Faulkner Civic Precinct Community Centre is a significant component of this plan and will significantly demonstrate the City’s faith in its future.

7 SECTION 3.59(3)(E) ABILITY OF THE CITY OF BELMONT TO MANAGE THE UNDERTAKING AND PERFORMANCE OF THE TRANSACTION

7.1 Structural Mechanisms

The municipality of Belmont was established in 1898 and became the City of Belmont in 1979. The organisation is managed by an executive comprising the Chief Executive Officer and three Directors, each responsible for a Division of the City.

As outlined in the 'Evidence of Contingency' (attached) the City of Belmont has a proud history of being a financially robust organisation. The City has obtained an Independent Cost Assessment and undertaken detailed funding analysis to ensure it has adequate funds to construct the building. In the event that contingency funds are required this could comfortably be funded through a combination of drawing on the City's cash reserves, re-prioritising other projects to free up funds and/or new borrowings.

As a Local Government Authority the City has significant experience in project management. A project of this magnitude will require a cross departmental approach for successful implementation. A project manager with significant experience in the building and construction industry will be employed to oversee the construction phase to ensure milestones are achieved and the project stays on budget. This position will be assisted by a Project Control Group comprised of key City representatives across a number of departments.

The City of Belmont also has a proven track record of managing grant funding. This is evidenced in that the City has never had grant funding cancelled or failed to meet its obligations under any funding agreement. The City of Belmont has a dedicated Grants and Business Support Officer who will be directly involved in the administration of this project and funding agreement, working close with the Project Manager and the Finance team.

Risk Management is an integral part of the City of Belmont's good business practice and is in accordance with AS/NZS ISO 31000: 2009 Risk Management and Guidelines. In planning for this project the City has undertaken a Risk Assessment of the project. The assessment demonstrates that the City has comprehensively identified and assessed all project risks and has appropriate risk treatments in place. The City has a dedicated Risk and Insurance Advisor who will provide ongoing support and advice to the Project Manager and the Project Control Group.

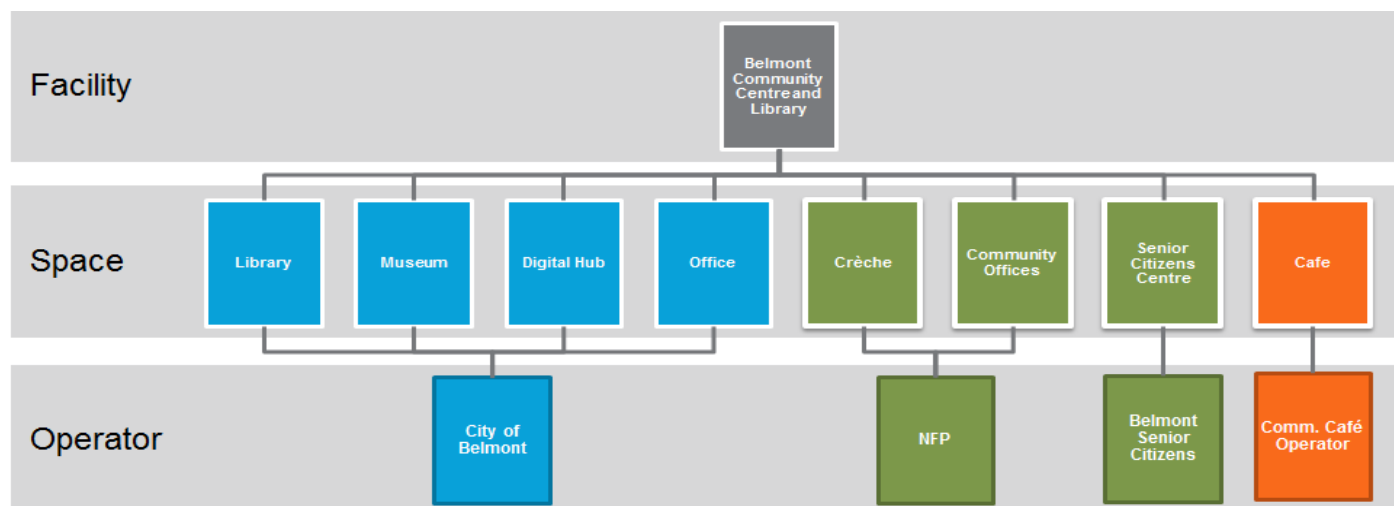
The City is confident that all appropriate planning, construction, environmental, heritage and/or native title approvals have been identified. The Project is consistent with the current zoning under the City of Belmont Town Planning Scheme, and as such the City is confident that a development application will be in place within six months of execution of the funding agreement. It is expected that construction will commence within 12 months of receipt of final approvals.

The City currently manages assets with a value in excess of \$600 million. It is therefore critical that these assets are managed in accordance with industry best practice to ensure that the appropriate level of service is provided to the Community at the lowest life cycle cost. All City assets are managed under an Asset Management Strategy and relevant Asset Plan which clearly demonstrate the City's commitment to providing and maintaining a wide range of assets that not only meet the needs of the Community but ensures the long term financial sustainability of each facility and City of Belmont. The City of Belmont will own the Faulkner Civic Precinct Community Centre. It will be added to the City's assets and managed according to the City's Asset Management Strategy. It is expected that this building will service the community for the next 50 years. The City has undertaken detailed benchmarking analysis and budgeting to understand the ongoing costs associated with operating and maintaining the building. These cost estimates are consistent with the City's Long Term Financial Plan. This provides compelling evidence of the City's ability to not only construct and maintain the building but to operate it to its full potential.

7.2 Management Structure

The facility will accommodate a range of government, not for profit and commercial operators.

Figure 10 summarises each of the spaces within the community centre and identifies the proposed operator or type of operator for each.

Figure 10. Faulkner Civic Precinct Community Centre Operating Model

Source: City of Belmont (2015)

The Faulkner Civic Precinct Community Centre will be managed in accordance with the City's current corporate and governance, budget, reporting and asset management procedures.

The City of Belmont is managed on a daily basis by City staff, within a defined governance structure. Overarching the administration are four standing committees: Audit and Risk; Executive; Community Vision; and Environmental. The purpose of each committee is to assist the Council by providing guidance and assistance to carry out its functions.

To ensure the City can continue to delivery consistent and high levels of services and facilities to its diverse community, the City maintains accreditation to the International Standards for Quality (ISO 9001-2008), Environmental (ISO 14001-2004) and Safety (AS 4801-2001) and continues to conform to the Compliance Standard (ISO 19600-2015).

The Council is responsible for the preparation and presentation of the project and financial reports in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report.

8 SECTION 3.59(3)(F) ANY OTHER MATTERS PRESCRIBED FOR THE PURPOSES OF THIS SECTION

8.1 CONSULTATION

Given the nature of the works and expenditure necessary to achieve the Faulkner Civic Precinct Community Centre, within the context of the overall Faulkner Civic Precinct Master Plan, the City has sought to actively engage with the community. To this end, consultants GHD undertook a comprehensive consultation phase during the period 5 May 2015 to 31 October 2015. Consultation was undertaken in two stages:

8.1.1 Stage One

This commenced with an invitation to the community to participate in a survey throughout the month of May with a total of 275 responses received. The intent of this initial survey was to understand how the community use the precinct and what uses they would like to see in the future. The outcomes of the survey would provide GHD with the foundations for preparing the Faulkner Civic Precinct Master Plan.

This survey was extensively promoted through various means including Belmont Bulletin, the City's website and advertisements/media releases in the Southern Gazette. The survey was available in hard copy to complete at the Ruth Faulkner Public Library, the front counter of the Civic Centre and also at the Belmont Oasis Leisure Centre. It was also made available on Belmont Connect for those that preferred to complete the survey online.

Stage One Results

Feedback from Stage One identified key themes around the importance of trees and greenery, spaces for passive recreation including barbecues, picnic tables and green spaces. Additionally, active recreation facilities such as outdoor exercise equipment and areas for pets were mentioned.

Respondents stated they wanted to see the precinct include restaurants, cafés, and a good connection between the Belmont Forum and the Faulkner Civic Precinct.

8.1.2 Stage Two

On development of the draft Master Plan based on feedback received in Stage One, GHD undertook the next stage of consultation by meeting directly with the community and key stakeholders to gather feedback on the proposed plan.

Community sessions were held at the City's Avon Descent Family Fun Day on Sunday 2 August 2015 and at the Belmont Forum Shopping Centre on Saturday 22 August 2015. The proposed Master Plan was placed on display at the Ruth Faulkner Public Library from Monday 3 August 2015 to Tuesday 3 November 2015.

Frequently Asked Questions handouts were made available during this period with the opportunity to provide further feedback on the draft design of the Master Plan and the proposed Community Building. Belmont Connect was again utilised to allow the community to take part in a quick poll and/or to provide feedback.

Consultants GHD along with an Officer from the City met with external stakeholders to personally capture feedback on the Master Plan. Meetings were held with management from the Belmont Oasis Leisure Centre, Belmont Forum Shopping Centre and with residents at the Faulkner Park Retirement Estate. An invitation was also extended to Belmont Police, Cloverdale Primary School, Belmont City College and the YMCA staff at 'The Base'. In addition to this, Council Officers met with other key stakeholders including the President of the Belmont Historical Society and the President of the Senior Citizens Club. Officers also met with and took feedback from a number of local residents that visited the Library to view the plans on display.

Stage Two Results

Overall feedback from Stage Two was favourable and confirmed opinion that the Master Plan provided a clear vision for the future of the precinct. However a number of concerns were raised particularly surrounding traffic, parking and the lakes. Subsequently these have been addressed and modifications made to the Master Plan where appropriate.

8.2 Summary

Based on the findings of the research undertaken by GHD the City is confident that the community supports our intention to further develop the Faulkner Civic Precinct, with the flagship development being the new Faulkner Civic Precinct Community Centre.

9 CONCLUSION

The City of Belmont has long been seeking to provide better facilities and services to the local community. Ongoing evidence over the years has led the City to the inevitable conclusion that there is an urgent need for increased provision of community support services through a centralised, integrated, multi user facility. The Faulkner Civic Precinct Community Centre has been designed to fulfil this need.

The City has received a great deal of support for this initiative. As well as the documented evidence of strong support from the community, the City has received \$13.5M in funding support from the Commonwealth Government and Lotterywest.

As a result of the support demonstrated for this initiative, as well as the City's confidence in its own management structures, financial standing and corporate policies, we are ready to proceed with realising a long held dream of both City and Community.