



Attachments

Ordinary Council Meeting
23 March 2023



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Mr Chris McNamara
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Dear Mr McNamara

INSTALLATION OF THREE (3) FLAGPOLES AT THE EXMOUTH NINGALOO DISCOVERY CENTRE

I refer to the letter dated 18 January 2023 from A/Managing Director Anna Last, to Shire of Exmouth CEO Mr Ben Lewis, regarding the identification of opportunities to further Aboriginal engagement during the Total Solar Eclipse.

Please see below a proposal from Department of Jobs, Tourism, Science and Innovation (JTSI) to purchase and install three new flagpoles at the Exmouth Ningaloo Discovery Centre to allow for the permanent flying of the Aboriginal flag in Exmouth.

Background:

On April 20, 2023, WA will host a Solar Eclipse, with a narrow, 40km wide band across the North West Cape of the state experiencing a rare Total Solar Eclipse. Exmouth will experience total darkness for 62 seconds as the moon's shadow crosses the Exmouth Peninsula, the moon's transit across the sun will take around 3 hours.

As the lead government agency responsible for the event, JTSI is committed to delivering a safe and enjoyable, once-in-a-lifetime experience for attendees that supports the local community.

Planning is well underway with JTSI taking a coordinating role, and teams from 14 different agencies; each of the local shires and the Federal Department of Defence all working to ensure residents and businesses are supported and the region is prepared for an unprecedented number of visitors.

To make sure the region is as prepared as possible, the WA Government has committed considerable funds to a range of upgrades including improvements to roads, marine infrastructure, telecommunication networks and local facilities.

Details:

To further this support Tourism WA and JTSI are facilitating a number of Aboriginal engagement activities aimed at recognising and promoting the state's cultural heritage. In addition to other initiatives occurring in and around the Shire, JTSI is offering to fully fund the purchase and installation of three new flagpoles in front of the Ningaloo Discovery Centre that will allow the permanent flying of the National, State and Aboriginal flags.

The existing flagpoles will need to be replaced because it has not been possible to locate a matching flagpole in WA. It is understood that these existing flagpoles were relocated from elsewhere in Exmouth – and hence the original supplier is unknown. The three new flagpoles will measure 6m in height by 125mm in diameter, have an internal halyard and be cyclone rated – region D.

JTSI understands that the Shire owns an Aboriginal flag which can be used for the new flagpole.

Specifications:

- 6063 T6 temper marine grade aluminum
- Spun-tapered for the top section of pole
- White powder coat finish to Aust standards
- UV-Stabilized nylon finial, flag clips and 5mm polyester halyard rope
- Hot dipped galvanized steel flange base and spigot fitted with HDPE bushes
- Hot dipped galvanized steel bolt cage (20mm)
- Engineering certification
- Manufactured in Western Australia

Installation will be based on structural engineer specifications.

Shire approval/licencing:

The Shire has advised that a building permit will be required for the installation. Given the very tight timeframe associated with the delivery of this proposal, JTSI requests the support of the Shire to assist with the completion of the application (Form BA2), priority approval of the building permit/certificate of design compliance and considering the waiving any fees associated with the Shire's approval processes.

Government Policy Alignment:

In addition to providing the Shire of Exmouth with a legacy outcome from the TSE event, this project represents a positive step forward in the Shire's reconciliation journey. It further aligns with the objectives Western Australian Aboriginal Tourism Action Plan (Jina Plan) which seeks to promote Aboriginal culture and connection to Country, and embed Aboriginal culture into Western Australian's way of life.

Conditions of Funding:

This proposal is subject to the following conditions –

1. That the Shire assists with the licencing requirements including:
 - preparation of the required application form,
 - prioritisation of building permit/certificate of design compliance, and
 - consideration of waiving of all fees associated with licencing and approvals.
2. That the flag poles are installed prior to the Total Solar Eclipse on the 20 April 2023
3. That the Aboriginal flag is flown by the Shire of Exmouth on a permanent basis

Recommendation:

Council approves the proposal received from the Department of Jobs, Tourism, Science and Innovation (JTSI) to purchase and install three new flagpoles to replace the two existing flagpoles at the Exmouth Ningaloo Discovery Centre, enabling the Aboriginal flag to be flown in addition to the Aboriginal and Western Australian flags for the Total Solar Eclipse Dark Sky Festival event, and permanently thereafter. The project will be fully funded by JTSI.

I trust this information is of assistance to you, however should you require any further details regarding this proposal please do not hesitate to contact me on 0413 466 900 or vicki.robertson@westernaustralia.com.

Yours sincerely

A handwritten signature in blue ink that reads "V Robertson". The signature is fluid and cursive, with the first name "Vicki" being more prominent than the last name "Robertson".

VICKI ROBERTSON
Director Policy and Planning | TSE Aboriginal Engagement Cell Lead

14 March 2023

EXMOUTH KART CLUB RELOCATION BUSINESS CASE



FEBRUARY 2023

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Otium Planning Group acknowledges the Australian Aboriginal, Torres Strait and South Sea Islander peoples of this nation. We acknowledge the traditional custodians of the lands on which our company is located and where we conduct our business. We pay our respects to ancestors and to Elders, past, present and emerging. Otium is committed to national reconciliation and respect for indigenous peoples' unique cultural and spiritual relationships to the land, waters and seas, and their rich contribution to society.

Contents

Executive Summary	3
1. Background.....	5
1.1 Current Site Context and Relocation Option.....	5
1.2 Methodology	6
2. Background Documentation.....	8
2.1 Shire of Exmouth Strategic Context	8
2.2 Federal, State and Regional Planning Considerations.....	10
2.3 Karting WA and Karting Australia Strategic and Facility Planning.....	11
2.4 Exmouth Kart Club Strategic Plan.....	12
2.5 Key Strategic Implications	12
3. Demographic Implications.....	13
4. Exmouth Kart Club Current Site Analysis.....	14
5. Exmouth Kart Club Potential Site Assessment	15
6. Trends in Motorsport Facility Provision	16
6.1 Motorsport Industry Trends.....	16
6.2 Karting Industry Benchmarking.....	17
6.3 The Economic Value of Motorsport	18
6.4 Summary of Key Findings	19
7. EKC Business Analysis	20
7.1 Current Financial Performance	21
7.2 Future Implications	22
8. Consultation Outcomes	23
8.1 Exmouth Kart Club Representatives.....	23
8.2 Shire of Exmouth Officers	23
8.3 State Government and State Agencies	24
8.4 Development WA and Superlot D Site Developers	24
8.5 Department of Defence	24
8.6 Additional Club and Local Consultation Outcomes	25
8.7 Summary Conclusion.....	26
9. Development Options and Cost	28
9.1 Facility Composition	28
9.2 Proposed Karting Track Cost Estimation	30
10. Operational Financial Projections.....	32
10.1 Financial Assumptions.....	32
10.2 Financial Model Outputs.....	32
11. Risk Assessment	34
12. Funding Plan	36
12.1 Funding Options	36
12.2 Funding Strategy	37

13. Business Case Summary and Recommendations	39
Appendix 1: Document Review.....	41
Appendix 2: Demographic Indicators	52
Appendix 3: Site Audit	56
Appendix 4: LOT 500 Site Assessment	62
Appendix 5: Benchmarking	64
Appendix 6: Financial Analysis.....	74
Appendix 7: Consultation Outputs	77
Appendix 8: Order of Probable Costs	89
Appendix 9: Financial Projections.....	91
Appendix 10: Risk Analysis.....	93

Executive Summary

The Exmouth Kart Club (EKC) Business Case has resulted from the need to relocate the club from its existing site at 183 Murat Road to Lot 500 on DP 69582 due to the pending development of the Super Lot D – Exmouth Marina Village through a preferred contractor appointed by Development WA. This development is likely to occur within the next 18 months.

The relocation of EKC has been a consideration for 15 years or more following an initial approach to develop on the leased land. Lot 500 comprises 19.15 hectares of bushland and is currently within the control of the Department of Defence. While a management order was initially placed over the land by the Shire, the legal position related to ownership and management is unknown. The business case explores the potential long term future of EKC and tests the viability of the replacement development.

The Shire's Corporate Plan and Long Term Financial Plan do not commit to developing EKC although there are some critical aspects which need to be addressed by the Shire in developing the economy and retaining and attracting key workers to the area by providing a range of community facilities. Due to limited financial and people resources, a heavy reliance is often placed on community groups to manage and deliver services which would otherwise not be recognised as a priority for the shire to deliver. Affordability and the need to prioritise is a critical consideration for the shire in managing current and ongoing expenditure within a tight fiscal environment.

A review of key documents, demographic analysis, industry trends and potential site assessment identified the following:

- Lot 500 has been identified as a potentially suitable alternative site, but the site has never been fully tested in respect of site servicing and approvals necessary to develop the land. It is also the subject of a management order placed over the land, but the legal position related to ownership and management is unknown.
- There is no obligation on Development WA or any prospective developer to relocate and fully fund the karting infrastructure.
- As the land owner of Lot 500, the Department of Defence has indicated it will be a leader in sustainable environmental management to support the ADF capability to defend Australia and its national interests. The future direction for any development of the land therefore rests with the Department.
- Given the small population base, it is likely that the most affordable sports with high levels of participation are those which the shire should be seeking to prioritise in respect of future investment. Structured motorsport as a relatively high cost and low participation base is often rated as a lower priority for state and federal government investment.
- It is evident that club racing as a product of the industry is not a profitable activity and at best provides a marginal return on investment. If a commercial karting proposition were to be considered it is unlikely that the population of the Shire, even during peak periods could sustain a commercial operation.

An analysis of the current EKC membership, income and expenditure confirmed the limitations of the financial viability of the club. It concluded EKC would be unlikely to be in a position to invest significantly in the development of a new track facility. A review of the required capital cost of the facility; ability to raise required capital funding and ability to meeting the ongoing operational and asset management costs further confirmed the lack of capability to deliver a viable karting facility. A minimum capital cost of the development (with partial in-kind support) would be \$7.47M and operationally the net annual profit (on the understanding that the majority of asset maintenance will be undertaken in-kind) projected and average surplus of between \$6,591 and \$7,094.

Consultation was undertaken with EKC, shire officer, state government agencies, Superlot D development proponents, Department of Defence and other local clubs which concluded:

- There is a lack of funding capability to invest in the capital components and ongoing operational costs associated with a new karting track development.
- The Department of Defence is likely to oppose any development on Lot 500 in the interests of protecting its defence infrastructure and in particular the investment of \$1bn in the Space Surveillance Telescope which is subject to a buffer zone which extends to the horizon. As the land owner it is unlikely that such opposition from the Department could be overcome.

- The known presence of rare flora and fauna on the Department of Defence land adjacent to Lot 500 which are likely to be widespread in the area and preclude any development.
- The overall cost of proofing the site up for development is likely to be substantial and beyond the means of a voluntary sports club.

A detailed analysis of the land within the Shire furthermore indicated that there would be no other land with sufficient capability to accommodate the track and associated. While Lot 500 could be progressed, it will have to be considered in the knowledge that it is subject to a management order which has questionable legal standing and if that matter is resolved, its likely development will be compromised by the extent of remediation work necessary for the karting infrastructure to be developed and brought into use.

In conclusion the Business Case for developing and investing in the EKC could not be proven to provide a viable proposition. In its current location EKC have no right of tenure and have less than 24 months of an operational window pending the sites redevelopment under the agreed development program of Development WA and the preferred development proponent (Celsius Property Group). While EKC have maintained a viable sporting club for 30 years, the limitations on use imposed by a small population catchment re-enforce the potential compromised viability. It would be difficult therefore to justify future investment on potential growth and membership numbers alone. Given that no alternative land to Lot 500 within the shire has been identified as a suitable option for the clubs relocation there now appears to be little prospect of EKC being able to continue.

The Business Case summary and recommendations are contained within pages 39 and 40 of this report and recommends that unless the Council deem the redevelopment as a Shire priority for future investment, the relocation of EKC should not be pursued due to the extent of further investigation work required; extent of statutory approvals necessary; commitment of already limited financial / officer resources and the unlikely scenario that an alternative site will be found within the desired timeline. This will ultimately result in the closure and loss of EKC to the local community.

:

1. Background

The Business Case has resulted from the need to relocate the Exmouth Kart Club (EKC) from its existing site at 183 Murat Road to a new site, which is currently proposed as Lot 500 on DP 69582 due to the pending development of the Super Lot D – Exmouth Marina Village. This 17.8ha waterfront site, will provide a combination of tourism, residential and marina based development products which are not compatible with the continued use of the site for karting purposes.

1.1 Current Site Context and Relocation Option

The current EKC is an affiliated member of the Karting Association of Western Australia (KWA). The club originally developed in 1992 at the airport with a portion of the land at the end of the runway being utilised for a 200m bitumen kart circuit. The affiliation with KWA began in 1993 and the club sought in 1995 to develop land upon which the karting track is currently located. At the time it was proposed to be shared with the Exmouth Horseracing Club. The Horseracing Club subsequently collapsed in 1999. As a not-for-profit incorporated association the primary objective of the club is in hosting karting events and promoting the development of the sport. The clubs tenure on the site was through a rolling lease which has now expired. Due to the impending development of the Exmouth Marina Village, EKC have been advised that within a two year period, they will need to vacate the site to enable the Marina development of site known as Superlot D to be completed.

The karting track and site surrounds are identified at Figure 1 below and comprise a basic level of club infrastructure which has evolved over time with the introduction of ad hoc structures to service the ongoing needs of the club. The land is under the control of state government and has been vested in the Shire to manage.



Figure 1: Current EKC Site and Associated Infrastructure

The relocation of EKC has been a consideration for 15 years or more following an initial approach to develop on the leased land. As a means of securing an alternative site location a portion of land to the north of Exmouth Town site was identified off Murat Road (west) within close proximity to an existing Gun Club and Motocross facility which are both accessed off an existing dirt road. The site known as Lot 500 comprises 19.15 hectares of bushland and is more particularly shown at Figure 2 below. This site is currently within the control of the Department of Defence. While a management order was initially placed over the land by the Shire, the legal position related to ownership and management is unknown. The plan below identifies the potential layout of the track as proposed by EKC. The purpose of this business case is to explore the potential long term future of EKC; test the viability of the development of the current identified land for relocation and determine if there are viable alternative options available.



Figure 2: Proposed Future Location of the EKC (Source: Shire of Exmouth and EKC)

1.2 Methodology

The methodology employed in the development of this Business Case is identified at Figure 3 below



Figure 3: EKC Business Case Project Methodology

The detailed process included:

- Phases 1 and 3: to establish the parameters of the Business Case and undertake technical research from a range of internal and external sources to confirm/determine the background to the study, optimum facility requirements, demographic implications and design trends.
- Phase 2: to explore the current site and determine its relative merits based on industry benchmarking and a market analysis. This supports a current and projected facility needs assessment by analysing the proposed design and extent of development having regard to the likely usage profile and plans proposed by the EKC. This includes an assessment of the proposed site (Lot 500 on DP 69582) and confirm constraints and land suitability in respect of site servicing, accessibility, environmental, heritage, cultural and native title issues and how these may be overcome / addressed.
- Phase 4: To engage with relevant stakeholders to determine the critical issues, potential constraints and future development and investment opportunities.
- Phase 5: To confirm or otherwise the potential site options for development of a replacement kart club and associated infrastructure having regard to site servicing and the potential staged development of infrastructure.
- Phase 6: The development of an Order of Probable Costs (OPC) related to the site identified for development to incorporate the full extent of cost parameters including earthworks, civils, relocation costs and associated life cycle costs.
- Phase 7: To assess the current financial capability of EKC having regard to historical operational data. To then assess the ongoing financial implications and potential future attendance, fee structures, income potential, operational expenditure and loans and supportable debt level repayments related to a relocated EKC.
- Phase 8: To determine the full extent of environmental, operational and financial risks associated with the relocation of EKC. This seeks to confirm and explore the challenges associated with relocation of EKC and the logistical requirements / implications associated with the relocation. Part of this process was also to identify appropriate mitigation strategies which could be employed by EKC and / or the Shire.
- Phase 9 involved the development of a potential funding plan which would need to evolve following the adoption of the business case. This identifies available funding sources to assist with the relocation, including the requirements of land developers in potentially assisting with relocation costs.
- Phase 10: To develop an appropriate implementation plan identifying necessary approvals and potential timeline for delivery of a relocated EKC.
- Phase 11: To provide a draft and final business case for consideration by EKC and the Shire.

2. Background Documentation

This section identifies the strategic context having regard to Shire of Exmouth supporting documents and those provided at a state (State Sporting Association and state government) and Peak body perspective. It intends to provide the overall context for the development of the EKC business case. The section below summarises the key documents which are provided in detail at Appendix 1.

2.1 Shire of Exmouth Strategic Context

The most critical documentation under which the Shire of Exmouth sets the future direction is the Integrated Planning and Reporting Framework (Figure 4 refers), the key documents of which consist of:

- Shire of Exmouth Strategic Community Plan (SCP) and Corporate Business Plan: Your Choice Your Future 2023-2033 which sets out the vision and direction for the Shire to 2033.
- Shire of Exmouth Long Term Financial Plan 2022 to 2032 which identifies current budget commitments to the projects referenced in the above documentation.



Figure 4: Shire of Exmouth Integrated Planning and Reporting Framework

The Strategic Community Plan and Corporate Business Plan identifies the following selected key strategic outcomes relevant to this project:

- Social: 1.1 Improve local community and visitor experiences:
 - 1.1.1 Increase community events and ensure venues and facilities attract visitation and improve lifestyle, offering inclusivity.
 - 1.1.2 Support and encourage community and cultural programs that are community-driven, encourage interaction and promote a sense of belonging.
 - 1.1.3 Promote holistic lifestyle choices, support the improvement of mental health outcomes, and uphold public health and safety.

- Social: 1.2 Ensure a full suite of services to meet the needs of families and individuals at all ages and stages of life
 - 1.2.1 Encourage and promote intergenerational programs that improve quality of life, such as; early childhood library services, youth development, home health care and a facility for the aged, including Aged Care Business Plan.
 - 1.2.3 Develop an Exmouth Recreation Master Plan to include a multi- functional centre for recreation and emergency evacuations.
- Social: 1.3 Build community cohesion and connectedness
 - 1.3.1 Provide opportunities for the community, businesses and visitors to participate and experience indigenous culture
 - 1.3.3 Empower local clubs and not-for-profit organisations to be self-sufficient
- Natural Environment: 2.1 Establish Exmouth as a clean and green town
 - 2.1.1 Improve sustainability and management of energy consumption and water use in Shire operations, industry and the community
 - 2.2.3 Reduce carbon footprint, improve awareness and resilience, and adapt to the effects of climate change on social, community, infrastructure and environmental systems – including a Climate Action Plan.
- Built Environment: 3.1 Infrastructure and assets are well-managed and maintained
 - 3.1.1 Expand the dual-use path network, taking a local and regional approach (Exmouth Cycling Strategy, linked to Gascoyne 2050).
 - 3.1.2 Develop a capital works program, incorporating maintenance and renewals, and implement, including progressive improvements in footpaths.

The Corporate Plan and Long Term Financial Plan do not commit to developing EKC. The Strategic Community Plan identifies some critical aspects which need to be addressed by the Shire in developing the economy and retaining and attracting key workers to the area. This is a real issue where the provision of family support services and access to sport and recreational infrastructure is in high demand but with a small rate base with limited capability to fund all demands placed on it by the community.

A heavy reliance is therefore placed on community groups to manage and deliver services which would otherwise not be recognised as a priority for the shire to deliver. Affordability and the need to prioritise will always be a critical consideration for the shire in managing expenditure within a tight fiscal environment.

Table 1 below identifies other key strategic documents supporting the Integrated Planning and Reporting Framework and related to the EKC business case:

Table 1: Shire of Exmouth Documentation related to the development of the EKC Business Case

Document	Relevance
District Water Management Strategy - Shire of Exmouth (2012)	The document sets out the Shires obligations in managing stormwater. The critical period is the management of stormwater during January to July. The document also alludes to the need to minimise water use and consumption. This will continue to be an ongoing concern as the Townsite is projected to expand.
Exmouth Marina Village Outline Development Plan Including Broad Design Guidelines (Revised April 2011)	The document sets out the broad development principles and expectations in the development of Superlots which form the Exmouth Marina Development. The document does not reference any obligation to relocate EKC, moreover seeking to ensure the Superlots can be developed in a reasonable timescale and a reasonable cost to support the economic growth of the Shire.
Various Documents – State Government Approval process for the compulsory acquisition of Gnulli Native Title Land	<p>Various attempts have been made to secure Lot 500 for the purposes of developing a karting track as a direct replacement for the current infrastructure. These documents provide an indication of potential obligations, but do not secure the land for the development.</p> <p>The principles of acquiring and subsequently leasing Lot 500 have been agreed. It is evident that while there are no obstacles to the agreement, the cost of relocating to Lot 500 is prohibitive given the current financial position of the club. The Native Title</p>

Document	Relevance
	is merely one significant consideration along with other approvals which would be necessary on a site which has previously remained undeveloped.
Exmouth Kart Club Lease (9 May 2018)	The lease documentation includes a signed agreement with the Yamatji Marlpa Aboriginal Corporation who appear in principle to have agreed to the leasing of Lot 500 for the purposes of a karting facility. This however appears to have not been acted upon.
Superlot D Request for Proposal Documentation (September / October 2021)	The document sets out the obligations of potential developers in the development of Superlot D. It does not require any developer to fully fund the relocation of EKC, but promotes its consideration in the assessment process. The critical aspects are the level of investment required to undertake the flood mitigation work which ultimately impacts on the financial viability of developing the land for its intended purpose.

2.2 Federal, State and Regional Planning Considerations

Table 2 below identifies key state government and regional planning considerations and their relevance to the development of the EKC business case.

Table 2: WA State Government and Peak Body Documentation related to the development of Sporting Infrastructure

Document	Relevance
Department of Defence Environmental Strategy 2016-2036	The strategy states that the Department of Defence will be a leader in sustainable environmental management to support the ADF capability to defend Australia and its national interests. The document references Defence Groups and Services which have already developed thematic strategies, programs, tools and systems to manage environmental factors such as water, energy, biodiversity, pollution, contamination and heritage. As land owners within the Shire of Exmouth this extends to the future use of land and protection of its assets in addition to being proactive in the management of a sustainable environment.
State Planning Strategy 2050	The Strategy outlines the Government's intention to undertake a collaborative approach in planning for the State's land availability, physical and social infrastructure (community facilities), environment, economic development and security. The focal point for future growth within the Shire of Exmouth is to provide an environment which is likely to attract and retain key workers and their families. The provision of a diversity of community, sport and recreation infrastructure and capability to provide for events is critical in achieving this aim. The continued provision of Exmouth Karting Club on a site which enables a fully compliant track and event infrastructure to be developed is likely to attract and retain new residents to the Shire when combined with other service opportunities.
Gascoyne Development Commission Strategic Plan 2022-2026	The plan provides a broad framework to deliver the best future for the Gascoyne region. A key focus for the region is managing and maintaining a quality workforce and attracting key workers to the region. One of the key strategic initiatives is to improve liveability and deliverables include leveraging key industry, tourism, community and sporting events to promote the region as a place to live and work, with a focus on the Ningaloo Eclipse 2023.
Gascoyne Coast Sub-regional Strategy Part A and Part B (2018) and Gascoyne Regional Planning and Infrastructure Framework:	This strategies recognises Exmouth as a Regional Centre in the context of its growing significance as a major population centre in the Gascoyne. The documents highlight that social infrastructure and services make a significant contribution to the liveability and attractiveness of a local community, which can play an important role in attracting and retaining staff. Consideration for regional tourism is the demand for total peak populations. This is likely to be for accommodation, retail, basic provisions

Document	Relevance
Part A and B: Regional Strategic Planning (Feb 2015) and Ningaloo Coast Regional Strategy – Carnarvon to Exmouth (2004)	and access to a variety of commercial tourist opportunities. It is unlikely to impact on the demand for club based circuit / track motorsport activities unless there is a unique commercial service opportunity that may be provided by the facility.

2.3 Karting WA and Karting Australia Strategic and Facility Planning

Karting Australia is the Peak Body for the sport of Karting in Australia. It was formed in 1966 and is the sole body in Australia recognised by the Federation Internationale de l'Automobile (FIA) and Motorsport Australia (formerly the Confederation of Australian Motor Sport – CAMS) to organise and control the sport of Karting in Australia. Karting Australia is a member based, not-for-profit organisation. It has operated as a Company Limited by Guarantee with an independent Board and professional management since 1 September 2013. 64 karting clubs from across Australia affiliate with Karting Australia, and in the case of Karting WA, the Member State Associations. Karting WA is a separate legal entity but operate in accordance with all applicable laws and Karting Australia's Rules, By-Laws, Policies and Procedures. Both Karting Australia and Karting WA operate within the same strategic planning and operational guidelines which are referenced in Table 3 overleaf:

Table 3: Peak Body Documentation related to the development of Karting Infrastructure

Document	Relevance
Karting Australia Strategic Plan 2019 – December 2023	The plan followed a review by the board in 2020 following the impact of the Covid-19 pandemic. It sets out the future direction for karting with the aim of managing and sustaining the sport in challenging times where expenditure is increasing and the volunteer base declining. It is underpinned by a whole of sport review with the outcome intended to set a framework to enhance the contemporary value of the sport in a highly competitive sporting environment. It is to be noted that a key focus is on the development of the volunteer network, governance and programs which support a range of club and social activities. There is no reference to the development and / or protection of existing facility infrastructure.
Karting Australia Circuit Regulations and Guidelines (2022)	The document contains the Mandatory Inspection and Licencing Requirements. This includes track width, recommended length, track type, lighting and safety infrastructure. It provide the key facility components which need to be adhered to in the development of any new track infrastructure. It would not be appropriate to develop infrastructure on a like for like basis as the current track and ancillary facilities are not contemporary and will not be compliant under these guidelines. For a facility to be sufficiently attractive to grow and develop the sport, these guidelines are the minimum standards which need to be applied.
Creating The Pathway To Growth, Stability And Integrity In Australian Karting – Karting Australia's Whole of Sport Review – 2014	The Whole of Sport Review addressed six principles which include the need for karting to be fun; sustainable growth; value for money; simple; conducted with integrity and improved retention of competitors, participants, officials and stakeholders. It aimed to bring the sport into a contemporary age to address its relevance in a competing and diverse sporting market place to the general community, existing participants / clubs and future users. While the review was wide ranging, reference to facility development and protection was limited.

In addition to the above additional research has been undertaken by Motorsport Australia into the global contribution to the economy and community. This will be referenced in subsequent sections.

2.4 Exmouth Kart Club Strategic Plan

The EKC Strategic Plan 2020 to 2023 sets out the vision and purpose of the club. The club is mindful of the threat to the current track and the limited options to continue its activities and existence. The key goals within the strategy related to the facility include:

- To develop a long-term home for the Club
- To establish a quality track and supporting facilities which will allow local, regional and state events to be held.

Additionally the club is seeking to secure its long term sustainability through a range of income streams; increasing the diversity of the membership base and ensure this is supported by a fair and equitable governance structure.

2.5 Key Strategic Implications

The key considerations in developing a business case for the relocation of EKC are:

- The facility is part of the social infrastructure which potentially attracts key workers and will assist in retaining them for the greater benefit of the economy.
- The uncertain future of EKC has been known for more than a decade when Superlot D was identified as a component of the Marina development and subject to the development of the land being affordable, would mean that EKC would have no secure site from which to operate their operations.
- Lot 500 on DP 69582 has been identified as a potentially suitable alternative site, but the site has never been fully tested in respect of site servicing and approvals necessary to develop the land. While an in-principle agreement has been reached with the Gnulli Native Title Claimants, the full process has not been enacted. It is also noted that a series of technical studies related to Aboriginal Heritage, Environmental, Water Management and Site servicing has not been undertaken to establish the sites development viability.
- There is no obligation on Development WA or any prospective developer to relocate and fully fund the karting infrastructure.
- Current facility planning by Karting Australia and Karting WA is focussed on retention of volunteers and program opportunities, but little has been undertaken in respect of strategic facility planning other than through the certification of tracks and facility development guidelines.
- As a significant land owner the Department of Defence has indicated it will be a leader in sustainable environmental management to support the ADF capability to defend Australia and its national interests. This includes protecting their existing and potential future assets while also developing strategies, programs, tools and systems to manage the environmental.

3. Demographic Implications

The demographic analysis is undertaken using two reference points:

- The Australian Bureau of Statistics 2021 Census data to derive the current population profile.
- WA Tomorrow produced by the Department of Lands and Heritage – Band C (DPLH).

The detail is provided at Appendix 2 and the key implications for consideration in providing a diverse range of community sport a recreation infrastructure include:

- The current age profile within the Shire highlights a relatively high number of the population in the age range of 25 to 49 years with a relatively even gender split. This is indicative of the local employment market which attracts younger families. There is however a significant dip in children and young adults aged between 10 and 24 which is generally indicative of their movement of the cohort to secondary school and higher education within Metropolitan Perth and / or interstate.
- The median age of the Shire is 36, which is partially reflective of the high number of young families but lower number of the older children / youth cohort. It is evident that in comparison to Western Australia and Australia, the population is relatively youthful with a lower cohort within the Shire aged over 64. This would generally provide a focus for those sports servicing a family, developmental opportunities and a diverse range of active sporting opportunities being made available.
- The median weekly household income being approximately 25% of monthly wages. Residential rent accounts for about 16.7% of median weekly household income. This would generally indicate a relatively higher level of disposable income on average within the Shire which may be available to expend on recreational pursuits. This however would not take into account the relatively high cost of living expenses, however.
- The relatively higher level of educational attainment of residents within the Shire (educated to degree or above) in comparison to Western Australia and Australia is also generally reflective of higher levels of employability in high wage jobs / greater ability to command higher salaries and potential higher levels of expendable income.
- In respect of cultural diversity it is evident that the Shire has a significantly higher level of Australian, English and Scottish residents in comparison to Western Australia and Australia. As a result the demand is likely therefore to be for traditional sport and recreational pursuits which include traditional indoor and outdoor ball sports (AFL, soccer, cricket, netball, basketball and the rugby codes together with those land based extreme sports such as mountain biking, BMX and motorsports).
- In comparison to Western Australia and Australia on average Shire residents are more than likely to be in paid employment. As the paid employment is likely to be at a higher rate than in other areas of the state which is also commiserate with the higher cost of living.
- In respect of projected future growth, WA tomorrow indicates a consistently growing Shire population albeit the growth is limited and is unlikely to sustain access to sporting infrastructure without subsidy.

While the above demographic positioning is not establishing the need for the redevelopment of EKC, it does provide an indication that the resident population are relatively affluent with potentially high levels of disposable income which would support activities of this nature. Given the small population base however, it is likely that the most affordable sports with high levels of participation are those which the shire should be seeking to prioritise in respect of future investment. Structured motorsport as a relatively high cost and low participation base is often rated as a lower priority for state and federal government investment unless part of a multi-functional, multi-sport environment.

4. Exmouth Kart Club Current Site Analysis

A visual assessment of the current EKC site was undertaken at the outset of this project. The detailed analysis together with photographs is contained at Appendix 3 and summarised below:

Table 4: Current Site Infrastructure

Facility Element	Considerations
Administration and kiosk building	A storage container converted into an office and kitchen space with extended shaded area over an adjacent concrete plinth for spectators. The unit provides a secure lockable space for housing of merchandise and club materials.
Driver Registration	A detached storage container principally utilised for storage and race day driver registration. The unit is damaged with water infiltration at the time of visit causing damage to stored materials.
Scrutineering and Engine Measuring area	Located on an open area between the storage unit and modular toilet building with shaded corrugated sheeting above (used for the storage of various loose items).
Toilets	A detached modular building with male and female toilets to the rear of the administration and kiosk building.
Track	Approximately 666m in length with two potential configurations (with an additional 26 grid bitumen surface waiting area). The track as an asset shows signs of ongoing repair and patching to maintain a consistent surface for racing. It is understood that investment in a new track surface has not been pursued pending clarification of the future direction for the facility.
Lighting Columns	11 lighting columns placed on the inside of the circuit to accommodate night racing and a further 6 floodlight poles behind the barriers / fencing to the north of the starting grid. All are showing signs of ageing and potentially in need of replacement.
Marshalling Points	Three marshalling points with tyre protective barrier located on the internal track areas with an additional tyre safety barrier between the starting grid and closest point of the return race track to avoid any potential conflict.
Control Tower	an elevated building centrally located behind the track fencing with a viewing deck and indoor officials / announcers area with elevated viewing across the track. Access to the cabin is obtained via steps to the rear of the tower. The building is showing signs of extensive decay albeit it is structurally stable currently.
Spectator areas	These are located behind the track barrier with the main area in front of the administration / kiosk building.

It is understood that the track is non-compliant with current Karting Australia Standards but operates under a grandfather clause which would cease if major / significant changes were made to the venue or if it were to be relocated elsewhere.

5. Exmouth Kart Club Potential Site Assessment

The potential relocation of EKC to Lot 500 on DP 69582 has been identified as a potential long term solution for the club. The land is located to the west of Murat Road, south off the Pindan Pit Access Road which also services both the Sporting Shooters Association of Australia Exmouth Shooting Club and Exmouth Motorcycle and Enduro Motocross site. Both of those sites are accessed to the north off the Pindan Pit Access Road. The following provides an overview of the existing sporting sites adjacent and potential of Lot 500 on DP 69582. The detail of the visual assessment is provide at Appendix 3 and land constraints that are available on public record at Appendix 4:

The Sporting Shooters Association of Australia Exmouth Shooting Club

- The facility is located to the west of Murat Road, north off a dirt track which also services both the proposed EKC site and Exmouth Motorcycle and Enduro Motocross site.
- The site is 400m in length and 200m in width and is bordered by tracks / fire breaks.
- The shooting club provides field pistol, 5 stand trap, practical pistol/shotgun, bench rest rifle & metallic silhouette opportunities. There is an existing clubhouse facility centrally located with a large open area in front of the clubhouse for parking with a gated site access.
- Each shooting area is surrounded by extensive man-made sand banks to limit the range danger associated with ballistic materials. There are four buildings located on site. A container building between the two pistol / shotgun ranges, two shaded trap ranges and a storage / clubhouse building. Behind the pistol/shotgun ranges is a skeet shooting area with a 5 stand trap which shoots in a southerly direction towards the existing berms. Additional buildings are provided to service the sport,

Exmouth Motorcycle and Enduro Club:

- The site lies some 930m west of the Shooting Club and 500m north west of the site initially identified by the Shire for the relocated Exmouth Kart Track and associated infrastructure.
- The motocross track lies on land which has been completely cleared and occupies approximately 5 hectares taking into account the fenced track (3ha) and surrounding areas used for access and car parking.
- The track is secured by a high chain link fence and within the site are a series of temporary toilet blocks, clubhouse facility (prefabricated modular building), a raised shaded area for bike parking / pits / spectators and an 18 grid starting area with central marshalling unit.

Lot 500 on DP 69582

- The land is located to the south of the Sporting Shooters Association of Australia Exmouth Shooting Club
- The land is relatively dense bushland with no obvious site access point. The land is approximately 1km north of the North West Cape Defence Base (the Shooting Club is a further 600m north of the southern part of the site and over 2km north of the nearest residential property.
- While it consists of low lying bushland it is nevertheless dense and would require substantial clearance.
- The area is within a Bushfire Prone area and subject to a full BAL Assessment prior to development.
- Unexploded Ordnances: The area is also within a zone identified for potential Unexploded Ordnance (UXO).
- Power: Distribution poles are identified to the west of the proposed EKC relocation site with HV distribution wire – overhead.
- There are no areas subject to floodplain restrictions.
- There is no known contaminated land is within 1km of the site.
- There is no known acid sulfate risk associated with the site.
- The site is within the Warnangura (Cape Range) Cultural Precinct where there are Artefacts / Scatter, Ceremonial, Engraving, Midden / Scatter, Mythological, Rockshelter, Named Place, Water Source. An Assessment of Aboriginal Heritage under the Environmental Protection Act 1986 (EP) Act and the Aboriginal Heritage Act 1972 (AH Act) will need to be undertaken prior to the sites development.

6. Trends in Motorsport Facility Provision

This section assesses current trends in the development of motorsport infrastructure as it relates to karting. Some of the trends are specific to bitumen surfaces which can provide opportunities for a range of hard infrastructure to be developed on site. This section also references affiliated track infrastructure within WA and the potential commercial karting venture opportunities. This information is pulled from a variety of motorsport related developments, including proposed karting tracks across Australia.

6.1 Motorsport Industry Trends

General participation, design and governance trends associated with the development of karting facilities include:

- Club racing as a product of the industry is not a profitable activity and at best provides a marginal return on investment. This can be offset by an alignment with a commercial operator (i.e. corporate or social karting and driver / rider training provider).
- The main income opportunity areas would generally relate to the commercialisation of track infrastructure and include:
 - Speed and test handling of vehicles. Track surfaces can be used for rider and driver training in addition to club karting activities if the market expresses a demand for such use.
 - Corporate hospitality opportunities often exist for controlled karting activities. This is again subject to market demand.
 - Larger bitumen tracks which may be split into discrete areas can operate separate circuits. Such facilities have the capability to generate substantial returns on investment if programmed effectively and efficiently.
- For a karting track / circuit to be viable commercially, it ideally should be available for a variety of activities throughout the week and the commerciality aligned to regular club activities. This however would be dependent on the catchment market and ability to provide a service which is in demand. The nature of the tourism and tourists attracted to the shire is based on the natural environment and not other activities such as motorsport.
- The lack of certainty of access to a circuit and associated infrastructure through a club managed facility is however not generally attractive to commercial operators wishing to hire a venue on a regular basis.
- The catchment population is generally critical to the ability to generate significant economic opportunities. For regional towns and cities, the catchments are generally large for motorsports and extend to a wide and diverse catchment of more than 100km for events but between 20km and 30km for club practice and development activities.
- The attractiveness or otherwise of a facility for events depends on accessibility to a number of components, including:
 - Quality of the racing circuit and associated facilities.
 - Excellent safety and security for spectators and participants.
 - Accommodation – campervans, camping and lower cost quality accommodation.
 - Provision of fuels and services appropriate to the needs of the sport and spectators.
 - A range of eating places from café's, restaurants, bars etc.
 - Ease of access
- Large events are likely to attract visitors from throughout the state and potentially inter-state. However, to attract large events there is a minimum level of infrastructure required. While this can be provided as an event overlay it is critical that the services and space is available to accommodate the infrastructure when required.

- The ability to sell to a broader motorsport market is generally required as a limited local market with a constrained population base is unlikely to have the capability to sustain and manage a bitumen karting track and associated permanent facility infrastructure.
- The cost of managing the asset is likely to be prohibitive for a single user, albeit EKC have demonstrated through its ongoing development a capability within the club to raise necessary capital and in-kind volunteer support to sustain the facility. With declining volunteer support, higher operational costs, increased safety obligations and more demands of families and employees, the ability to attract these resources is diminishing.
- Co-located club activity needs to be governed effectively and similar to a single sports use provides a marginal return on investment. Club focused activities, without a defined user agreement and an effective governance model, can lead to conflict between clubs. For investment to be protected, it will be necessary for an effective governance structure to be developed as part of the evolution of the development.
- The co-location and alignment of different motorsport disciplines and / or noise generating sports in one location provides a more efficient and effective use of resources. There is the ability to share resources (i.e. shared car parking, administration, clubhouse, ablutions and spectator areas) and reduce ongoing maintenance costs. This however requires clear separation between disciplines for the following reasons:
 - Dirt and bitumen disciplines located in close proximity need to take account of prevailing winds. Dust and dirt contamination of bitumen surfaces (particularly on karting tracks) can be problematic.
 - There is a need to be able to run events concurrently requiring separate entry points and dedicated pit areas wherever possible.
 - The need for each discipline to be able to generate its own income from activities to maintain the financial and operational viability of the service offered.
- Karting appeals to a broad range of the population although traditionally dominated by male competition and club use.
- A clear separation of noise generating activities from the residential community is desired. Lot 500 enables this to be achieved given the distance between the site and the closest residential development. The overall impact of noise can however be marginally offset by noise bunding if designed appropriately.

6.2 Karting Industry Benchmarking

The current karting facilities in WA are detailed at Appendix 5. They identify the following:

- Track length ranges from 655m (Esperance Karting Club) to 1,070m (Tiger Kart Club at Wanneroo)
- The capacity of tracks range from 28 competitors to a maximum of 40.
- Tracks generally operate in a Clockwise and Anti-Clockwise direction.
- All surfaces are a bitumen base.
- In respect of Bunbury City Kart Club, it is located within a broader motorsport precinct which includes speedway and motocross. The circuit is also used for driver training. Karratha Kart Club is located adjacent to the motocross track and smaller pump and pee-wee dirt speedway track. The Cockburn international Kartway exists independently within a broader motorsport precinct adjacent to an industrial area. Similarly Tiger Kart Club is located within the broader Wanneroo Raceway Motorsport Precinct which includes the V8 racing circuit, Hill Climb, speedway and motocross infrastructure. All of these facilities operate independently from each other under different governance structures.
- All other tracks are relatively isolated with a typical level of clubhouse, administration, vehicle verification and kiosk provision. It is to be noted that the EKC is one of the poorer facilities in respect of track variety, quality of infrastructure and track quality.

Commercial karting operations exist at Wanneroo Raceway and Cockburn International Kartway. The commercial activity exists on club based facilities and operate every day of the week for a variety of corporate, individual and group bookings. The company MegaFast Karts WA, operate a variety of senior and junior track opportunities in 10 minute race intervals (ranging from \$30 through to \$150 depending on the composition of the race length and time purchased. The karting equipment is designed to limit speed and provide balance control to maintain a high level of

safety for beginners. The karts are brought to the tracks when in operation to maintain a high level of flexibility in the operations and maintenance.

A further example of a commercial karting operation is Sydney Premier Karting Park Eastern Creek which provides an example of a fully commercial track development. Located adjacent to Eastern Creek International Motor Raceway it is designed for general public hire and corporate hire karting as well as domestic club and international kart racing. Club hire is through a commercial management body. They provide for corporate or team building events and offer a range of public opportunities ranging from Cadet karts to double karts. As the home to Wollongong Kart Club it provides for up to 1,000 members who have subsidised use of the track at dedicated times. The track operate a variety of corporate, senior and junior track opportunities in 10, 20 and 30 minute race intervals (with prices ranging from \$30 through to \$365 for track activity depending on the composition of the event / activity and time purchased). High Performance Packages (HPP) are offered to groups who either buy individual times within a group or can hire a dedicated track for 2 hours at \$3,855. This level of activity is at the extreme for karting, but is an example of the level and extent of commercial activity which can be generated at a karting circuit in the optimum location servicing a large potential catchment.

6.3 The Economic Value of Motorsport

Motorsport Australia (previously CAMS) commissioned a major study into the economic contribution of the Australian Motor Sport Industry which was released in 2014. The study covered all four wheel motorsport disciplines across Australia, including karting, and stated:

- Motor sport has contributed \$2.7 billion to the Australian economy annually with a further \$1.2 billion in direct added value (i.e. through the production and manufacturing of vehicles, servicing and associated products).
- Motor racing contributed 16,181 direct jobs with more than 150,000 people regularly participating in motor racing mostly through circuit racing (including go-karting and speedway competitions).
- There were more than 17,400 licensed volunteer officials running most motor sport events.
- Motor sport is the fourth most watched sport in Australia.
- 70% of participants live in urban areas and 30% live in rural areas.
- Most motor sport venues are in rural areas (85%).
- The age and gender profile indicate that the sport is mainly dominated by male (90% male and 10% female) participants over the age of 25 with the highest participatory groups being between the ages of 45-64.

The figures generated related to speed, circuit, karting, rally, speedway, social, autotest, drag and off-road use. Currently across the country there is an ongoing reduction in motor sport facilities due to increasing land values; further development of residential areas; and associated noise disturbance and competing interests for the areas use.

Within WA the following outputs from the report are relevant:

- The output of the motorsport industry in WA in 2013 was \$268 million direct spend with \$116 million of value add and 1,630 jobs. This represents 10% of the Australian motorsport industry. NSW and Victoria dominate with 26% of the market each and Queensland 20%.
- Within WA 7,640 competitors were identified (of which 457 compete and officiate) and 2,209 officials together with 6,926 other club members.
- The information does not split bitumen based circuits from other disciplines and whilst the usage generated from racing circuits is high, in comparison, the extensive number of facilities across the state (54), highlights the difficulty in demonstrating the overall economic value of particular motorsport disciplines.

The Value of Motorsport – Employment, Events and Activities

There is very limited data relating specifically to WA. The following data is taken from further research by Motorsport Australia in 2019 - The economic contribution of the Australian motorsport industry in WA:

- Motorsport accounted for \$317.5m Gross output in the state and \$104.8m in value add activities.
- There were 1,732 employed across the state in various motorsport disciplines (including karting)

- Western Australia provides 10.2% of the Australian motorsport contribution to the economy
- Those that compete only 8,805 = 13.8%; Officiate only 2,084 = 12.7%; Compete & officiate 313 = 12.6% and Other club members 9,487 = 9.0%. The total numbers participating in the sport in WA amounts to 20,689 = 11.0% of the national figure.
- Within WA there are 99 Tracks & venues (16.0%) and 194 Clubs (14.0%) operating 1,147 Events (12.0% of national events).

The study indicated that overall motorsport contributed \$3.1b to direct gross output and \$5.5b Indirect gross output to the economy together with \$1b Direct added value and \$1.6b indirect value add

6.4 Summary of Key Findings

The key finding from the research impacting on the development of a replacement karting facility and associated infrastructure in the Shire of Exmouth are:

- It is evident that club racing as a product of the industry is not a profitable activity and at best provides a marginal return on investment. A decision needs to be taken on the desired outcome for the study and the future governance and responsibility for the management of the asset if it is to be relocated.
- The catchment population is generally critical to the ability to generate significant economic opportunities. For regional towns and cities, this extends to a wide and diverse catchment of more than 100km for events. Investment in a replacement karting motorsport facility in the Shire of Exmouth will need to consider the ability to generate significant usage from such a limited population catchment. This may necessitate exploring alternative commercial opportunities and their potential viability.
- Commercial opportunities need to be guaranteed access at the times they desire, rather than be beholden to club use. They also need to be able to operate effectively and service as broad a population catchment as possible. It is unlikely that the population of the Shire, even during peak periods could sustain a commercial operation.
- Co-locating club activities into one major motorsport precinct is likely to be beneficial as it optimises the use of the facility across multiple disciplines, shares resources, is more cost efficient to run and in return likely to be more financially sustainable. To develop a replacement karting facility in isolation is unlikely to provide the optimum return on investment and where possible alignment with existing aligned sports / user groups should be considered.
- The provision of a bitumen surface does permit opportunities for use by other activities including driver and rider training and alternative sporting use such as criterium cycling.
- There is clearly an issue with the gradual loss and erosion of motorsport facilities across the state and within Australia due to the gradual urban encroachment and the sports perceived / actual impact in the loss of residential amenity. This is clearly the case in Exmouth where the loss of a motorsport facility without a suitable replacement being provided will add to the gradually diminishing places to experience motorsport activities.

7. EKC Business Analysis

The current financial capability of the club was examined to determine that ability or otherwise to raise the initial capital and then the ongoing revenue to support the development of a karting facility and the maintenance of the asset. Current membership levels and annual Northern Zone Series (including one Gascoyne Games event) are identified at Table 5 below:

Table 5: Current EKC Membership Levels and usage data (Source: EKC)

Source	Number			
Membership - 2022				
2022 Licensed Members	27			
2022 Social or Family members	26			
2022 Officials	10 (from the membership base)			
2022 Media / Photographer	1 (from the membership base)			
Event Details	Entries	Officials	Volunteers	Spectators
2022 Northern Zone Series R3	36	11	5	150
2021 Gascoyne Games	15	8	4	90
2021 Northern Zone Series R2	39	12	6	200
2020 Northern Zone Series R3	36	12	6	80
2019 Northern Zone Series Final	36	9	6	150
2018 Northern Zone Series R3	50	9	10	200
2017 Northern Zone Series R3	64	13	6	150
2016 Northern Zone Series R1	75	10	8	200
2015 Northern Zone Series Final	49	7	6	150
2014 Northern Zone Series R1	62	8	8	200
2013 Northern Zone Series R4	67	8	6	200
2012 Northern Zone Series R3	91	10	8	200
2011 Northern Zone Series R1	81	8	9	200
2010 Northern Zone Series R1	68	8	8	200

The key points to note from the information supplied is that the current membership base is low and probably reflective of the quality of the track infrastructure and inability for the club to operate the full range of services. The lack of recent investment due to the uncertainty with the future of the track and ongoing short term extensions to the

current license agreement is likely to adversely affect memberships. In addition, the track lighting is unavailable for night-time use.

In respect of event capability the club have consistently demonstrated their ability to host a Northern Zone Series which attracts in excess of 200 people to the Shire over one weekend annually. This adds to the diversity of community events and provides a boost to the visitor economy who will benefit from increased demand related to overnight visitor stays, retail, food and drink purchases.

The track is open to licenced members to use from Monday to Friday from 3pm to dusk and Saturday and Sunday from 8am to dusk. It is estimated the track is currently used for 2 hrs a week due to the track surface and no lighting available for night time use. 6 to 8 members a week are generally using the facility and undertaking maintenance on the track. This level of use is relatively light and is reflective of the current low membership levels.

In respect of the development of a new facility EKC have indicated they have a number of items which they could utilise to offset the costs of the development. This includes the re-use of existing containers / toilets at the current site and relocation of a re clad 12m x 9m shed and an acquired former Watercorp Shed with the capability of providing a secure kart vehicle store and office / administration area. In addition the club has 4 x 16 metre lighting towers for use from the recently replaced football oval floodlighting and the potential to acquire additional street lighting pylons (x12).

7.1 Current Financial Performance

A breakdown of the financial performance of EKC is provided at Appendix 6. The key outputs of the financial analysis indicate the following:

- On an annual basis the financial income derived from membership, sponsorship and fundraising has seen a gradual increase between 2016 to 2021 with sponsorship in 2020/2021 reaching a high of \$11.4k. The best performing year across all income areas was 2019/2020 which was ironically impacted by the Covid-19 pandemic and restrictions placed on attendance at events and social distancing. Nevertheless the ability to generate significant income levels is limited.
- Total expenditure levels highlight a mixture of variable expenditure items with no meet expenses between 2018 to 2020. This is assumed to be as a result of the covid-19 pandemic with 2020/21 indicating an expenditure of just over \$3k which is below pre-pandemic figures.
- Expenditure on Kart WA fees will be related to the numbers of affiliated members. Over the five year period this has averaged \$730 annually.
- Over the five year period annual expenditure has averaged \$10,287. It is to be noted that maintenance costs are generally low with much of the maintenance being undertaken on a grace and favour basis.
- Overall net performance between 2016 to 2021 has shown a gradually increasing and positive financial return with 2019/2020 being the best performing year. This has been achieved by increasing income levels and keeping expenditure relatively low and at below 50% of the income levels in the past two available financial years. In prior years the club has effectively operated at just above a break-even level.
- The overall position of EKC has indicated a positive financial balance year on year over the reporting period. Since 2016 the closing balance across all accounts indicates an ability to generate sufficient income to potentially set aside \$10k annually to invest in the ongoing operational costs of managing a facility, which is over and above current commitments. These figures are however indicating an artificial financial return as the club has withheld any investment in the existing infrastructure due to the uncertainty regarding the track relocation.

The financial performance of EKC highlights an ability to manage the financial accounts well and the ability to put money aside for ongoing improvements to facility infrastructure. However the financial capability is limited and would not be sufficient to manage the asset in accordance with required standards. While this could be offset by club volunteers offering time and resources to maintain infrastructure, the risk would potentially be high in not being able to meet one-off anomalies which incur substantial financial liabilities. In such circumstances the club would be unable to meet potential obligations without approaching the Shire for support.

7.2 Future Implications

The current operation of EKC would not be in a position to invest significantly in the development of a new track facility nor the ongoing operational and asset management costs. The club does have the capability to secure volunteer support to undertake basic site contractor work at low or no cost, but this is unlikely to cover the substantial costs of redevelopment. There will however be the potential to secure and use a range of buildings and equipment which will offset some of the building costs.

The annual operating accounts highlight that the club while operating profitably, does not have substantial financial resources. Even with an increased membership base resulting from the attractiveness of a newly invested facility, the desire to keep the sport affordable is likely to see only marginal positive increases in the financial bottom line. The only prospects to increase the viability is to introduce a range of commercial opportunities, either operated by the club or through entering into partnership with a commercial investor. Given the relatively small population base within the Shire and limited catchment within 100km of the facility, the ability to attract a commercial investor will be challenging.

8. Consultation Outcomes

Consultation was undertaken with officers at the Shire of Exmouth together with a range of state government departments and the Department of Defence. In addition selected sporting group consultation was undertaken to determine the potential capability to co-locate activities to reduce the potential initial capital cost and ongoing operational expenditure. These are provided in detail at Appendix 7 and key points summarised below.

8.1 Exmouth Kart Club Representatives

EKC representatives highlighted the following critical considerations:

- If the club were to stay on site they would wish to negotiate a minimum 10 year lease (5 plus 5) and update the track to meet Karting WA technical standards (latest track construction guidelines of 2022).
- They are currently looking at the control tower replacement but will not invest until the future is certain.
- The club have indicated the level of facilities which will be required in a track relocation. This includes: Track to KWA technical requirements; Safety lights; Fencing requirements to standard; Observation / Officials Tower; room for stewards meeting; starting and finishing grid (ideally together); pits area; storage – 2 storage facilities are available and can be utilised; Wi-Fi; Power (200amp 3 phase) / services; amenities; first aid / gazebo currently used; amenities shared with other users and spectator gazebos for shade
- The club have the capability to support any development through undertaking earthworks, vehicular access; electrical and basic infrastructure acquired (sheds / lighting).
- The issues with the proposed site at Lot 500 include Aboriginal Land Title, unknown soil / drainage capability and extent of water table.
- The club recognise the potential opportunities to partner with other users / activities including cycling, camping, alignment with motocross and other sports.
- There is a need to minimise operational costs and asset management costs.
- A series of risks were identified with EKC representatives and these are provided in the subsequent section 11.

8.2 Shire of Exmouth Officers

Input was sought from the Shire of Exmouth Officers relating to the potential development of Lot 500 and potential planning implications. The key points to note are:

- A phased development of the karting infrastructure should be undertaken to determine what is achievable.
- The kart club could be based on the current site for a little while yet as the development is a minimum of eighteen months to two years away. The portion of the land is likely to be the last to be developed but the developer may not wish to contribute to the track relocation.
- The current capability of the Shire to invest is low due to the limited financial reserves and rate base. There may be potential to seek funding from the limited number of mining companies based within close proximity of the Shire.
- From an Aboriginal Land Title perspective, this is a little confusing as approval appears to have been sought but not finalised on Lot 500. There was a 2019 determination with a signed agreement but there are issues with Aboriginal Heritage which have not been resolved
- In respect of development at Lot 500:
 - Acoustics is not a major issue
 - All land to the north of the Dept of Defence is suitable generally – it is close to the Pindan Pit. There will be a need to refer to Department of Defence due to lighting implications
 - To enable site clearance a desktop study of flora and fauna will be required.

- There have not been any water studies but water licensing capacity would be an issue – Most licenses are at capacity.

8.3 State Government and State Agencies

The Department of Local Government Sport and Cultural Industries indicated:

- The cost of the kart track development will be an issue and unlikely to be seen as a priority for CSRFF as membership levels are too low and ability to grow limited.
- They did seek to challenge Landcorp / Development WA but backed down due to limited argument for investment.

Watercorp were requested to provide advice but to date no information has been forthcoming.

8.4 Development WA and Superlot D Site Developers

Development WA provided the following comments

- Development took over the site with no financial obligation to relocate the karting track.
- Development WA have lost a lot of money on the site to bring it up to a developable level as it was bought in the peak period and it has never gained equity.
- Subject to the outcome of the business case the state government could explore a Community Service Obligation. No money is currently set aside but the Treasury could be requested to provide additional funding if the case is compelling. A multi-functional option incorporating other sports is likely to be looked on more favourably

Celsius Group as the intended Superlot D site developers provided the following comments:

- The Town planning process will take a minimum of 12 months and the first stage will not go near where the karts are. There will be a six month build and therefore the likely date for the first residential property is late 2024.
- Initially a contribution to the relocation of the kart track was considered but was removed from the submission due to a firm belief it should be the responsibility of state / local government to invest. The development of the land is marginal.
- They are open to entering into a partnership agreement and discussion with Development WA regarding an alternative track but not the cost of redevelopment. The track will not be retained on site.

8.5 Department of Defence

The Department of Defence were particularly concerned with the development of Lot 500 indicating a lack of support for its development. A summary of the comments is provided below:

- Dust implications, light implications and magnetics / frequencies will be a key focus. Defence operate through a variety of frequencies and will oppose any development which is likely to impact on their operations.
- When the motocross was approved it was unlikely to have been understood how damaging the dust impact would be. Any changes / development applications related to the motocross facility and gun club are likely to be met with resistance and they will potentially seek their closure if that was an option.
- The development of the Town to the north has adversely impacted on the Space Surveillance Telescope and testing. This development was undertaken during the planning phase of the telescope and implemented prior to or at the time of investment approval. The expansion of the town site has had an adverse impact which may have been prevented if considered today.
- Anything South of the Town needs to avoid Area C/ RAAF Learmonth – Defence have become more acutely aware of the impact of developments within designated buffer zones around their land. The extent of buffer zones vary with the use / activity but the Space Surveillance Telescope buffer is from horizon to horizon.

- With regard to rare flora and fauna, the Department have had to deal with 3 rare sub-species of common plants which have never been previously recorded – these new finds of plants have hindered the development of internal roads and other construction work. They will not permit their clearance and this is likely to be an issue on Lot 500 identified for karting.
- The recent proposed Tattarang visitor accommodation development have agreed to limitations on their development including:
 - Height limitations on buildings to two storeys only.
 - Frequency limits
 - Shielding on lights and limitations on their placement and number

This has all been undertaken at a significant cost to the development.

8.6 Additional Club and Local Consultation Outcomes

The Chamber of Commerce representatives were met with a view to exploring investment and partnership opportunities. The summary indicated:

- The chamber have been talking to a number of external agencies who may be able to assist with a number of Shire initiatives / business alignments. EKC relocation could be added to the list if it were a viable proposition.
- Key questions which need to be addressed:
 - Is the identified site the right site for relocation?
 - Is there a cheaper and more efficient site?
- Investigate additional revenue streams – particularly related to its place as a tourist attraction
- The Chambers could be the administrator to all of the clubs which could widen the scope on how the whole thing is managed.
- The Chambers want to be in a position themselves where they can value add to the business.

Karting WA VP and licenced track inspector:

- It has now been 15 years since the club have been trying to get an alternative site / plot of land. The have previously identified:
 - Watercorp Property but it was too close to Cameron’s Cave
 - The light airstrip where it was anticipated rezoning would have gone through but it was opposed by the Pebble Beach Group who wrote to oppose the development.
 - The tip / scaling scarp have been looked at but it did not materialise as an option.
 - The sporting shooters association but the club couldn’t sublease.
 - The motocross club was assessed but there was a need to be resolve issues relating to the prevailing wind.
- The Department of Defence were to clear the area of Lot 500 for the club but the site still needs approval plus an assessment of the water table.
- The club would need to undertake significant investment to replace what they already have.
- Karting WA do not want to lose circuits.
- The track development fund of Karting Australia belongs to every kart driver. \$400k is in the fund but it has limited capability.

Exmouth Motorcycle Club representative:

- The club would be interested in being involved in a co-location option but the club have limited finances. There is however no big money around to potentially provide a solution.
- They is not an issue with the wind – prevailing wind is from the ocean side towards the range.

- They have previously been approached and would welcome the opportunity to enhance the provision across the sports.

Sporting Shooters Australia Association – Exmouth:

- The opportunity for shared amenities would be welcomed and they would consider the potential use of spare land to the south of the traps for the karting circuit.
- Anything developed south of the clubhouse is fine – anything further north is wasting time
- Very positive to co-locating – the land in front of the gun club would potentially provide a suitable solution to achieve this.

Cape Range Riders representatives:

- The mountain bike club is involved in developing the trails in the hills and are unlikely to see the ‘soft’ land around the proposed kart track as being suitable for additional mountain bike infrastructure as the soil (sand) is not conducive to their activity.
- The main issues in developing trails are associated with flora and fauna – the Town site is really hemmed in.
- If a facility was developed to service the gun club, motocross and karting, it is likely mountain bikes would use the facility if it had the space for hosting an event. This would also be attractive to other clubs

8.7 Summary Conclusion

The outcomes of the consultation proves identified a series of potential opportunities but also raised significant concerns with the potential development of Lot 500. The key conclusions reached are:

- In respect of funding for the relocated karting track the opportunities for funding are likely to be limited to the Karting Australia grant program and potential negotiations with commercial companies wishing to invest in social capital within the Shire. The option to secure funding through the CSRFF state level funding program is limited and the commitment of Development WA and / or the Celsius Group in developing Superlot D is likely to be extremely limited at best.
- Doubts have been raised over the viability of developing Lot 500 for the purposes of a karting track based on comments received from the Department of Defence and the lack of progress in addressing the Aboriginal Land Title obligations. In particular the following aspects are critical impasses to the sites development:
 - The investment of \$1bn in the Space Surveillance Telescope which is subject to a buffer zone which extends to the horizon. Given that the Department of Defence have become more acutely aware of the impact of developments within designated buffer zones around their land it is highly likely they would oppose any development which would:
 - Introduce additional noise to the area
 - Incorporate WiFi / magnetic / radio frequencies that may conflict with Dept of Defence signals.
 - Create dust in the vicinity (from dirt car parking or bitumen track use).
 - Introduce additional lighting to the area.
 - The water licensing capability. There will be a need to reticulate the site and in particular the car parking area to ensure dust is minimised. Further detailed analysis of water use and capacity of the current license will need to be undertaken to confirm there is sufficient capability to accommodate the development.
 - The presence of rare flora and fauna on the Department of Defence land adjacent to Lot 500 which are likely to be widespread in the area. This cannot be progressed without a detailed flora and fauna survey being undertaken. The extent of land clearance will be substantial and cannot be undertaken without the prior approval of the Department of Biodiversity, Conservation and Attractions (DBCA).
 - The unknown depth of the water table which would need to be the subject of further technical investigations.

- The extent and cost of site servicing. While it has been intimated that water and power exist in Murat Road and the Pindan Pit Access Road, the extent and cost of the connection is likely to be substantial.
- The capability of the Shire to acquire and develop the land which is still within the control of the Department of Defence and subject to a management order which has questionable legal standing.
- There is a willingness from adjacent clubs to Lot 500 to co-locate and share infrastructure with EKC. However given the likely resistance by the Department of Defence to any material changes to the planning to the north of its Defence base, such an option is highly unlikely.
- The level of infrastructure required to meet the needs of EKC is reasonable and within the guidelines established by Karting Australia. The club have indicated that lighting is not essential and that this aspect may overcome one of the concerns from the Department of Defence.
- The overall cost of proofing the site up for development is likely to be substantial and beyond the means of a voluntary sports club. All of the above technical work and Native Land Title resolution work would need to be undertaken by the Shire and potentially budgeted for in the Long Term Financial Plan. It is highly unlikely that the land could be proofed up and developed before the use of the existing karting track ceases.

Having regard to the above concerns and likely opposition to the development of karting infrastructure on Lot 500, the Shire were requested to consider alternative site options. No further sites have been identified which potentially provide a viable solution. A detailed analysis of the land within the Shire by shire planners has indicated that there would be no other land with sufficient capability to accommodate the track and associated infrastructure for a variety of reasons including noise, dust, light pollution, accessibility constraints, Aboriginal heritage constraints, water management issues, ownership and locational factors. While Lot 500 could be progressed, it will have to be considered in the knowledge that it is subject to a management order which has questionable legal standing and if that matter is resolved, its likely development will be compromised by the extent of remediation work necessary to be brought into use.

9. Development Options and Cost

This section references the guidelines provided by Karting Australia and those facility requirements having regard to the facility needs of EKC. The facility composition and site development alludes to Lot 500 being available for development but also recognising that it is likely not to be a viable proposition without addressing all known site constraints.

9.1 Facility Composition

Table 6 identifies the facility composition and extent of development to be undertaken to ensure the EKC is no worse off than the current karting site. By its very nature, new infrastructure will be far better than an ageing facility which has lacked an appropriate asset management plan and ongoing investment in upgrading the infrastructure. The cost plan provided in Section 9.2 reflects the Order of Probable Cost (OPC) having regard to aspects of the development that can and potentially will be undertaken by the club in a phased manner and through in-kind support.

Table 6: Exmouth Karting Club Facility Composition

Facility	Justification	Development Considerations Informing the OPC
Track 666m in length and track width to be a minimum 7m and maximum 8m. Minimum distance of 80m from the start line to the start of the first corner and including catch traps to protect competitors at a minimum of two metres wide and 250mm deep. To also include a grid hard standing prior to accessing the track.	Consistent with current track facility and to facilitate a 26 to 28 kart grid. Circuits to be available for state championships are to be constructed of bitumen and with a minimum length of 500 metres and a minimum width of 7 metres.	To be undertaken by a specialist contractor to ensure the track is built to specification with the appropriate subgrade and quality surface
Safety Structures: Tyre buffers around permanent structures	To be placed in front of permanent structures (lights and fencing) and to protect internal track marshals.	Existing tyres from current track will either need to be disposed of or utilised within the new facility.
Circuit lighting: Optional Phase 2 development	To be designed to facilitate a minimum 50 lux value across the circuit – preferably LED	To be installed by club volunteers – lighting towers are currently being stored.
Paddock / Pit Area	A hard standing area set aside for the use by competitors for kart maintenance, repair and storage during the course of an event and separated from the spectator area.	To be compacted dirt ground with ability for trailers and shade to be driven into the area and secured. To be undertaken by club volunteers.
Spectator Fence height of 0.9 metres and surrounding circuit fence	To restrict the access of all persons to a specified area adjacent to the administration / kiosk area. Guidelines detail a minimum height of 0.9 metres and be a minimum of five (5) 2.5mm wire strands evenly spaced over the entire height of the fence.	To be undertaken by a specialist contractor.
Safety Control Lights	Essential for race control. The positioning, construction and	To be installed by club volunteers.

Facility	Justification	Development Considerations Informing the OPC
	number of lights is to be decided in consultation with the Circuit Inspector	
Track Fencing: To be placed around the circuit to ensure the first line of protection for karts is in place and prevent animal access to the site.	A minimum of 1.15 metres in height above the adjacent ground levels, up to 1.8 metre height at the discretion of the Circuit Inspector.	To be undertaken by a specialist contractor.
Weigh-In-Area and shaded vehicle inspection area	An area set aside from the paddock / pits and track for the assembly of karts at the end of a race prior to being weighed	To be installed by club volunteers.
Control Tower	The existing control tower cannot be relocated and will need to be replaced	To be undertaken by a specialist contractor.
Canteen /Clubroom	The club have acquired the former Watercorp Office and storage building which can be transported to the site.	It will need transporting to the site and installing and connecting to site services.
Amenities	The current club amenities building could be re-used as a short term solution. For events the capability to provide ancillary portable toilets will be required.	It will need transporting to the site and installing and connecting to site services.
Officials Room	A separate mobile unit has been acquired by the club and can be utilised for this purpose.	It will need transporting to the site and installing and connecting to site services.
Storage / Maintenance Shed	The club have acquired the former Watercorp Office and storage building which can be transported to the site and used for this purpose.	It will need transporting to the site and installing and connecting to site services.
Site clearance, earthworks banking and cut and fill	The site will need clearing and potential earthworks to provide a suitable track facility.	To be undertaken by club volunteers.
Children's Play area: Optional Phase 2 development	Optional facility to replace ageing structure at the current site	To be acquired once the site has been developed.
Site access and entry	Subject to the outcome of any highway obligations and safe ingress / egress controls.	A dirt track but will require compacting by club volunteers

The proper maintenance of the circuit and its installations is a condition of the Licence approved by Karting Australia. The circuit should be checked regularly to ensure any damage can be assessed, and a repair program established. The overall responsibility for the management of the facility will rest with Exmouth Karting Club which will need to be reflected in the ongoing asset management and renewal.

9.2 Proposed Karting Track Cost Estimation

A cost estimation was undertaken by Donald Cant Watts and Corke which initially considered the full development of the plans produced by EKC at the Lot 500 site being undertaken by a contractor. In reality the costs will be split between those areas identified in Table 6 above and the installation of acquired facilities with those areas not within the technical proficiency of volunteers being let out to contract. The full extent of the development included regional loading at 63%; contingencies for design at 10%; construction at 10% and professional fees at 8%. The overall cost was estimated at **\$18.64M**.

Table 7: Overall Order of Probable Cost – Full Contractor Development

Exmouth Kart Club		Proposed Racetrack
Item	Description	Total (\$)
	Buildings	
	TOTAL BUILDING COSTS	910,000
	External Works	
	TOTAL EXTERNAL WORKS COST	3,366,225
	External Services	
	TOTAL EXTERNAL SERVICES COST	653,400
	Total	4,929,625
	Regional Loading Factor - Exmouth	3,105,664
		8,035,289
2.01	Design Contingencies	803,529
2.02	Construction Contingencies	883,882
2.09	Professional Fees	777,816
2.00	On-Costs - Sub Total	2,565,227
	ESTIMATED GROSS PROJECT (COMMITMENT) TOTAL COST	18,635,804

With the in-kind / grace and favour contribution from volunteers to clear and shape the site and re-use of various acquired infrastructure (lighting, storage, administration building and maintenance shed) in accordance with Table 6 development considerations. The full extent of the development included regional loading at 63%; contingencies for design at 5%; construction at 5% and professional fees at 8% to reflect the fact that the building construction would be minimised through the introduction of acquired units and re-use of some existing facilities. The overall cost was estimated at **\$7.47M**.

Table 8: Overall Order of Probable Cost – Partial Contractor Development and partial In-Kind Support

Exmouth Kart Club		Proposed Racetrack
Item	Description	Total (\$)
	Buildings	
	TOTAL BUILDING COSTS	221,500
	External Works	
	TOTAL EXTERNAL WORKS COST	1,611,009
	External Services	
	TOTAL EXTERNAL SERVICES COST	232,200
	Total	2,064,709
	Regional Loading Factor - Exmouth	1,300,767
		3,365,476
2.01	Design Contingencies	168,274
2.02	Construction Contingencies	176,687
2.09	Professional Fees	296,835
2.00	On-Costs - Sub Total	741,796
	ESTIMATED GROSS PROJECT (COMMITMENT) TOTAL COST	7,472,748

Both cost plans exclude:

- GST
- Environmental Offset / Management Plans etc
- Specific exclusions as identified in the OPC plans at Appendix 8.
- Abnormal ground conditions / contamination/ uncontrolled fill etc
- Services diversions

- Utility upgrades / contributions & headworks
- Import of any fill or removal of fill - assumes balance cut/fill earthworks
- Legal costs, site costs, agents fees, finance etc
- Land purchase costs
- Fitout of workshop
- Escalation
- ESD Initiatives

In addition the cost plans:

- Assume a Competitive Tender process with local builders using basic selection of materials
- Assume all pavements are Bitumen unless stated otherwise
- Assumes services are nearby to connect to with sufficient capacity
- Assumes stormwater drainage kept on site
- Scope and Quantities based on the EKC initial plan referenced at Figure 2 above
- All scope, quantities and rates are provisional therefore subject to adjustment

It should be noted that the OPC does not include the additional costs which are likely to be incurred in proofing a site up for development. As a ball park figure it is assumed that these technical studies will need to be undertaken at a cost of between \$150k to \$200k (including Aboriginal Heritage Assessment, Civils - services, Water management – stormwater, water extraction and extent of the water table, Flora and Fauna Assessments, Traffic management, light / acoustic assessments and measures to minimise / diminish the impact on the Department of Defence Observatory).

10. Operational Financial Projections

The financial projections model considers the management structure and associated costs necessary to secure the viable development of the relocated karting track. It references the financial capability and capacity of EKC based on the current operations and potential future growth having regard to a number of potential programs / initiatives to increase the commercial viability of the facility.

10.1 Financial Assumptions

The financial model base case scenario has been developed using a range of assumptions to inform the potential operating performance of a facility principally used for the purposes of a karting club. Two models have been prepared for the analysis which include:

- EKC Club operated facility – club use only. This model includes an expansion to the current use and income generated based on a volunteer club run and operated program, likely revenue, facility operating costs, maintenance and asset renewal.
- EKC Club operated facility – club, multi-functional community use and commercial access. This model includes the club operating revenue and expenditure, facility operating costs, maintenance, asset renewal, contribution to facility operating costs by other users and track hire by a commercial operator .

The financial model report includes an overview of the model inputs and outputs, summary of the assumptions used in the calculations and 10 year financial performance projections of the two models is contained at Appendix 9.

The basic assumptions of the model include:

- The financial model is annually impacted by a CPI increase. This has been set at 5% from year 2 to year 10.
- It is assumed that the facility will be volunteer managed and operated and no cost is attributed to any paid staff.
- The facility will be programmed for an 18 weeks commercial hire activity operated locally (10 sessions nominally).
- Hire fees and gate fees are based on spectators paying a nominal fee for one significant annual event – the Northern Zone Series round.
- Expenditure will include assumptions for the care and maintenance of the track and associated built infrastructure which are significantly below typical asset maintenance and renewal programs due to the extent of volunteer in-kind support which is traditionally provided to maintain such infrastructure.
- The hire of the circuit for commercial activities is assumed to be \$5k annually (10 x \$500 track hire fee throughout the operating season for driver training and occasional karting come and try days operated separate to the club use).
- The club operating model considers the additional income streams and operating expenditure derived from the clubs usage and programming.
- The club and commercial model considers the additional income streams from club development programs, shared use of infrastructure by the community and hire of the track and facilities by a potential commercial operator to operate 10 track sessions annually.

The full extent of the assumptions is contained within Appendix 9. The current financial reports and average income / expenditure over the past five years is used as the basis for projecting future income and expenditure in the absence of other detail.

10.2 Financial Model Outputs

The EKC Club operated facility – club use only model base case projections indicate:

- Revenue in year 1 of \$32,250 increasing to \$50,030 in year 10. An annual average revenue of \$44,473

- Expenditure in year 1 of \$27,011 increasing to \$41,901 in year 10. An annual average expenditure of \$36,097.
- Operational surplus in year 1 of \$5,239 increasing to \$8,129 in year 10. An annual average surplus of \$6,591.
- Asset management costs over the 10 years, escalating by 5% from \$7,910 in year 1 to \$12,271 in year 10 having regard to the bulk of the investment being provided by club volunteers with a nominal sum for additional materials. No figure has been provided for asset renewal. This would need to be negotiated with the Shire if the facility is to be supported.

Table 9: EKC Club operated facility – club use only – Base Case 10 Year Operational Business Projections

Category	Years				
	1	2	3	4	5
Total Income	\$32,250	\$33,863	\$35,556	\$37,333	\$39,200
Total Expenditure	\$27,011	\$28,361	\$29,779	\$31,267	\$32,831
Net Performance	\$5,239	\$5,502	\$5,777	\$6,066	\$6,369
	6	7	8	9	10
Total Income	\$41,160	\$43,218	\$45,379	\$47,648	\$50,030
Total Expenditure	\$34,472	\$36,196	\$38,006	\$39,906	\$41,901
Net Performance	\$6,688	\$7,022	\$7,373	\$7,742	\$8,129

EKC Club operated facility – club, multi-functional community use and commercial access indicate:

- Revenue in year 1 of \$38,250 increasing to \$59,338 in year 10. An annual average revenue of \$52,020
- Expenditure in year 1 of \$29,011 increasing to \$45,004 in year 10. An annual average expenditure of \$38,613.
- Operational surplus in year 1 of \$5,639 increasing to \$8,749 in year 10. An annual average surplus of \$7,094.
- Asset management costs over the 10 years are consistent across both scenarios, escalating by 5% from \$7,910 in year 1 to \$12,271 in year 10 having regard to the bulk of the in-kind investment being provided by club volunteers with a nominal sum for additional materials. No figure has been provided for asset renewal. This would need to be negotiated with the Shire if the facility is to be supported.

Table 10: EKC Club operated facility – club, multi-functional community use and commercial access – Base Case 10 Year Operational Business Projections

Category	Years				
	1	2	3	4	5
Total Income	\$38,250	\$40,163	\$42,171	\$44,279	\$46,493
Total Expenditure	\$29,011	\$30,461	\$31,984	\$33,583	\$35,262
Net Performance	\$9,239	\$9,702	\$10,187	\$10,696	\$11,231
	6	7	8	9	10
Total Income	\$48,818	\$51,259	\$53,822	\$56,513	\$59,338
Total Expenditure	\$37,025	\$38,876	\$40,820	\$42,861	\$45,004
Net Performance	\$11,793	\$12,382	\$13,002	\$13,652	\$14,334

11. Risk Assessment

The risk identification, analysis and evaluation process form a critical part of the Business Case to ensure key personnel understand all implications relating to the future investment into the development of EKC and associated infrastructure on Lot 500 on DP 69582. Potential risks are identified under designated risk categories which include:

- Occupational Safety and Health / Injury / Wellbeing
- Financial Impact
- Brand Reputation
- Operational / Delivery Disruption
- Environmental
- Compliance

Subsequently, each risk is analysed in terms of probability (likelihood) and impact (consequence). Five ratings of Almost Certain (5), Likely (4), Possible (3), Unlikely (2) and Rare (1) are accorded to probability. Five ratings of Insignificant (1), Minor (2), Moderate (3), Major (4) and Catastrophic (5) are accorded to impact and subsequently distilled as presenting:

- **Extreme Risks** - require careful management and the development of a Risk Management Plan.
- **High Risks** - require careful management and the development of a Risk Management Plan.
- **Substantial Risk** - require monitoring risks and treatment implementation.
- **Moderate Risk** - require careful management.
- **Low Risks** - would be generally accepted or discarded.

A full risk identification and analysis is contained at Appendix 10. There were a significant number of High and Extreme level risks identified which largely relate to the land identified which has not been fully assessed as being a viable proposition for a karting track facility. The risk and mitigation (treatment) measures are highlighted in the table 1 below:

Table 11: Risk and Mitigation Plan

Risk #	Short Risk Description	Treatment Details
1	All statutory approvals necessary to plan, design and build the karting circuit, clubhouse and associated infrastructure are unable to be obtained.	<ul style="list-style-type: none"> - Development of an implementation plan following completion of the detailed Business Case and consideration by council to undertake the necessary technical research and detailed design to secure statutory approvals. - Ongoing liaison with the Shire officers to obtain project management support.
2	Overall cost of development for the preferred site location to meet the needs of adjacent landowners is cost prohibitive Potential obligations include: <ul style="list-style-type: none"> - Site servicing - Bush clearance - Nosing management plan - Environmental management plan 	<ul style="list-style-type: none"> - Funding plan to be established. - Grant funding to be sourced through state and federal governments in addition to potential contributions from land developers / local resource companies.

	<ul style="list-style-type: none"> - Dust management plan - Noise management plan - Aboriginal Heritage Study 	
3	Increasing costs due to ongoing instability in the market and inability to obtain labour and materials at a reasonable rate	<ul style="list-style-type: none"> - Ongoing review of capital build costs.
4	Development WA indicate that they are unlikely to provide resources to support the relocation of the karting circuit.	<ul style="list-style-type: none"> - Ongoing dialogue with Development WA on completion of the business case.
5	Celsius Pty Ltd indicate that they are unlikely to provide resources to support the relocation of the karting circuit.	<ul style="list-style-type: none"> - Ongoing dialogue with Celsius Pty Ltd on completion of the business case.
8	Lack of political support at state government level.	<ul style="list-style-type: none"> - EKC with the support of the Shire of Exmouth is to continue to advocate for the development of a replacement track and associated infrastructure.
10	Inability to secure grant funding through the CSRFF, other state government resources and federal government.	<ul style="list-style-type: none"> - Funding plan to be established to determine other sources of funding including commercial and land development contributions.
13	The inability to develop the karting track in advance of the development of Super Lot D.	<ul style="list-style-type: none"> - Ongoing dialogue with Celsius Pty Ltd and Development WA to determine ongoing commitment and timeline for the development. - Temporary Lease extension on the current site until full development is undertaken.
14	The lack of the ability for the Shire to negotiate and secure an alternative site for the development of the karting circuit should the site to the north of Town be unviable resulting in loss of faith by community groups.	<ul style="list-style-type: none"> - Ongoing liaison with Shire of Exmouth Planning staff to identify and proof up an alternative site for development.
15	The loss of a relatively unique regional sporting infrastructure for karting which is detrimental to the north west sporting landscape.	<ul style="list-style-type: none"> - Ongoing liaison with Shire of Exmouth, Celsius Pty Ltd and Development WA to secure the sites retention as far as practicable prior to developing a replacement site.
18	Loss of a valuable social and sporting resource to the local community which adds to the diversity of opportunities within a relatively isolated Town site. Consequential negative impact on broader mental health and physical wellbeing of the resident community.	<ul style="list-style-type: none"> - Ongoing liaison with Shire of Exmouth, Celsius Pty Ltd and Development WA to secure the sites retention as far as practicable prior to developing a replacement site.

12. Funding Plan

The funding review indicates the construction cost of all infrastructure is expected to cost in the order of \$7.47M, excluding escalation costs.

The estimated cost for the construction is based on the specifications provided and current building costs. It has not been evaluated in the market by way of tender and incorporates club volunteers undertaking some site works and the installation of acquired clubhouse, storage, administration and maintenance infrastructure. This therefore needs to be recognised as a risk given the current instability within the market which has emerged with the Covid-19 constraints.

Typically facility funding sources seek to involve:

- State and Local Government Funding
- Federal Funding
- Commercial Sponsorship
- Commercial Fundraising
- Community / Club Fundraising and User Group / Contributions

Traditionally, a combination of Council funding with Government Grants and some limited community fundraising would be expected. In this case the final capital cost for the karting track and associated club infrastructure is unlikely to be funded by Development WA or Celsius Property Group due to the marginal development costs associated with the land. Contributions will be sought from these two groups and the shire, but the ability to contribute would be relatively insignificant compared to the overall capital costs of the development.

The final funding mix from the respective sources will be subject to approvals from the various statutory authorities and the club fundraising efforts. It is anticipated that EKC will need to raise significant funds in any funding mix scenario.

The following information provides an overview of funding opportunities that may wish to be pursued in greater detail as the facility development options develop through detailed design.

12.1 Funding Options

State and Local Government Funding

Over the past number of years State Government, through the Department of Local Government, Sport and Cultural Industries (DLGSC) has administered the Community Sport and Recreation Facility Funding Program (CSRFF).

The scheme has a maximum funding allowance of up to \$1,000,000 that can be achieved if the application and project meet all of the criteria.

Funding applications are more likely to be successful if the project aligns with the key findings and priority recommendations identified in State Sporting Associations Strategic Facility Plans. Karting WA do not have a strategic facilities plan currently although a whole of sport review was conducted by Karting Australia in 2014 which sought to support sustainable growth and support the development of ace Tracks and Facilities.

The current priorities of the funding program are projects that:

- Demonstrate how the project will increase or maintain participation.
- Improve facilities to encourage greater female participation.
- Encourage development of multi-use facilities.
- Collaborate between local government authorities, schools and community groups
- Demonstrate a partnership between local government and State Sporting Associations or other relevant peak bodies
- Improved environmental sustainability
- Include Universal Design principles

This project offers the opportunity to attract government funding. It would however need to demonstrate a strong and viable growth and potential for multi-use of the track and infrastructure. In regional WA it is often difficult to demonstrate a substantial increase in participation due to the limited catchment population within which a sport operates. It will however be necessary to explain how the development will encourage greater female participation and at least maintain participation.

Shire of Exmouth support will be required in order for state government to consider the potential funding opportunities.

Federal Funding

Federal government funding for major sporting projects has often been derived through Infrastructure Australia or through election commitments. A recently announced commitment has been given to establish the new Growing Regions Program to deliver investment in regional infrastructure and community projects. The intent is to help drive regional economic prosperity by providing access to funding for capital works for community and economic infrastructure across our rural and regional areas. Administered funding for the program will be provided over three years from 2023 and will be open to local governments and not-for-profit organisations. This replaces the Building Better Regions Fund.

Commercial Sponsorship

Opportunities can arise to generate funds by organisations agreeing to naming rights for the facility. In addition a number of corporates have arrangements whereby staff can donate funds to a not for profit cause and that company will match those funds and local business can also provide funding to support the facility as a sponsorship for the local sporting club.

Commercial Fundraising

Traditionally, commercial fundraisers have been used on some recreation and sporting projects to raise additional funds. The results indicate they usually have moderate success but the funds raised are regarded as low contribution levels compared to the high capital cost to build such facilities. Such commercial companies traditionally charge up to 30% of funds raised for their services.

Community / Club Fundraising and User Group Contributions

EKC have been in existence for a number of years, having to move sites due to site constraints and they have never had a secure site. They have nevertheless continued to develop and provide a resource for the local community. This project is however the most significant in the club's history and the fund raising will be substantial to meet current Karting Australia standards. This would need to be a major focus once the requisite approvals have been secured. The Club's balance sheet is typical of a grass roots sporting club and has only modest capital reserves. EKC is run by an extremely small number of volunteers and the yearly fees are kept as low as possible to maximise the opportunity for children, youths and adults to participate in the sport. EKC does not have a wide array of members and supporters, having a low membership base and therefore a small pool from which fundraising could be sourced. While benefactors / sponsors of the Club will be approached, this is unlikely to be substantial in nature.

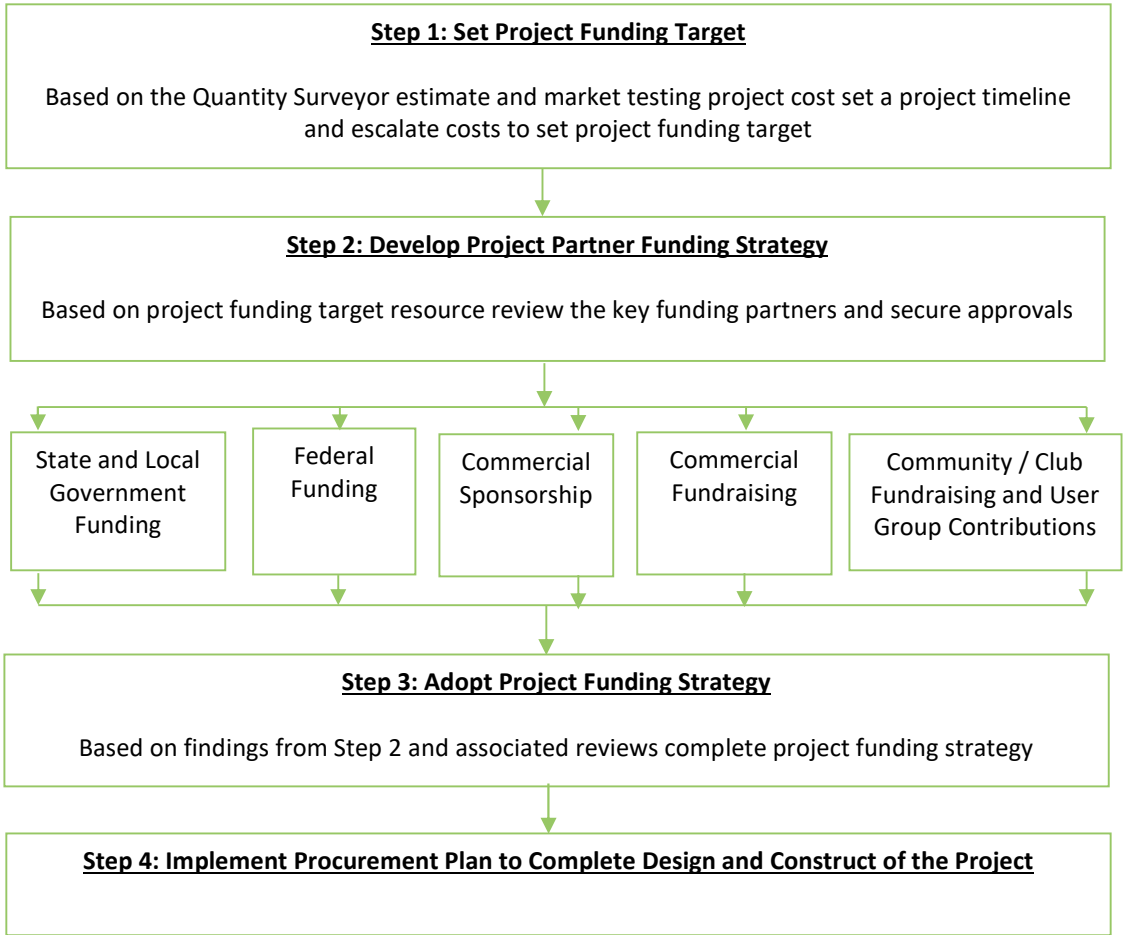
The Australian Sports Foundation is a Federal Government initiative whereby funds can be donated to registered projects and any such donations can be claimed as tax deductible. The Foundation deducts a 5% fee and directs the funds to the nominated project. This is a potential source of funds but again, is likely to be limited.

Crowd funding is also a possible source of funds (i.e. the development of Pinjar Speedway Track in north Wanneroo which raised up to \$1m for its development).

Additional user group contributions may also be considered but may be subject to restrictive use requirements in return for the funding (which may negatively impact on usage or see low revenue yields for such use).

12.2 Funding Strategy

The review to date indicates that there are a number of tasks that need to be completed to progress to a state of being able to deliver an achievable funding strategy. Subsequent to the formal endorsement of the Business Case, the flow chart overleaf identifies the actions required to be undertaken during the next phase of the project implementation:



13. Business Case Summary and Recommendations

The Business Case analysis has highlighted a number of critical considerations which need to be resolved which include the following:

- The current location of the EKC has at most a 24 month window of use pending the sites redevelopment under the agreed development program of Development WA and Celsius Property Group. There appears to be no prospect of the club existing on the site following recent investment decisions.
- Lot 500 on DP 69582, the site identified for the potential future relocation of EKC, has a number of potential barriers to its development which include resolving the Native Title requirements and undertaking detailed technical studies to facilitate subsequent approval processes. It does however appear highly unlikely that the Department of Defence would support the development of the site and even if the Department can be convinced of its merits, the likely cost of the development will be prohibitive for a community based sporting facility.
- There appears to be little prospect of alternative land being identified which provides a reasonable prospect of being developed for the purposes of karting and to house EKC.
- A failure to identify land within the next 24 months with a prospect of being developed will ultimately lead to the cessation of karting activities within the Shire and a nomadic existence for EKC should the club still seek to operate.
- Financial projections indicate that at best EKC from an operational perspective will operate at the margins of profitability. This however does not take into account the full asset management and renewal costs of the facility. It is evident that but for the amount of work put into the club to manage and maintain the facility, its viability long term is not proven without the Shire and / or a potential commercial interest investing in the ongoing operations of the track and facility. It is questionable whether the Shire would consider ongoing investment in a karting track asset as a priority given the extent of other community facilities within its asset management portfolio.

In respect of the Business Case it is evident that:

- EKC have maintained a viable sporting club for 30 years albeit membership numbers have been relatively low for the level of investment required to develop a track and associated infrastructure. The limitations on use imposed by a small population catchment re-enforce the potential compromised viability. It would be difficult therefore to justify future investment on potential growth and membership numbers alone.
- The value of EKC to the local community is in providing an alternative sporting opportunity and increasing recreational diversity for residents within the Town. The more diverse the level of sporting infrastructure located within the Shire, the greater potential of attracting and retaining residents and key workers. EKC also are capable of managing and delivering one or two major events annually which are likely to attract visitors to the area and assist in supporting the local economy.
- The likely impact on EKC of apportioning actual costs of managing and maintaining the karting club asset (track, associated buildings, road access, services and security) on an ongoing basis is unlikely to be achievable under their current operational model if the club are to maintain their desire to provide affordable access to the sport. Current financial projections assume significant volunteer input to the management and maintenance of the asset.
- EKC do not have the financial reserves to undertake the initial capital investment in the facility based on the OPC and associated regional weighting. It is highly unlikely that funding would be generated through the traditional state government grant funding arrangements, the developers of Superlot D or the Shire. While opportunities may exist to attract local company investment to the capital build, this also would need to be assessed against other competing priorities.
- The opportunities to increase the viability of the karting track through incorporating alternative user groups within the development has merit, but the reality of achieving such an outcome is compromised by the inability to secure a viable alternative site to the current track location.
- The risks identified during the risk management process and extent of high and extreme risks are related to the uncertainty over the statutory approvals processes. It would not be reasonable for a local

volunteer sporting club to fund and secure these approvals in isolation due to the cost, time and uncertainty in achieving a viable solution.

It is therefore recommended that the Council note the content of this Business Case and determine whether the redevelopment of the EKC on land which is yet to be determined is a priority for future investment. This will require a commitment of limited financial / officer resources and the prospect that an alternative scenario is unlikely to be achieved in a 24 month timescale. Should Council decide to set aside the appropriate budgets and staffing resources to undertake the initial technical analysis of Lot 500 on DP 69582, as a minimum, the following would be required to be undertaken:

- An Aboriginal Heritage Assessment.
- Water management technical assessment to determine required stormwater management, water extraction capacity and extent of the water table
- Detailed Flora and Fauna Desktop Assessments.
- Traffic Impact Assessment.
- Lighting assessment to determine the extent of works require to address constraints associated with the Department of Defence Observatory.
- An acoustic and frequency assessments and measures to minimise / diminish the impact on the Department of Defence Observatory.
- Development of a dust management plan to address the impact on the Department of Defence Observatory.

As stated previously the current legal position of the management order on Lot 500 is unclear and would also be required to be resolved.

Having regard to the above and subject to the relocation of EKC being recognised as a priority for Council, a further detailed investigation into alternative sites should also need to be undertaken to determine whether there are any further land parcels which may be considered for the development of karting infrastructure. It should be noted that no land has been identified to date and it is unlikely that further research would provide a different outcome.

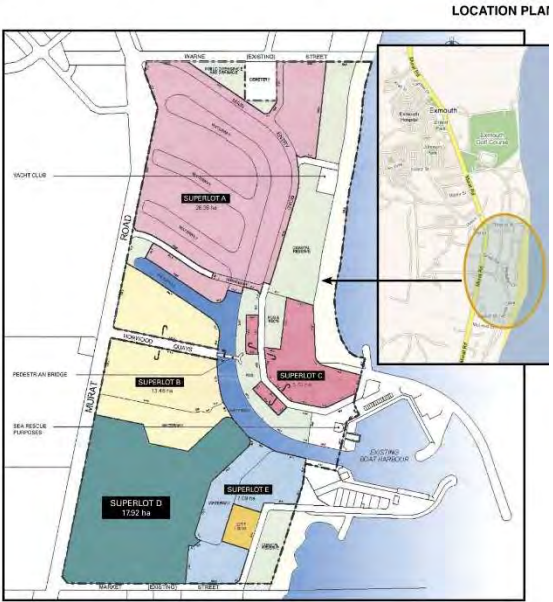
In conclusion, it is evident that further investigation work will be required and the extent of statutory approvals necessary are likely to be extensive and unachievable. The recommendation would there be not to pursue this option which ultimately will result in the closure and loss of EKC to the local community..

Appendix 1: Document Review

The following represents an overview of the key documentation used to inform the development of the business case:

Document	Precis
<p>Shire of Exmouth Strategic Community Plan (SCP) and Corporate Business Plan Your Choice Your Future 2023-2033</p>	<p>The strategic community plan sets out the vision for the Shire following detailed consultation with the resident community to 2033. It is the fundamental cornerstone of the Integrated Planning and Reporting Framework which includes the Shires Corporate Business Plan and Long Term Financial Plan. In excess of the recommended minimum of 10% engagement was achieved in its development the vision influenced by the strongest elements of natural environment, beautiful, pristine, sustainable, protected. In addition affordable, friendly, healthy, inclusive, safe and relaxed community, with good employment opportunities ranked particularly high. The vision states: <i>A globally recognised community of guardians for our unique environment and culture as we pursue innovations for sustainable growth.</i></p> <p>The following highlights the key outcomes and strategic priorities relevant to this project:</p> <ul style="list-style-type: none"> • Social: 1.1 Improve local community and visitor experiences <ul style="list-style-type: none"> ○ 1.1.1 Increase community events and ensure venues and facilities attract visitation and improve lifestyle, offering inclusivity. ○ 1.1.2 Support and encourage community and cultural programs that are community-driven, encourage interaction and promote a sense of belonging. ○ 1.1.3 Promote holistic lifestyle choices, support the improvement of mental health outcomes, and uphold public health and safety • Social: 1.2 Ensure a full suite of services to meet the needs of families and individuals at all ages and stages of life <ul style="list-style-type: none"> ○ 1.2.1 Encourage and promote intergenerational programs that improve quality of life, such as; early childhood library services, youth development, home health care and a facility for the aged, including Aged Care Business Plan. ○ 1.2.3 Develop an Exmouth Recreation Master Plan to include a multi- functional centre for recreation and emergency evacuations. • Social: 1.3 Build community cohesion and connectedness <ul style="list-style-type: none"> ○ 1.3.1 Provide opportunities for the community, businesses and visitors to participate and experience indigenous culture ○ 1.3.3 Empower local clubs and not-for-profit organisations to be self-sufficient • Natural Environment: 2.1 Establish Exmouth as a clean and green town <ul style="list-style-type: none"> ○ 2.1.1 Improve sustainability and management of energy consumption and water use in Shire operations, industry and the community ○ 2.2.3 Reduce carbon footprint, improve awareness and resilience, and adapt to the effects of climate change on social, community, infrastructure and environmental systems – including a Climate Action Plan. • Built Environment: 3.1 Infrastructure and assets are well-managed and maintained <ul style="list-style-type: none"> ○ 3.1.1 Expand the dual-use path network, taking a local and regional approach (Exmouth Cycling Strategy, linked to Gascoyne 2050). ○ 3.1.2 Develop a capital works program, incorporating maintenance and renewals, and implement, including progressive improvements in footpaths

	<p>Relevance: The Strategic Community Plan provides critical aspects which need to be addressed by the Shire in retaining and attracting key workers to the area and managing limited resources efficiently and effectively while also ensuring the environmental sustainability of all Shire owned and managed infrastructure is improved. The critical aspect is to ensure the appropriate level of infrastructure is provided for the current and future resident community and to facilitate economic growth. The provision of family support services and access to sport and recreational infrastructure is in high demand but with a small rate base, the capability of funding a full range of services / infrastructure is compromised. A heavy reliance is therefore placed on community groups to manage and deliver services which would otherwise not be recognised as a priority for the shire to deliver. Affordability and the need to prioritise will always be a critical consideration for the shire in managing expenditure within a tight fiscal environment.</p>
<p>Shire of Exmouth Long Term Financial Plan 2022 - 2032</p>	<p>The Long Term Financial Plan identifies current budget commitments to the projects referenced in the above documentation. It also sets out current income and expenditure associated with all aspects of the Shires operation. For 2022/23 it identifies the Shires operating revenue as being derived from fees and charges (55%), Operating Grants, Subsidies and Contributions (16%) and rates at only 25%. Expenditure is identified at 42% for employee costs; 25% materials and contracts; 5% utilities and 21% in depreciation. Funding commitments are tightly controlled in a budget which will see increasing staff costs year on year and annual income achieving \$12M in the initial years and expenditure at \$14M with the deficit partially offset by additional grants. Tight fiscal controls are necessary to maintain a viable expenditure profile against existing Shire commitments.</p>
<p>Request for Proposal Documentation (September / October 2021)</p>	<p>The documentation identifies the expectations required of any bidder in the development of Superlot D (Lot 9510 on Deposited Plan 55557) where the Exmouth Karting Club is currently located. The land is zoned as Marina</p> <p>The documentation invited submissions from shortlisted proponents with a view to purchase and develop the land which included 17.88ha of the Exmouth Marina. Proponents were requested to consider the relocation of the EKC following the expiration of their licence on 30 June 2022. The documentation indicates the Club will need to make arrangements to relocate to an alternate site, but has no funds available to effect a relocation. Development WA stated it wished to ensure that assistance is provided to the Club for relocation. The location in comparison to other Superlots is identified in the adjacent plan.</p> <p>A structure plan is to be based on the successful proponents submission. The development is proposed to have adequate flood protection from a 100-year ARI flood and does not detrimentally impact on neighbouring flood defence regime. The developer is to be responsible for all flood mitigation, earthworks and civils for the site.</p> <p>Reference to the relocation of the EKC required consideration of:</p> <ul style="list-style-type: none"> • assisting financially with the cost of relocation; • assisting with construction of new facilities at an alternate location; and/or • allowing the Club to continue to operate from Superlot D until that part of Superlot D is required for development <p>Relevance: The document sets out the obligations of potential developers in the development of Superlot D. It does not require any developer to fully fund the relocation of EKC, but promotes its consideration in the assessment process. The critical aspects are the level of investment required to undertake the flood mitigation work which ultimately impacts on the financial viability of developing the land for its intended purpose.</p>



<p>District Water Management Strategy - Shire of Exmouth (2012)</p>	<p>The document sets out the Shires obligation in managing stormwater to support future development and advice in developing a water conservation strategy for the area to accommodate existing groundwater allocations for the area. The aim is to reduce development construction costs and ongoing operation and maintenance costs while incorporating best management practices into the drainage systems. Key aspects include:</p> <ul style="list-style-type: none"> • Exmouth experiences very hot summers and mild winters, receiving an average of 267mm of rainfall principally between January and July, with heaviest falls related to tropical cyclones. • The need to maintain existing hydrology through retaining and detaining surface flows and the infiltration of stormwater run-off as close to source as possible. • A residential consumption target for portable water of 40-60 kL/person/year has been identified. • All stormwater basins should be designed to hold a 10 year ARI storm event. <p>Relevance: <i>The document sets out the Shires obligations in managing stormwater. The critical period is the management of stormwater during January to July. The document also alludes to the need to minimise water use and consumption. This will continue to be an ongoing concern as the Townsite is projected to expand.</i></p>
<p>Exmouth Marina Village Outline Development Plan Including Broad Design Guidelines (Revised April 2011)</p>	<p>The document sets out the obligations of Council and developers in the future development of Exmouth Marina. It references the subdivision application being lodged with the then Ministry for Planning to create 5 superlots which essentially reflect the five Precincts of the Outline Development Plan. The creation of the superlots will enable LandCorp (now DevelopmentWA) to offer for sale by tender, each of the superlots on an individual basis to potential developers. The superlots were subject to an application for determination of Native Title by the Gnulli people in the Federal Court. The claim passed the registration test and the acquisition procedure completed with the purchaser of any Superlot being granted a Title enabling the development to proceed without any further Native Title Act requirements.</p> <p>Relevance: <i>The document sets out the broad development principles and expectations. The document does not reference any obligation to relocate EKC, moreover seeking to ensure the Superlots can be developed in a reasonable timescale and a reasonable cost to support the economic growth of the Shire.</i></p>
<p>Exmouth Kart Club Lease (9 May 2018)</p>	<p>The lease references Lot 500 being on the deposited plan 69582 Reserve 53199 for a term of 20 years with a commencement date of 17th May 2018. The rent payable is \$1 per annum with the lessee responsible for all outgoings or charges. The lessee is to maintain the premises in good order. The permitted purpose is for the carrying out of a trade or business of EKC. It is subject to the special conditions identified in a letter of 20 November 2014 from the Yamatji Marlpa Aboriginal Corporation Agreement.</p> <p>Relevance: <i>The lease documentation which includes a signed agreement with the Yamatji Marlpa Aboriginal Corporation who appear to have agreed to the leasing of Lot 500 for the purposes of a karting facility. This however appears to have not been acted upon other than as an agreement in principle.</i></p>
<p>Various Documents – State Government Approval process for the compulsory</p>	<p>Various attempts have been made to secure Lot 500 for the purposes of developing a karting track as a direct replacement for the current infrastructure. These documents provide an indication of potential obligations, but do not secure the land for the development. Key aspects being negotiated through the Yamatji Marlpa Aboriginal Corporation (YMAC) which date back to 2011 based on available documents include:</p> <ul style="list-style-type: none"> • A notice of intent has been signed under the Land Administration Act 1997 and Native Title Act of 1993 • The land is to be acquired for the purposes of Recreation and Motor Sport Kart Racing.

<p>acquisition of Gnulli Native Title Land</p>	<ul style="list-style-type: none"> • The signage at the entry to the track will identify the name of the track and claimant group. • The provision of 10 social memberships of the claimant group to the EKC annually with a separate fee payable to race. • The karting track is to be named by the claimant group including some of the racetrack bends to honour members of the claimant group. • The claimant group will sign a state of ded for the compulsory acquisition of the land by the state for the purposes of karting. <p>On the 15th January 2018 the Section 31 deed for the Section 29 Notice of Intention to Take was registered at the National Native Title Tribunal.</p> <p>Relevance: <i>The principles of acquiring and subsequently leasing Lot 500 have been agreed. It is evident that while there are no obstacles to the agreement, the cost of relocating to Lot 500 is prohibitive given the current financial position of the club. The Native Title is merely one significant consideration along with other approvals which would be necessary on a site which has previously remained undeveloped.</i></p>
<p>Department of Defence Environmental Strategy 2016-2036</p>	<p>The strategy states that the Department of Defence will be a leader in sustainable environmental management to support the ADF capability to defend Australia and its national interests. The selected opportunities and challenges over the next 20 years are considered to be:</p> <ul style="list-style-type: none"> • Opportunity: building on positive experiences and achievements to maintain strong relationships with the community and regulators; and capitalising on the introduction of new estate and operational tools and approaches to improve environmental management and monitoring. • Challenges: Greater and more varied environmental impact profiles due to increased operational tempo, increased involvement of foreign military forces, and larger activity footprints; and encroachment from urban development and adjacent private land use, and growing public expectations regarding environmental outcomes. <p>To support the leadership in sustainable environmental management the Department of Defence have established five strategic aims:</p> <ul style="list-style-type: none"> • 1: Defence will deliver a sustainable estate across Defence maritime, land and aerospace areas, activities and operations • 2: Defence will understand and manage its environmental impacts • 3: Defence will minimise future pollution risks and manage existing contamination risks • 4: Defence will improve the efficiency of its resource consumption and strengthen resource security • 5: Defence will recognise and manage the Defence estate heritage values. <p>Relevance: <i>The document references Defence Groups and Services which have already developed thematic strategies, programs, tools and systems to manage environmental factors such as water, energy, biodiversity, pollution, contamination and heritage. As land owners within the Shire of Exmouth this extends to the future use of land and protection of its assets in addition to being proactive in the management of a sustainable environment.</i></p>
<p>State Planning Strategy 2050</p>	<p>The Strategy outlines the Government’s intention to undertake a collaborative approach in planning for the State’s land availability, physical and social infrastructure (community facilities), environment, economic development and security. Social infrastructure (physical and social) is referenced as required to enable liveable, inclusive and diverse communities to grow and develop. It incorporates:</p> <ul style="list-style-type: none"> • Spaces and places – creating spaces and places that foster culture, liveability, enterprise and identity. • Affordable living – enabling affordable living through housing diversity and compact settlements. • Health and wellbeing – encouraging active lifestyles, community interaction and betterment. <p>The attraction and retention of skilled workers, who require access to well-developed social infrastructure and social services, is identified as a critical issue. The strategy recommends that as each community has different social infrastructure needs, a detailed understanding of a community’s</p>

	<p>makeup, cultural and social connections, and social pressures is required. This has to be seen in the context of an overall infrastructure framework and limited capital environment (particularly with reference to the management of the assets on an ongoing basis).</p> <p>Relevance: <i>The focal point for future growth within the Shire of Exmouth is to provide an environment which is likely to attract and retain key workers and their families. The provision of a diversity of community, sport and recreation infrastructure and capability to provide for events is critical in achieving this aim.</i></p>
Gascoyne Development Commission Strategic Plan 2022-2026	<p>The plan is a broad framework to deliver the best future for the Gascoyne region. Key elements of the plan relevant to the EKC business case are referenced under 4.3 Normalise Regional Living which is focussed on attracting and retaining skilled and talented people to the region. Amenity and lifestyle is considered as fundamental society building blocks and enablers of economic development. Part of this is a focus on events and in particular those supporting the tourism industry. The key strategic initiative related to sport and recreation is at 3.2 <i>Improve liveability in regional WA</i>. The deliverables include leveraging key industry, tourism, community and sporting events to promote the region as a place to live and work, with a focus on the Ningaloo Eclipse 2023.</p> <p>Relevance: <i>A key focus for the region is managing and maintaining a quality workforce and attracting key workers to the region.</i></p>
Gascoyne Coast Sub-regional Strategy Part A and Part B (2018)	<p>This Strategy recognises Exmouth as a Regional Centre in the context of its growing significance as a major population centre in the Gascoyne and as an important contributor to its economy. The Strategy contains a settlement land-use plan for Exmouth. The site within which the kart track is located is identified as residential. As Exmouth is a significant centre for regional tourism with seasonal population influxes, planning for future requirements for service infrastructure should take into consideration demand created by itinerant population (total peak populations), given that this could potentially have a significant impact on service demand.</p> <p>Under Part B section 3.4 Social Infrastructure and Services highlights that social infrastructure and services make a significant contribution to the liveability and attractiveness of a local community, which can play an important role in attracting and retaining staff. Under 3.3.4 reference is made to sport and recreation being often considered as the lifeblood for many regional communities, promoting social and community cohesion, healthier lifestyles and providing economic advantages. It also references The Shire of Exmouth having completed the Exmouth Recreation Precinct Plan for the existing recreation centre but with the inclusion of ovals, tennis courts and skate park.</p> <p>Relevance: <i>Historic planning considerations which identify the significant constraints associated with the development of Exmouth and surrounding land. While the shire is identified as a centre for regional tourism the demand for total peak populations is unlikely to impact on the demand for club circuit / track based motorsport activities unless it provides a unique commercial service opportunity (i.e. aligned to events, commercial karting, drive days etc.) .</i></p>
Gascoyne Regional Planning and Infrastructure Framework: Part A and B: Regional Strategic Planning (Feb 2015)	<p>The document sets out a regional planning approach for the entire Gascoyne. Under 2.2.6 reference is made to Social Infrastructure and Services advocating for communities to have access to adequate social infrastructure and services, which can play an important role in attracting and retaining staff in the region. The Gascoyne Development Commission, through the Gascoyne Revitalisation Plan, was working with Gascoyne local governments and other key stakeholders to identify local and regional infrastructure priorities with a focus on social infrastructure and services. In referencing regional sport and recreation infrastructure the maintenance and upgrading of sporting facilities are often considered to be essential for many regional communities, helping to ensure that adequate opportunities are provided for both individuals and sporting organisations. Exmouth along with Carnarvon is identified as a regional centre which typically offer a diverse range of high-order services and are significant centres of economic activity, employment and population; and form important hubs for regional industry, commerce, civic administration functions and</p>

	<p>higher-order education, recreation and health services. Of the potential Gascoyne infrastructure projects, no reference is made to sport and recreation priorities within the Shire of Exmouth. A focal point is on road upgrades for the Shire and flood mitigation for the Townsite.</p> <p>Relevance: <i>The importance of both Exmouth and Carnarvon as strategic centres for the region is emphasised. Within these centres a diverse range of recreational and sporting opportunities should be considered and supported. This however needs to be undertaken in a coordinated approach across the region and not undertaken on an ad hoc basis.</i></p>
<p>Ningaloo Coast Regional Strategy – Carnarvon to Exmouth (2004)</p>	<p>A strategy which provides a framework for sustainable tourism development on the Ningaloo Coast. It references the State Planning Framework (at that time) and the key principles. Of which the community principles highlight the need to <i>build a sense of community through the design of accessible settlements and public facilities</i>. The focal point is to provide community level infrastructure at Regional Centres such as Exmouth. Under 2.2.13 reference is made to recreation and cultural activities and the planning objective of provide adequate appropriately located land for the recreational, community and cultural needs of Exmouth. The preparation of a recreation and cultural needs strategy for Exmouth to allocate appropriate recreation, community and cultural facilities was advocated.</p> <p>Relevance: <i>The document provides historic background behind the development of Exmouth and broader coastal region where the need to facilitate the growth in the resident community and localised workforce is recognised with a direct correlation to the availability of sport and recreation opportunities locally.</i></p>
<p>Karting Australia Strategic Plan 2019 – December 2023</p>	<p>The plan followed a review by the board in 2020 following the impact of the Covid-19 pandemic. The Board has resolved to extend the Strategic Plan by one (1) year (to now end December 2023) and to consolidate the programs that were planned for 2020 and 2021 into the period 2020/2021. The national vision is stated as: For Australian Karting to be recognised as a destination sport and the starting point of local, state, national and international motor racing with a community of karting clubs that provide motorsport activities that are enduring, inclusive, well organised, safe, exciting, fun and family friendly for people of all ages.</p> <p>Of the goals and key strategies the following are relevant to this Business Case:</p> <p>5.1 EXPAND KARTING’S PROFILE:</p> <ul style="list-style-type: none"> • Ensure that Clubs are mindful of and equipped to drive local area awareness of the sport and the Club. <p>5.2 GROW MEMBERSHIP AND PARTICIPATION:</p> <ul style="list-style-type: none"> • Build upon and promote lower cost club karting initiatives • Develop and implement initiatives to increase female participation in karting • Encourage the development of new events that are unique, family friendly and offer maximum participation • Develop new programs that address the needs of the recreational Karter that are easily organised, time effective, safe and social • Develop new family friendly participation programs • Encourage Clubs to be active in their local communities and support new members • Encourage Clubs to offer organised recreational karting activities to complement their competition karting activities. <p>5.3 ENRICHING OUR PEOPLE AND CULTURE</p> <ul style="list-style-type: none"> • Strive for continual club improvement as a core element of the Building Better Kart Clubs program • Develop and implement a ‘Respect Karting’ program to improve the karting experience for all participants • Always apply the highest standards of governance at National, State and Club levels • Ensuring that karting is conducted with fairness and integrity and in accordance with the Rules at all times

	<ul style="list-style-type: none"> • Cultivate and adopt a culture of collaboration between all stakeholders and encourage sharing of ideas, innovations and success between clubs nationally. <p>Relevance: <i>The strategic plan sets out the future direction for karting with the aim of managing and sustaining the sport in challenging times where expenditure is increasing and the volunteer base declining. It is underpinned by a whole of sport review with the outcome intended to set a framework to enhance the contemporary value of the sport in a highly competitive sporting environment. It is to be noted that a key focus is on the development of the volunteer network, governance and programs which support a range of club and social activities. There is no reference to the development and / or protection of existing facility infrastructure.</i></p>
<p>Karting Australia Circuit Regulations and Guidelines (2022)</p>	<p>The document contains the Mandatory Inspection and Licencing Requirements. The main points relevant relates to circuit construction and safety for competition use. Relevant considerations include Section B, circuit construction and safety requirements. The most pertinent guidelines relevant include:</p> <ul style="list-style-type: none"> • Track widths at the narrowest pion vary from 6m to 8m and this has a direct correlation to the track length and number of vehicles permitted with a track of 6m width at its narrowest point and below 500m in length having a capacity for 20 karts. Tracks of over 1km and a width of 8m at the narrowest point have a capacity of 40 karts. • Social karting is referenced as a grade E track which identifies circuits to be a minimum length of 300 metres and a minimum width of 6 metres. • It is recommended that a start straight should have a minimum distance of 80m from the start line to the start of the first corner. • The racing surface of sealed Tracks will be sealed with bitumen / concrete. • The surface must be smooth and continuous and have sufficient fall to prevent formation of puddles in wet conditions (a minimum of 2.5% being recommended). • Where practical, the Track surface levels should follow the natural contours. Verges should be graded level with the Track for a distance of 10 metres from the Track edge. • The Track must be bordered all along its length on both sides by compact verges having an even surface. • The primary and optimal form of protection for karts is to ensure suitable run off distances are provided between the edge of the Track and any solid object. • Any structure or solid object of any type must have barriers or buffers and where appropriate catch traps to protect competitors. • Safety Structures – <ul style="list-style-type: none"> ○ tyre buffers: are to be securely bound / fixed in vertical stacks and longitudinally in a manner that forms a flexible structure (of a similar size to automotive or race car tyres). ○ Catch traps are an area of loose material (normally a bed of ‘round’ river gravel) designed to slow a kart, which has left the Track surface, before it impacts a buffer or barrier. A bed of gravel a minimum of two metres wide and 250mm deep with the top surface being flush with the surrounding ground is the preferred method. ○ Barriers: It is preferable to provide adequate run-off areas rather than to rely upon barriers alone to control karts. Barriers are normally located in high speed run-off areas, being the first line of protection (being 1.15m in height). ○ Spectator Fence is to be used to control the access of spectators and unauthorised persons into dangerous or controlled areas and to maintain a separation from 1LoP and barriers at all Circuits • Circuit lighting is only required for night racing. New lighting installations will have a minimum average of 55 Lux with no point of the Track surface to measure less than 21 Lux.

	<ul style="list-style-type: none"> • There are specifications identified for other activities within an authorised Karting Australia Track. <p>Relevance: <i>The guidelines provide the key facility components which need to be adhered to in the development of any new track infrastructure. It would not be appropriate to develop infrastructure on a like for like basis as the current track and ancillary facilities are not contemporary and will not be compliant under these guidelines. For a facility to be sufficiently attractive to grow and develop the sport, these guidelines are the minimum standards which need to be applied.</i></p>
<p>Creating The Pathway To Growth, Stability And Integrity In Australian Karting – Karting Australia’s Whole of Sport Review – 2014</p>	<p>The Whole of Sport Review addresses six principles which include the need for:</p> <ul style="list-style-type: none"> • Karting to be Fun. • Sustainable Growth. • Provide Value for money at all times. • Simplicity in a sport that is at times overly complicated. • The sport at all levels and in all places to be conducted with Integrity. • Improved Retention of competitors, participants, officials and stakeholders <p>The intent is to position karting for growth, a healthy long-term future and increasing relevance in the Australian motorsport and general sporting landscape. The outcomes of the review touch every aspect of the sport of karting in Australia across the following areas:</p> <ul style="list-style-type: none"> • Competition • Rules and Technical • Competition Licences • Clubs • Race Tracks and Facilities • Junior Development • Safety • Judicial and Race Meeting Control • Officials and Officiating • Brand and Marketing • Karting Industry • Pathways – Karting for fun and Striving for Excellence <p>Relevance: <i>The whole of sport review aimed to bring the sport into a contemporary age to address its relevance in a competing and diverse sporting market place to the general community, existing participants / clubs and future users. While the review was wide ranging, reference to facility development and protection was limited.</i></p>
<p>Exmouth Kart Club Strategic Plan 2020 to 2023 and</p>	<p>The plan sets out the strategic priorities of the club. The vision for EKC is <i>A regional facility and home of the Exmouth Kart Club that will create an exhilarating sport of choice for Exmouth.</i></p>

Snapshot 2020 to 2023

The historic development of the club is identified with the new track designed and built on joint land with Exmouth race club in 1995 before cyclone Vance in March 1999 destroyed toilet block, fences and tower. The club has hosted one round of Northern Zone Series every year and were part of the Gascoyne Games in 2021.

Key challenges are identified as the cost to participate, the small membership base and limited volunteer base. Financial viability is linked to the need for a quality race track and the club recognise the need for an asset register and management plan be developed and implemented.

The purpose of the club is:

- To develop and maintain a quality track which enables a range of competitive events for local, regional and state karters. To provide a safe and friendly club environment, with a focus on youth and families.
- To support a positive environment for people to develop their skills and a life-long love of the sport.
- To train and develop young people’s driving skills, in a safe and competitive environment

In respect of the facilities the following goals have been established:

- To develop a long-term home for the Club
- To establish a quality track and supporting facilities which will allow local, regional and state events to be held.

Additionally the club is seeking to secure the long term sustainability of the club through a range of income streams; increase the diversity of the membership base and ensure this is supported by a fair and equitable governance structure. Initiatives to be developed by the club include Come and Try / Bring a Mate days with incentives for new memberships; driver training programs and establishing a mentoring program. An aspiration of the club is to hold a state and/or regional title within three years. In the absence of a new facility the current infrastructure needs to be compliant with Karting Australia Risk Management requirements.

Relevance: *The plan sets out the key role and development of EKC. The club is mindful of the lack of a secure site from which to continue its activities and the ongoing threat to its future existence.*

A report on the Global Contribution of Motor Sport to Economy and Community Development (EY Parthenon 2019)

This report references the broader economic value of motorsport, of which karting is one component.

The Fédération Internationale de l’Automobile (FIA) defines motor sport as any competition or related sport activity restricted to vehicles that

- (i) Have at least four non-aligned wheels and
- (ii) are constantly and entirely controlled by a driver on board the vehicle’. It includes Drag Racing and Drifting, karting, including superkarts and off-road / rally. This definition does not incorporate motorcycles.

The report highlights the value of the global motorsport industry to the economy, indicating:

- 1.5m paid jobs (576,000 people employed as a direct result of the €59.8b direct output and 924,000 of indirect paid jobs generated by the motor sport industry in 2019).
- 2.7m motorsport participants
- €159.2b Gross Output (including €59.8b direct and €99.4b indirect output).
- €66.8B total value add (including €25.0b direct and €41.9b indirect Value Add).
- 302,000 formal unpaid officials

	<ul style="list-style-type: none"> • 60,700 events • 21,600 local motorsport clubs • 146 national motorsport federations • 7,200 tracks <p>Relevance: <i>While a local facility EKC contributes to the broader economic picture of motorsport. It is a relatively unique facility within the Shire and has the potential to attract events from across the regional area and at a state level. This can only be achieved with compliant tracks and associated infrastructure. Currently this capability is currently being suppressed within the Shire due to the lack of quality infrastructure.</i></p>
<p>The economic contribution of the Australian motorsport industry in 2019</p>	<p>The report dated 13 August 2021 identified that the value of motorsport across the following disciplines: Circuit, including Single seater, Touring Car, Sports car, Drag racing and Drifting;</p> <ul style="list-style-type: none"> • Autotest, including Motorkhana, Khanacross and Time Attack • Hillclimb • Historic (up to 1990 cars only) • Karting, including Superkarts • Off-road, including Rallycross, Autocross and Cross Car • Rally, including World Rally, Regional Rallies, Cross Country Rallies. <p>Made the following contributions to the Australian Economy</p> <ul style="list-style-type: none"> • Contributed \$3.1b to direct gross output and \$5.5b Indirect gross output. • Contributed \$1b Direct added value and \$1.6b indirect value add • Ran 9,560 events where 18,900 formal unpaid officials, marshals and volunteers were present and supported 16,900 direct and 29,900 indirect paid jobs. • There were 188,112 motorsport participants, 1,387 clubs and 618 tracks. <p>Participation average was 6 events per year with 9 nights away per year for motorsport events. The demographic split was 96% male and 4% female with the average duration in motorsport being 16 years. Spend is approximately \$20,000 on motorsport activities per year (excl. vehicle purchase). In WA the following figures were identified:</p> <ul style="list-style-type: none"> • \$317.5m Gross output • \$104.8m Value Add • 1,732 Employment • Western Australia provides 10.2% of the Australia contribution • Compete only 8,805 = 13.8% • Officiate only 2,084 = 12.7%

- Compete & officiate 313 = 12.6%
- Other club members 9,487 = 9.0%
- Total 20,689 = 11.0%
- 99 Tracks & venues =16.0%
- 194 Clubs = 14.0%
- 1,147 Events = 12.0% of national events

Relevance: *The value of motorsport facilities should not be underestimated in the value they bring to the local community. Due to the nature of the participants, they are prepared to travel to access quality facilities and are prepared to stay and invest in local businesses (through accommodation, food, drink, servicing and promoting the area). This aspect should not be under-estimated in seeking the potential relocation of the facility.*

Appendix 2: Demographic Indicators

The demographic analysis is undertaken using two reference points:

- The Australian Bureau of Statistics 2021 Census data to derive the current population profile.
- WA Tomorrow produced by the Department of Lands and Heritage – Band C (DPLH).

This information is provided below together with an assessment of the implications for a diverse range of community infrastructure including karting:

- Figure 5 identifies the current age profile within the Shire and it highlights a relatively high number of the population in the age range of 25 to 49 years which is indicative of the local employment market which attracts younger families. There is however a significant dip in children and young adults aged between 10 and 24 which is generally indicative of their movement of the cohort to secondary school and higher education within Metropolitan Perth and / or interstate.
- Figure 6 highlights the key population data which confirms a median age of 36, reflecting the high number of young families but loss of the older children / youth cohort. It is evident that in comparison to Western Australia and Australia, the population is relatively youthful with a lower cohort within the Shire aged over 64.
- The population is marginally dominated by males (52% of the population).
- Figure 7 identifies the key financial dynamics with median weekly household income being approximately 25% of monthly wages. Residential rent accounts for about 16.7% of median weekly household income. This would generally indicate a relatively higher level of disposable income on average within the Shire. This however would not take into account the relatively high cost of living expenses, however.
- Figure 8 references the level of educational attainment within the Shire. This indicates that in comparison to Western Australia and Australia there is a higher level of educational attainment within the Shire which is also generally reflective of engagement with higher levels of employment and greater ability to command higher salaries and potential higher levels of expendable income.

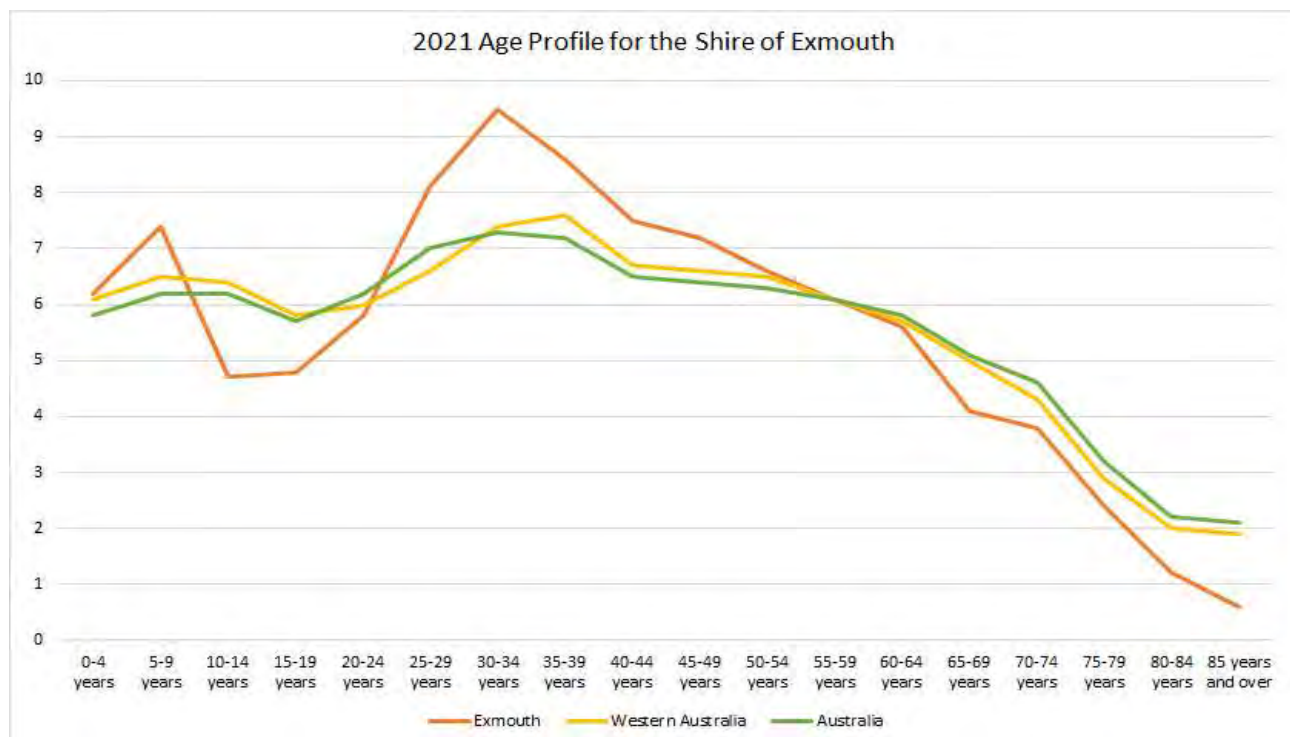


Figure 5: Shire of Exmouth Age Profile compared to Western Australia and Australia (Source: ABS Quickstats)

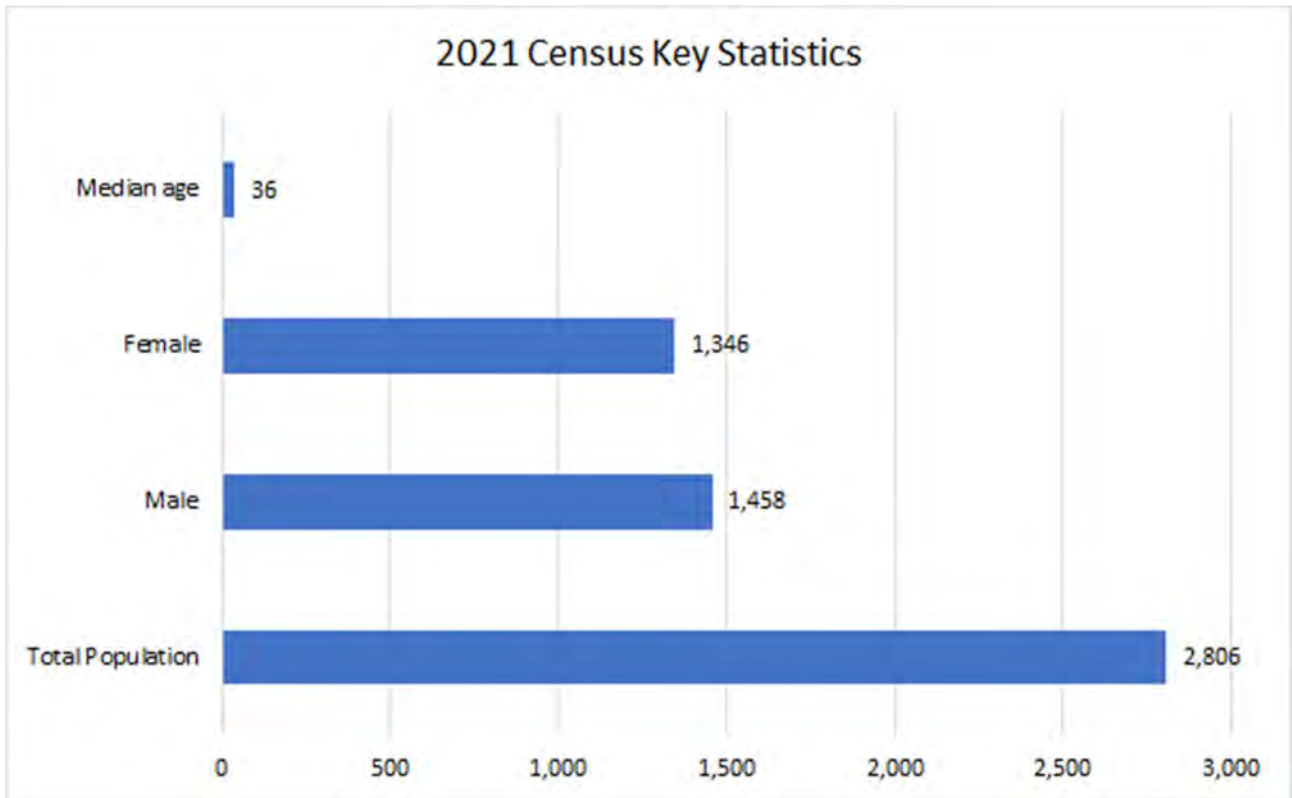


Figure 6: Key Population Statistics (Source: ABS Quickstats)

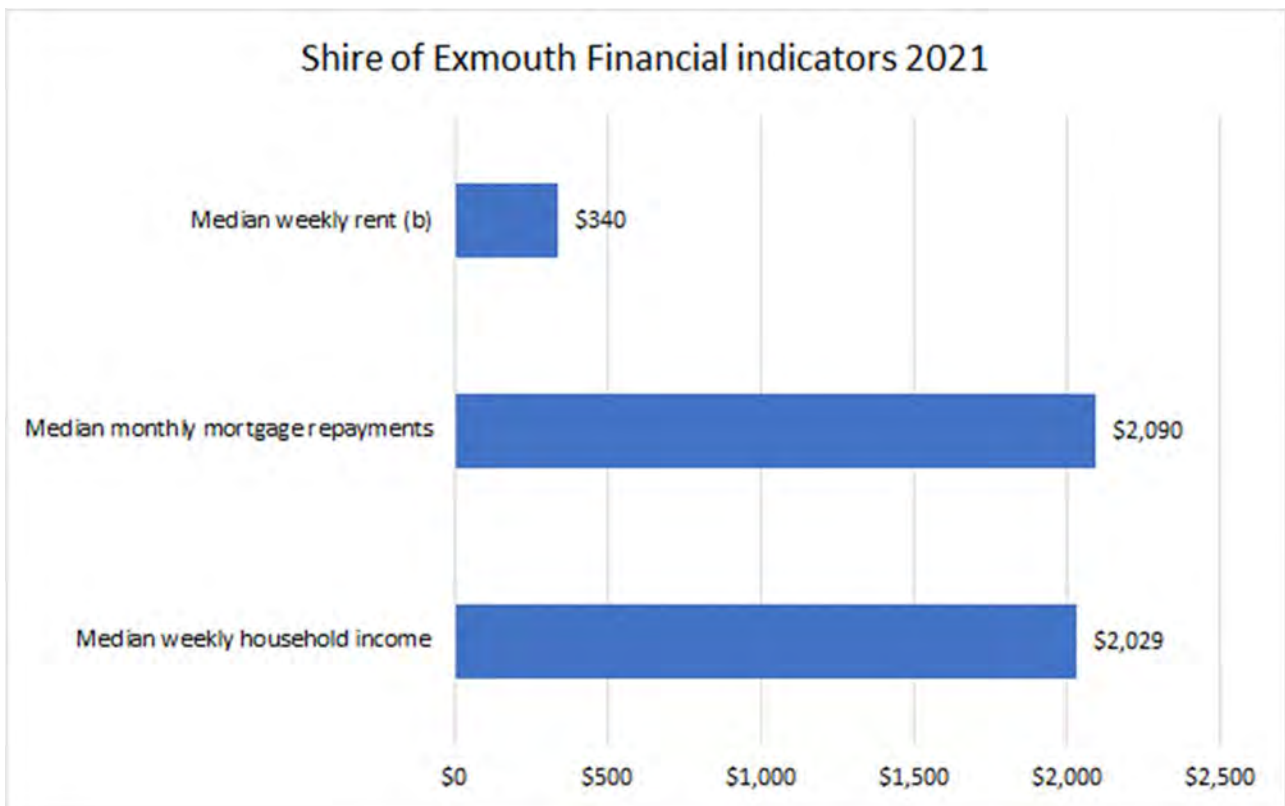


Figure 7: Key financial information for the Shire of Exmouth Resident (Source: ABS Quickstats)

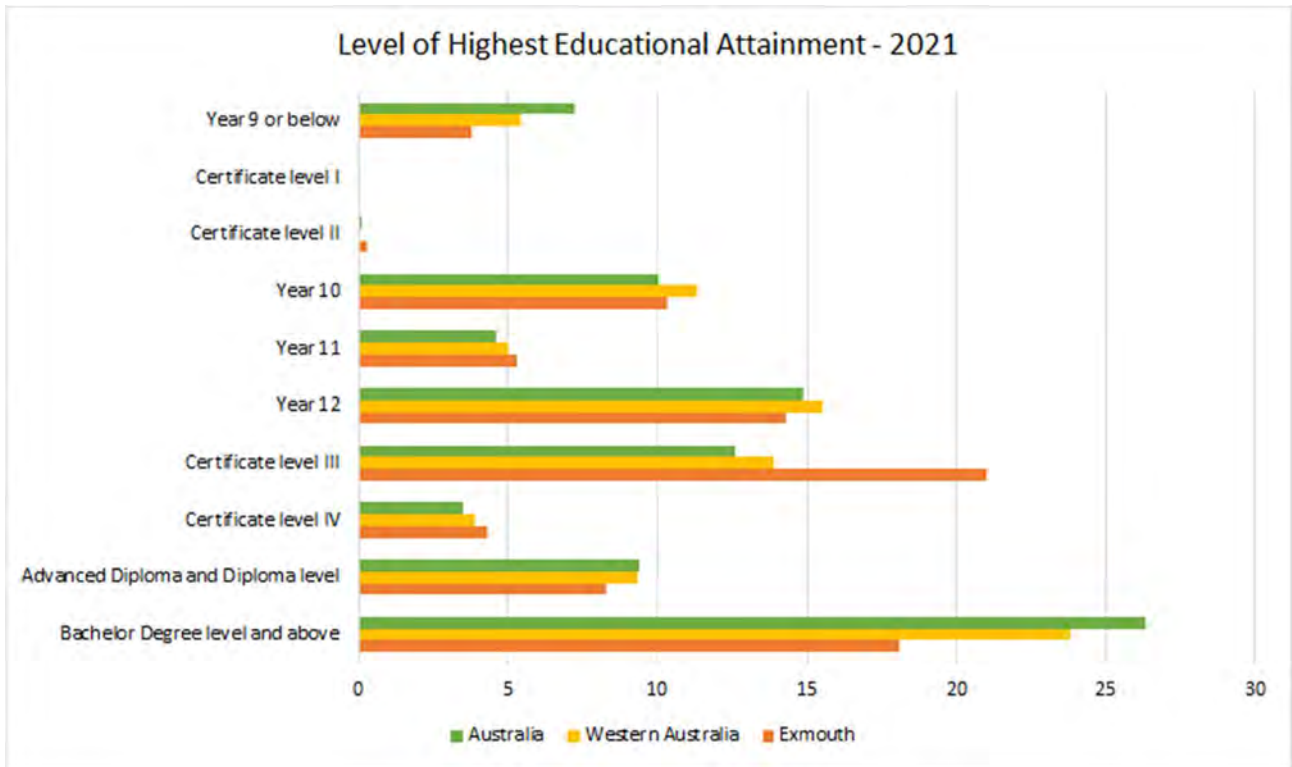


Figure 8: Level of Shire of Exmouth Residents Educational Attainment (Source: ABS Quickstats)

- In respect of cultural diversity it is evident that the Shire has a significantly higher level of Australian, English and Scottish residents in comparison to Western Australia and Australia. The demand is likely therefore to be for traditional sport and recreational pursuits which include traditional indoor and outdoor ball sports (AFL, soccer, cricket, netball, basketball and the rugby codes together with those land based extreme sports such as mountain biking, BMX and motorsports).

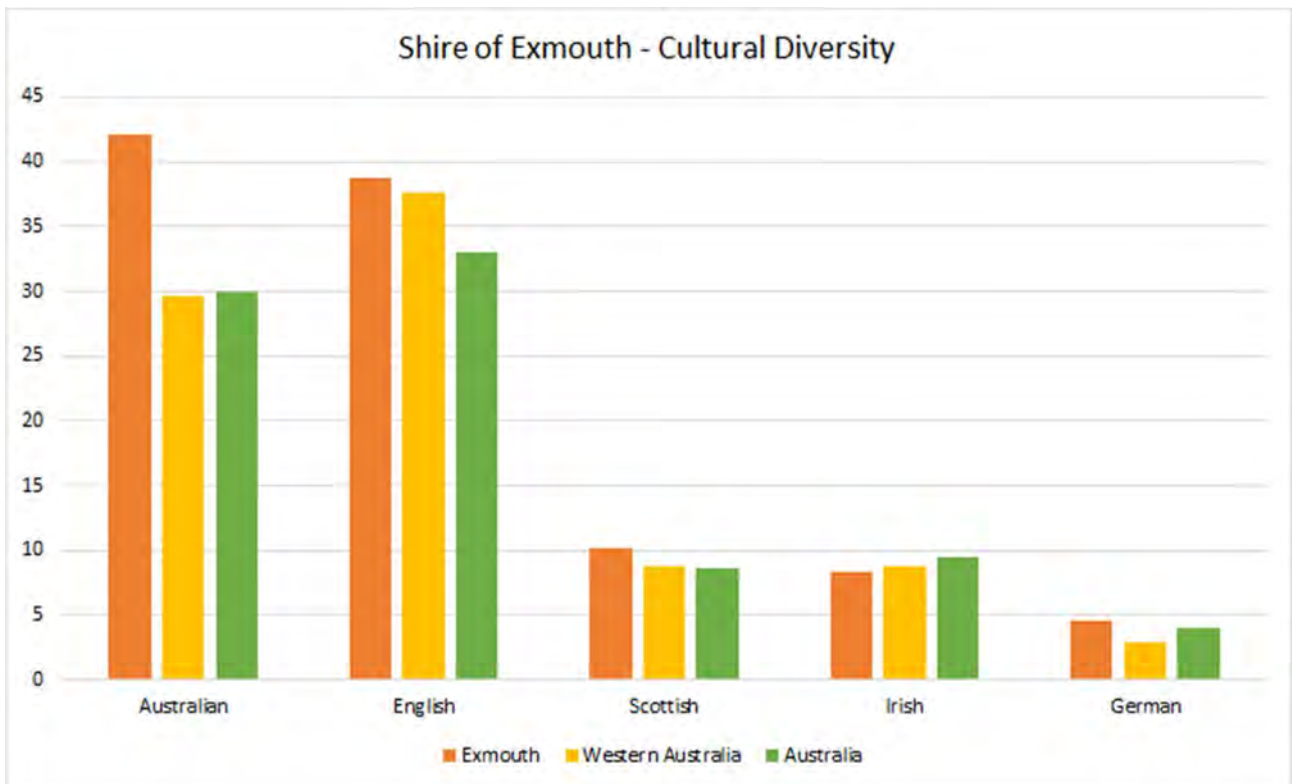


Figure 9: Cultural Diversity within the Shire of Exmouth (Source: ABS Quickstats)

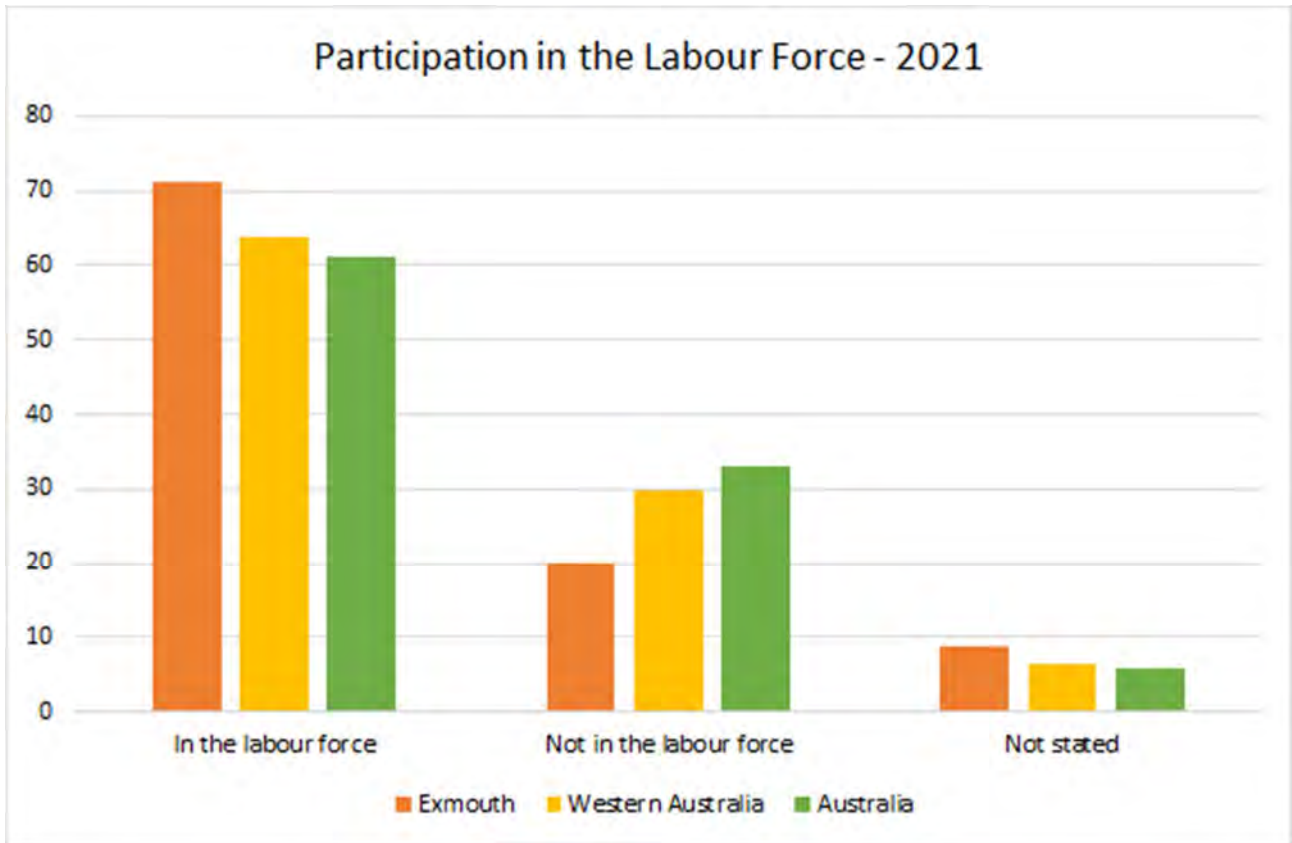


Figure 10: Current Shire of Exmouth Employment Levels (Source: ABS Quickstats)

- Figure 10 re-enforces that the Shire residents in comparison to Western Australia and Australia on average are more than likely to be in paid employment. As the paid employment is likely to be at a higher rate than in other areas of the state which is also commiserate with the higher cost of living.

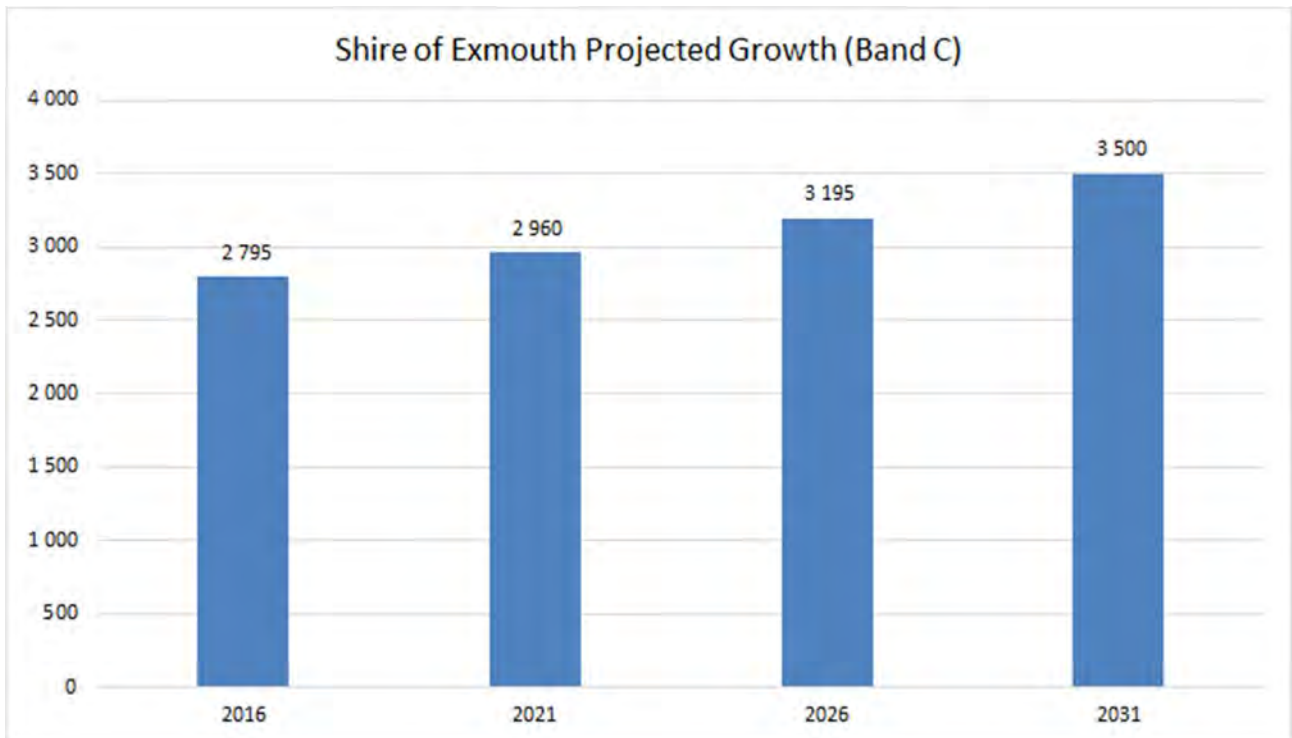


Figure 11: Shire of Exmouth Projected Growth (Source: WA Tomorrow)

- In respect of projected future growth, WA tomorrow indicates a consistently growing Shire population albeit the growth is limited and is unlikely to sustain access to sporting infrastructure without subsidy.

Appendix 3: Site Audit

Table 10 below provides imagery and descriptors of the existing EKC site and infrastructure immediately adjacent to the initial proposed relocation site.

Table 12: EKC Site Audit of Current Site and Proposed Location

Images	Commentary
<p>Existing Site</p>	
	<p>The club buildings include:</p> <ul style="list-style-type: none"> • Administration and kiosk: A storage container converted into an office and kitchen space with extended shaded area over an adjacent concrete plinth for spectators. The unit provides a secure lockable space for housing of merchandise and club materials. • Driver registration: A detached storage container principally utilised for storage and race day driver registration. The unit is damaged with water infiltration at the time of visit causing damage to stored materials. • Scrutineering and Engine Measuring area: located between the storage unit and modular toilet building with shaded corrugated sheeting above (used for the storage of various loose items) • Toilets : A detached modular building with male and female toilets to the rear of the administration and kiosk building. <p>All buildings and floodlighting are connected to the main services which are understood to run from Murat Road.</p> <p>The current track is located to the east of Murat Road at the corner of Mortiss Street with Cobia Close residential</p>

Images



Commentary

development to the north. Access is obtained via a gated dirt track off Murat Road to the north of the track infrastructure. Dirt car parking for spectators and competitors are located to the north of the track and around its eastern perimeter.

The track is approximately 666m in length with two potential configurations. The track as an asset shows signs of ongoing repair and patching to maintain a consistent surface for racing. It is understood that investment in a new track surface has not been pursued pending clarification of the future direction for the facility. There are 11 lighting columns placed on the inside of the circuit to accommodate night racing. The columns are lightweight structures and in need of replacement due to age and deteriorating similar to street lights. There are three marshalling points with tyre protective barrier located on the internal track areas with an additional tyre safety barrier between the starting grid and closest point of the return race track to avoid any potential conflict. At the time of the visit the track had been inundated with rain resulting in pooling of water internally on the bends. The internal part of the track is grass and the site is relatively flat throughout.

The track entry and exit is located off the starting grid to the north of the main straight and runs around the back of the control tower. The entry and exit lanes are separated by a tyre barrier and chain link fence and incorporates another six floodlight poles behind the barriers. The track exit lane is fenced at the half way point. The track entry grid is located centrally to the main track with a 26 grid waiting area (bitumen surface). A chain link fence is

Images

Commentary



located around all of the track infrastructure to separate activities from spectators.

The control tower is an elevated building centrally located behind the track fencing with a viewing deck and indoor officials / announcers area with elevated viewing across the track. Access to the cabin is obtained via steps to the rear of the tower. The building is showing signs of extensive decay albeit it is structurally stable.

The main spectator area lies behind the safety fencing and in front of the administration / clubhouse buildings / driver registration / toilets. The area includes a small children’s play area which is also aged adjacent to a mature tree which provides extensive shade.

It is understood that the track is non-compliant with current Karting Australia Standards but operates under a grandfather clause which would cease if major / significant changes were made to the venue or if it were to be relocated elsewhere.

Proposed Relocation Site and Associated Infrastructure on Adjacent Sporting Sites



The Sporting Shooters Association of Australia Exmouth Shooting Club facility is located to the west of Murat Road, north off a dirt track which also services both the proposed EKC site and Exmouth Motorcycle and Enduro Motocross site.

The site is 400m in length and 200m in width and is bordered by tracks / fire breaks.

The shooting club provides field pistol, 5 stand trap, practical pistol/shotgun, bench rest rifle & metallic silhouette opportunities. There is an existing clubhouse facility centrally located with a large open area in front of the clubhouse for parking with a gated site access.



Each shooting area is surrounded by extensive man-made sand banks to limit the range danger associated with ballistic materials. There are four buildings located on site. A container building between the two pistol / shotgun ranges, two shaded trap ranges and a storage / clubhouse building. Behind the pistol/shotgun ranges is a skeet shooting area with a 5 stand trap which shoots in a southerly direction towards the existing berms. Additional buildings are provided to service the sport,

(Large Image Source: Sporting Shooters Association of Australia Exmouth Shooting Club Facebook Site)

The land to the south of the Sporting Shooters Association of Australia Exmouth Shooting Club is the land identified as being initially suitable to relocate the EKC. This land is relatively dense bushland with no obvious site access point. The land is approximately 1km north of the North West Cape Defence Base (the Shooting Club is a further

Images

Commentary



600m north of the southern part of the site and over 2km north of the nearest residential property.

Exmouth Motorcycle and Enduro Club: The motocross facility is located to the west of Murat Road off a dirt track which also services both the proposed EKC site and Sporting Shooters Association of Australia Exmouth Shooting Club. The site lies some 930m west of the Shooting Club and 500m north west of the site initially identified by the Shire for the relocated Exmouth Kart Track and associated infrastructure.

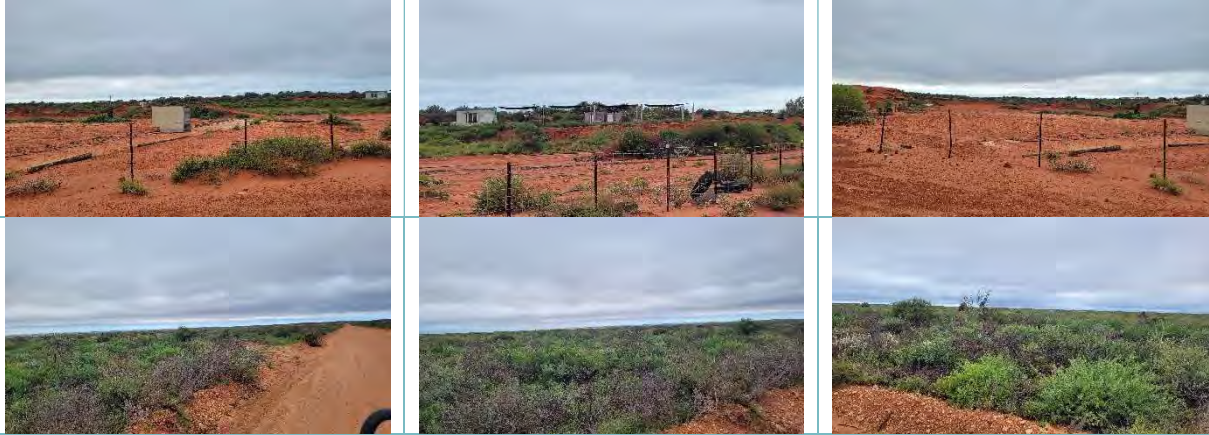
The motocross track lies on land which has been completely cleared and occupies approximately 5 hectares taking into account the fenced track (3ha) and surrounding areas used for access and car parking. The track is secured by a high chain link fence and within the site are a series of temporary toilet blocks, clubhouse facility (prefabricated modular building), a raised shaded area for bike parking / pits / spectators and an 18 grid starting area with central marshalling unit.

(Large Image Source: Exmouth Motorcycle and Enduro Club Facebook Site)

The land to the rear of both sites and proposed for the Kart Club relocation is identified in the last row below. While it consists of low lying bushland it is nevertheless dense and would require substantial clearance.

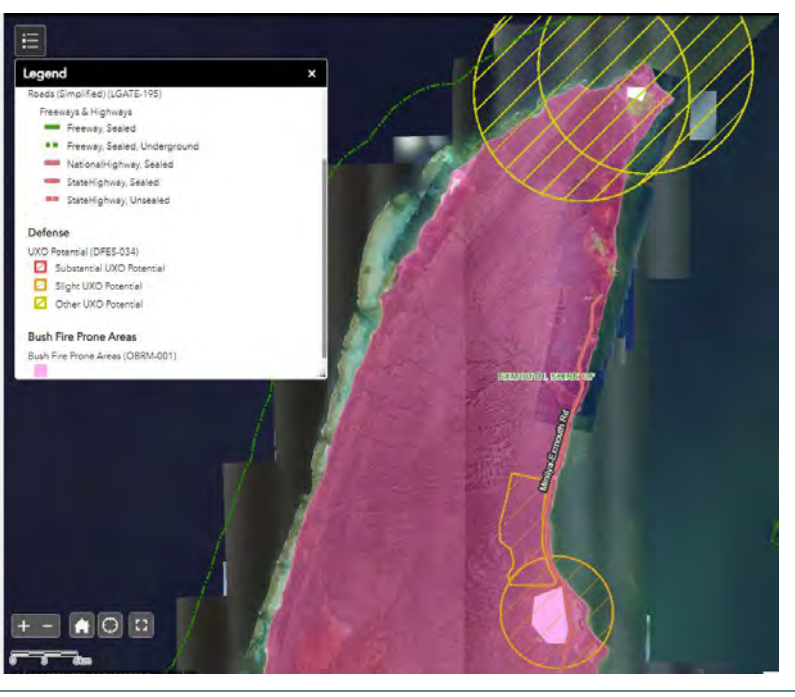
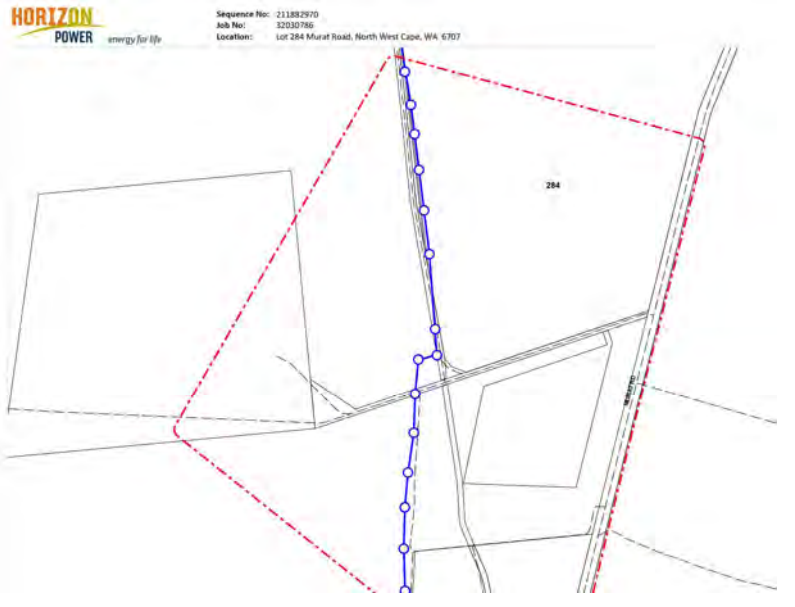
Images

Commentary



Appendix 4: LOT 500 Site Assessment

The following table identifies current know site implications related to Lot 500 on DP 69582 (off Murat Road and entrance from Pindan Pit Access Road) from a review of available mapping data:

<p>Bushfire Prone: The area is within a Bushfire Prone area and subject to a full BAL Assessment prior to development.</p> <p>Unexploded Ordnances: The area is also within a zone identified for potential Unexploded Ordnance (UXO).</p>	 <p>The screenshot shows a GIS interface with a legend for 'Roads (Simplified) (GATE-195)' and 'Defense UXO Potential (DPES-034)'. The legend includes categories for 'Freeways & Highways' (Freeway Sealed, National Highway Sealed, State Highway Sealed, State Highway Unsealed) and 'Defense UXO Potential' (Substantial UXO Potential, Slight UXO Potential, Other UXO Potential). It also shows 'Bush Fire Prone Areas (OBRM-001)'. The map displays a pink area for Bushfire Prone Areas and yellow/orange hatched areas for UXO Potential, with labels for 'MURAT ROAD' and 'PINDAN PIT ACCESS RD'.</p>
<p>Power: Distribution poles are identified to the west of the proposed EKC relocation site with HV distribution wire – overhead.</p>	 <p>The diagram is a technical site plan showing power lines and poles. It features a logo for 'HORIZON POWER energy for life' and the following details: Sequence No: 211882970, Job No: 32030786, Location: Lot 284 Murat Road, North West Cape, WA 6707. The plan shows a blue line representing power lines with poles, and a red dashed line indicating a boundary or specific area of interest.</p>

Flood Considerations – There are no areas subject to floodplain restrictions.



Contaminated Land – No known contaminated land is within 1km of the site.

Acid Sulfate Soils: there is no known acid sulfate risk associated with the site.







Aboriginal Heritage: The Warnangura (Cape Range) Cultural Precinct where there are Artefacts / Scatter, Ceremonial, Engraving, Midden / Scatter, Mythological, Rockshelter, Named Place, Water Source





Appendix 5: Benchmarking



The following table identifies the current WA Karting club and track infrastructure.


	Address	Region	Surface	Length	Density	Direction	Current Status
Albany City Kart Club 	Albany Highway, ALBANY	Great Southern	Bitumen	935 Metres	28	Clockwise / Anti- Clockwise	Active
Esperance Kart Klub 	Myrup Road, ESPERANCE	Goldfields – Esperance	Bitumen	655 metres	28	Clockwise / Anti- Clockwise	Active

<p>Bunbury City Kart Club</p> 	<p>North Boyanup Road, BUNBURY</p>	<p>South West</p>	<p>Bitumen</p>	<p>751 metres or 678 metres</p>	<p>751 metres - 32, 678 metres - 28</p>	<p>751 metres Clockwise, 678 metres Clockwise / Anti-Clockwise</p>	<p>Active</p>
<p>Eastern Goldfields Kart Club</p> 	<p>Greenhill Road, KALGOORLIE</p>	<p>Goldfields – Esperance</p>	<p>Bitumen</p>	<p>986 metres</p>	<p>40</p>	<p>Clockwise / Anti-Clockwise</p>	<p>Active</p>

<p>Hedland Kart Club</p> 	<p>North West Coastal Highway, PORT HEDLAND</p>	<p>Pilbara</p>	<p>Bitumen</p>	<p>680 metres</p>	<p>24</p>	<p>Clockwise / Anti-Clockwise</p>	<p>Active</p>
<p>Hurricane Go Kart Club</p> 	<p>Burma Road, WUNDOWIE</p>	<p>Central Wheatbelt</p>	<p>Bitumen</p>	<p>753 metres</p>	<p>32</p>	<p>Clockwise / Anti-Clockwise</p>	<p>Active</p>

<p>Impala Kart Club</p> 	<p>Paraburdoo Road, TOM PRICE</p>	<p>Pilbara</p>	<p>Bitumen</p>	<p>670 metres</p>	<p>28</p>	<p>Clockwise / Anti-Clockwise</p>	<p>Closed</p>
<p>Karratha Kart Club</p> 	<p>Anderson Road, KARRATHA</p>	<p>Pilbara</p>	<p>Bitumen</p>	<p>699 metres or 668 metres</p>	<p>26</p>	<p>Clockwise / Anti-Clockwise</p>	<p>Active</p>
<p>Lake King Kart Club</p>	<p>Roelands Lake King</p>	<p>Eastern Wheatbelt</p>	<p>Bitumen</p>	<p>740 metres</p>	<p>28</p>	<p>Anti-Clockwise</p>	<p>Active</p>

	Road, LAKE KING						
Midwest Kart Club	Geraldton-Mt Magnet Road, GERALDTON	Mid-West	Bitumen	700 metres	28	Clockwise / Anti-Clockwise	Active
	Geraldton-Mt Magnet Road, GERALDTON	Mid-West	Bitumen	700 metres	28	Clockwise / Anti-Clockwise	Active
Tiger Kart Club (Including MegaFast Karts):	Gemma Road, HENDERSON and Wattle Avenue, WANNEROO	Perth Metropolitan	Bitumen	1070 metres and 1025 metres	40	Clockwise/ Anti-Clockwise	Tiger Kart Club are based at Wanneroo. MegaFast Karts Commercial Kart hirers operating at Wanneroo Raceway

<p>Wanneroo Raceway</p> 							<p>and Henderson within the City of Cockburn (see reference below)</p>
<p>Cockburn International Kartway:</p> 							
<p>SuperKart Club WA</p>	<p>13 Limerack Place WATERFORD, WA, 6152</p>	<p>Perth Metropolitan</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Nomadic existence although have operated from Wanneroo Raceway and previously at Motoring South West complex in Collie</p>

Examples of Commercial Karting Infrastructure

MegFast Karts WA

Mega Fast Karts – located in Richmond, Wanneroo and Cockburn - International Raceway tracks. They are open 6 days a week (closed on Tuesday). They offer public session times at:

Monday: 10am – 5pm

Tuesday: Closed

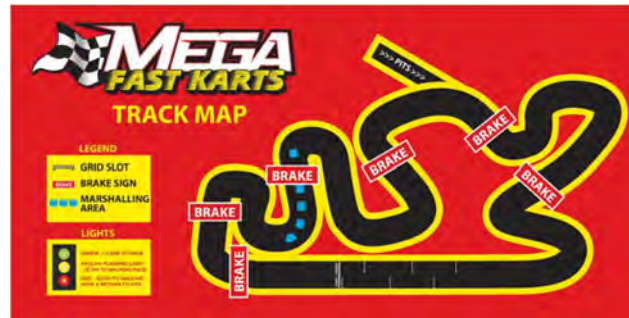
Wednesday: 10am – 5pm

Thursday: 10am – 5pm

Friday: 12pm – 9pm

Saturday: 9am-12pm And 5pm – 9pm

Sunday: 10am- 5pm



General Hire is available everyday between Group Bookings. They can fit up to 20 karts on the track at a time and fill the track up with other people have general hire tickets. General hire is done in minute sessions where a hiring of 10 minutes is provided to get as many laps as possible (between 8 and 10 laps achievable during this time).

Junior drivers need to be 10 years and 138cm tall. Dual driver need to be 18 years old and passenger 5 years and up.

Race Formats – Minimum 10 Drivers: All bookings are non-refundable, non-transferable

Pricing is identified overleaf

Mon- Thurs Mid-week prices:

Kart Type	Kart Price
Junior Karts (Age 10+)	1 x 10 Minute Race \$30 Per Person
Junior Karts (Age 10+)	2 x 10 Minute Race \$55 Per Person
Junior Karts (Age 10+)	3 x 10 Minute Race \$80 Per Person
Dual Karts	1 x 10 Minute Race \$35 Per Kart
Dual Karts	2 x 10 Minute Race \$65 Per Kart
Dual Karts	3 x 10 Minute Race \$95 Per Kart
Senior Karts (Age 14+)	1 x 10 Minute Race \$35 Per Person
Senior Karts (Age 14+)	2 x 10 Minute Race \$65 Per Person
Senior Karts (Age 14+)	3 x 10 Minute Race \$95 Per Person

Fri- Sun, Public Holidays and After Hour Prices

Kart Type	Kart Price
Junior Karts (Age 10+)	1 x 10 Minute Race \$35 Per Person
Junior Karts (Age 10+)	2 x 10 Minute Race \$65 Per Person
Junior Karts (Age 10+)	3 x 10 Minute Race \$95 Per Person
Dual Karts	1 x 10 Minute Race \$40 Per Kart
Dual Karts	2 x 10 Minute Race \$75 Per Kart
Dual Karts	3 x 10 Minute Race \$110 Per Kart
Senior Karts (Age 14+)	1 x 10 Minute Race \$40 Per Person
Senior Karts (Age 14+)	2 x 10 Minute Race \$75 Per Person
Senior Karts (Age 14+)	3 x 10 Minute Race \$110 Per Person

Grand Prix Prices - Mon- Thurs Mid-week prices:

TYPE OF RACE	RACE LENGTH	SENIOR KARTS (14 yrs+)
Mini Grand Prix	1 X 10 minute practice PLUS 2 x 6 lap races	\$80 per person
Midi Grand Prix	1 X 10 minute practice PLUS 3 x 6 lap races	\$100 per person
Maxi Grand Prix	1 X 10 minute practice PLUS 3 x 8 lap races	\$120 per person
Mega Grand Prix	1 X 10 minute practice PLUS 3 x 7 lap races and 9 lap Final	\$140 per person

Grand Prix Prices - Fri- Sun, Public Holidays and After Hour Prices

TYPE OF RACE	RACE LENGTH	SENIOR KARTS (14 yrs+)
Mini Grand Prix	1 X 10 minute practice PLUS 2 x 6 lap races	\$90 per person
Midi Grand Prix	1 X 10 minute practice PLUS 3 x 6 lap races	\$110 per person
Maxi Grand Prix	1 X 10 minute practice PLUS 3 x 8 lap races	\$130 per person
Mega Grand Prix	1 X 10 minute practice PLUS 3 x 7 lap races and 9 lap Final	\$150 per person

Sydney Premier Karting Park Eastern Creek

Sydney Premier Karting Park Eastern Creek (originally Eastern Creek International Karting Raceway) was opened in December 1997. Previously 30 Hectares of vacant farmland situated next to Eastern Creek International Motor Raceway. They offer numerous track variations and is recognised as the largest karting complex in the world. It is designed for general public hire and corporate hire karting as well as domestic club and international kart racing. They provide for corporate or team building events and offer a range of public opportunities ranging from Cadet karts to double karts. It is also home to the Wollongong Kart Club with over 1,000 members. Each day a particular circuit is designated as a practice track for licensed club karters. Prices currently include:

- \$55 for karting NSW members with own karts and license
- 13HP Sodi RT8 Karts \$45 for 10 minutes drive time, \$75 for 20 minutes and \$100 for 30 minutes.
- 6HP Karts – the fastest of the kids karts \$30 for 10 minutes drive time, \$50 for 20 minutes and \$60 for 30 minutes. The driver has to be 12-15 years and over 150cm.
- Cadet Karts for 8-11 years and a height of over 138cm - \$30 for 10 minutes drive time, \$50 for 20 minutes and \$60 for 30 minutes. The driver has to be 12-15 years and over 150cm.



- 13HP Double Karts for 16 years and over - \$45 for 10 minutes drive time, \$70 for 20 minutes and \$100 for 30 minutes.
- Double Karts - \$30 for 10 minutes drive time, \$50 for 20 minutes and \$60 for 30 minutes. Driver 18 years and over. Passenger min age 6-7 years up to 12 years.

Corporate and group events include:

- Gold High Octane Grand Prix at \$200 Mon to Fri and \$215 at weekends - 3 x Lap Warm up, 5 x 10 Minutes heat and 1 x 20 Minutes Grand Final
- Silver High Octane Grand Prix at \$155 Mon to Fri and \$165 at weekends - 3 x Lap Warm up, 3 x 10 Minutes heat and 1 x 20 Minutes Grand Final
- Bronze High Octane Grand Prix at \$115 Mon to Fri and \$125 at weekends - 3 x Lap Warm up, 2 x 10 Minutes heat and 1 x 15 Minutes Grand Final

13 HP packages include:

- Corporate Day \$365 Mon to Fri and \$395 at weekends 3 x Lap Warm up, 5x10 Minutes Heats, 1 x 15 Minutes Pre Final and 1 x 25 Minutes Grand Final
- Racer Package \$150 Mon to Fri and \$160 at weekends 3 x Lap Warm up, 1 x 15 Minutes Qualifier and 1 x 20 Minutes Grand Final
- Iron Man \$155 Mon to Fri and \$170 at weekends 3 x Lap Warm up, 50 x Lap Race
- Sennas Shootout weekdays - \$155 for first 20 drivers and \$125 for each driver thereafter - 3 x Lap Warm up, 2 Groups of 15 do, 3 x 12 Minute Heats
- Sennas Shootout weekends - \$165 for first 20 drivers and \$135 for each driver thereafter - 3 x Lap Warm up, 2 Groups of 15 do, 3 x 12 Minute Heats
- DO IT YOUR WAY Monday-Tuesday 10am-6pm \$3855 for 10-15 drivers - 2hrs of Track Time and you choose the session Times

Appendix 6: Financial Analysis

The following provides an overview of the current financial performance of EKC. The data provided is obtained directly from the clubs annual accounts over the past five years.

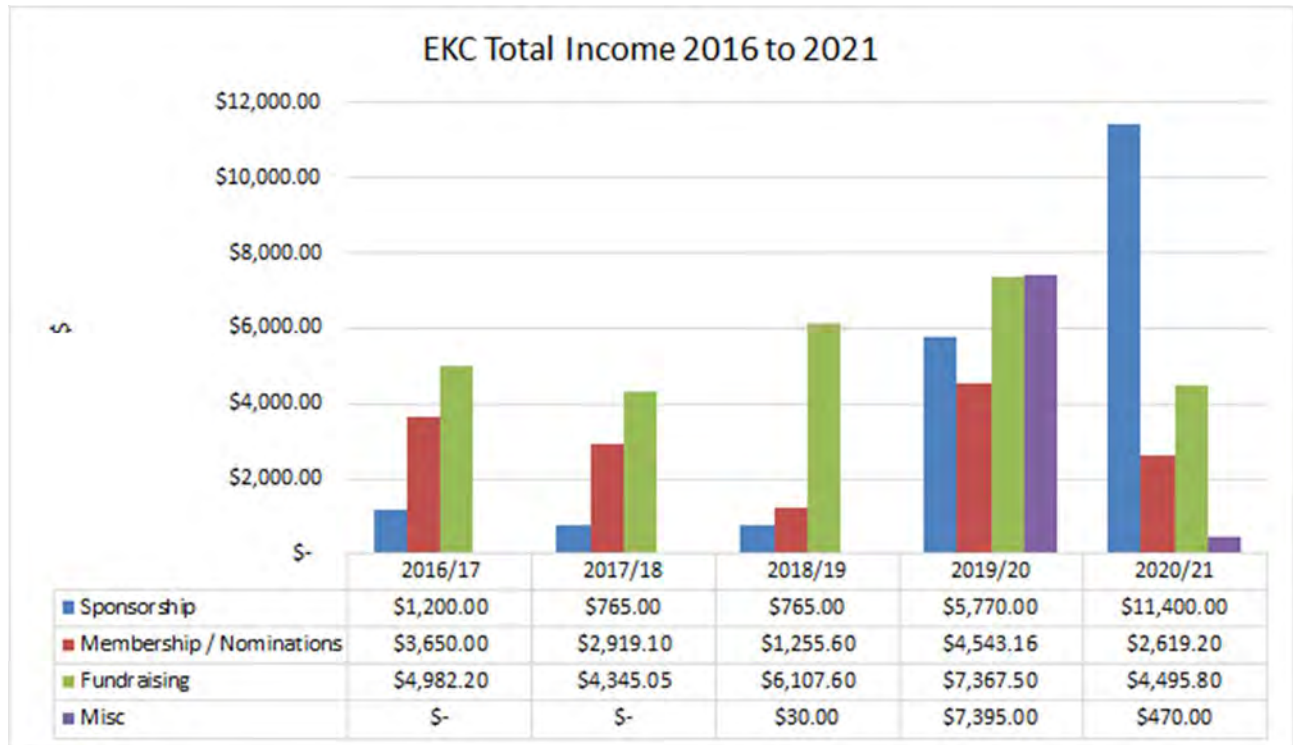


Figure 12: EKC Total Income from 2016 to 2021 (Source: EKC)

The key outputs of the financial analysis indicate the following:

- On an annual basis the financial income derived from membership, sponsorship and fundraising has seen a gradual increase between 2016 to 2021 with sponsorship in 2020/2021 reaching a high of \$11.4k. The best performing year across all income areas was 2019/2020 which was ironically impacted by the Covid-19 pandemic and restrictions placed on attendance at events and social distancing. Nevertheless the ability to generate significant income levels is limited. Figure 12 refers.
- Total expenditure levels highlight a mixture of variable expenditure items with no meet expenses between 2018 to 2020, which is assumed to be as a result of the covid-19 pandemic with 2020/21 indicating an expenditure of just over \$3k which is below pre-pandemic figures. Figure 13 refers.
- Expenditure on Kart WA fees will be related to the numbers of affiliated members. Over the five year period this has averaged \$730 annually.
- Over the five year period annual expenditure has averaged \$10,287. It is to be noted that maintenance costs are generally low with much of the maintenance being undertaken on a grace and favour basis.
- Overall net performance between 2016 to 2021 has shown a gradually increasing and positive financial return with 2019/2020 being the best performing year. This has been achieved by increasing income levels and keeping expenditure relatively low and at below 50% of the income levels in the past two available financial years. In prior years the club has effectively operated at just above a break-even level. Figure 14 refers.
- The overall position of EKC has indicated a positive financial balance year on year over the reporting period. Since 2016 the closing balance across all accounts indicates an ability to generate sufficient income to potentially set aside \$10k annually to invest in the ongoing operational costs of managing a facility, which is over and above current commitments. Figure 15 refers. These figures are however indicating an artificial financial return as the club has withheld any investment in the existing infrastructure due to the uncertainty regarding the track relocation.

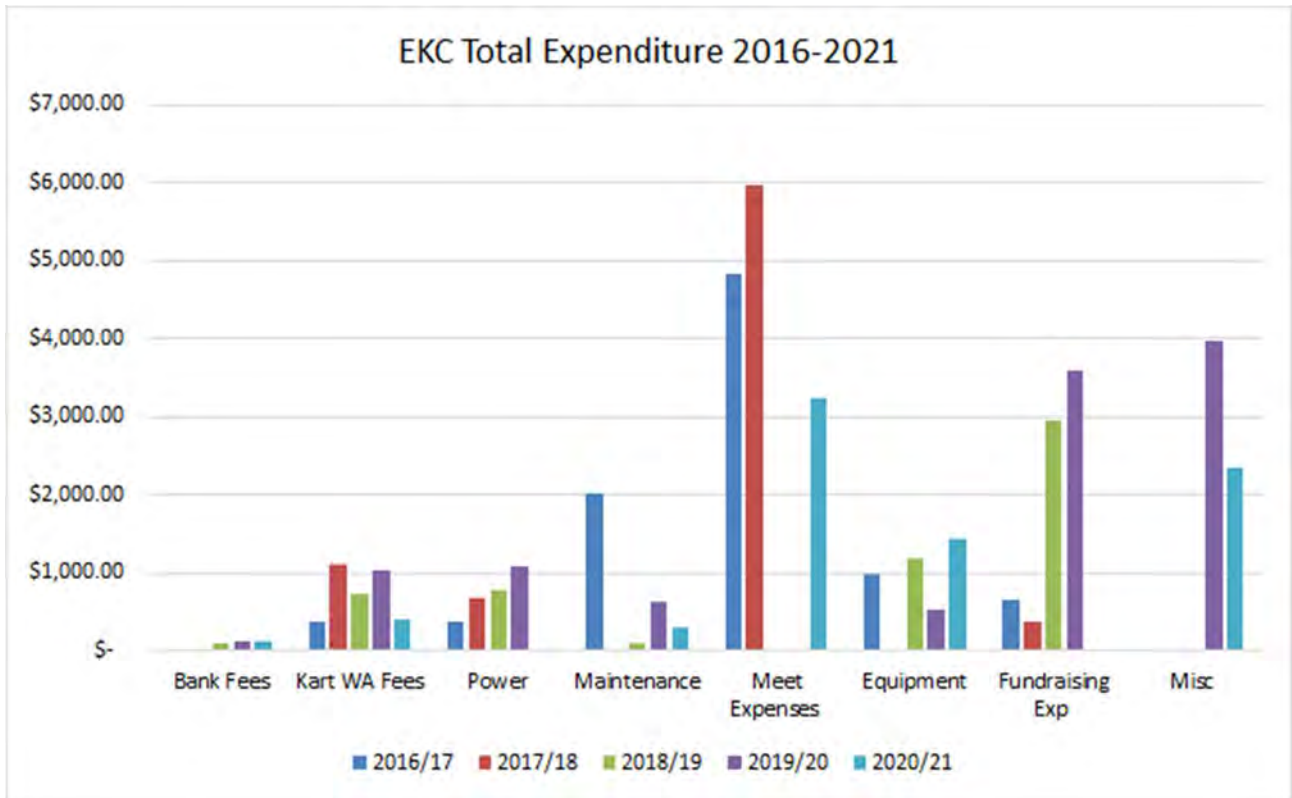


Figure 13: EKC Total Expenditure from 2016 to 2021 (Source: EKC)

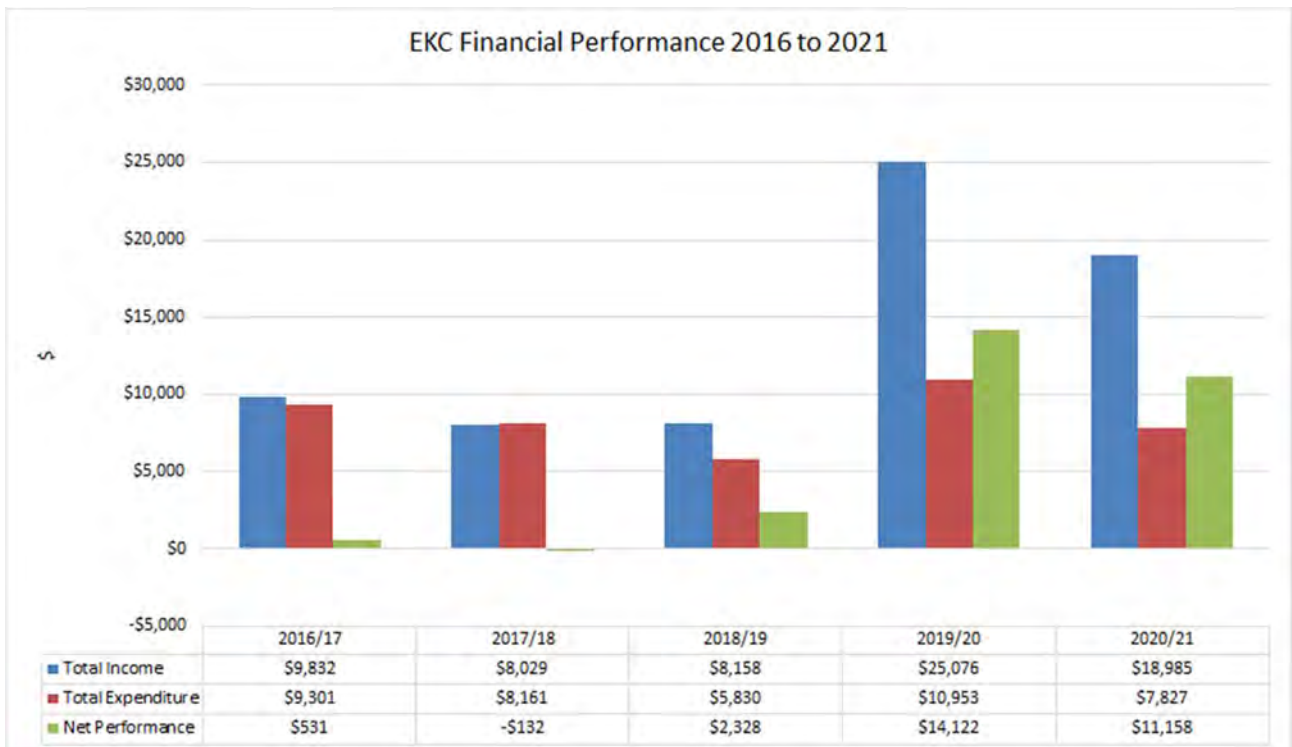


Figure 14: EKC Net Performance 2016 to 2021 (Source: EKC)

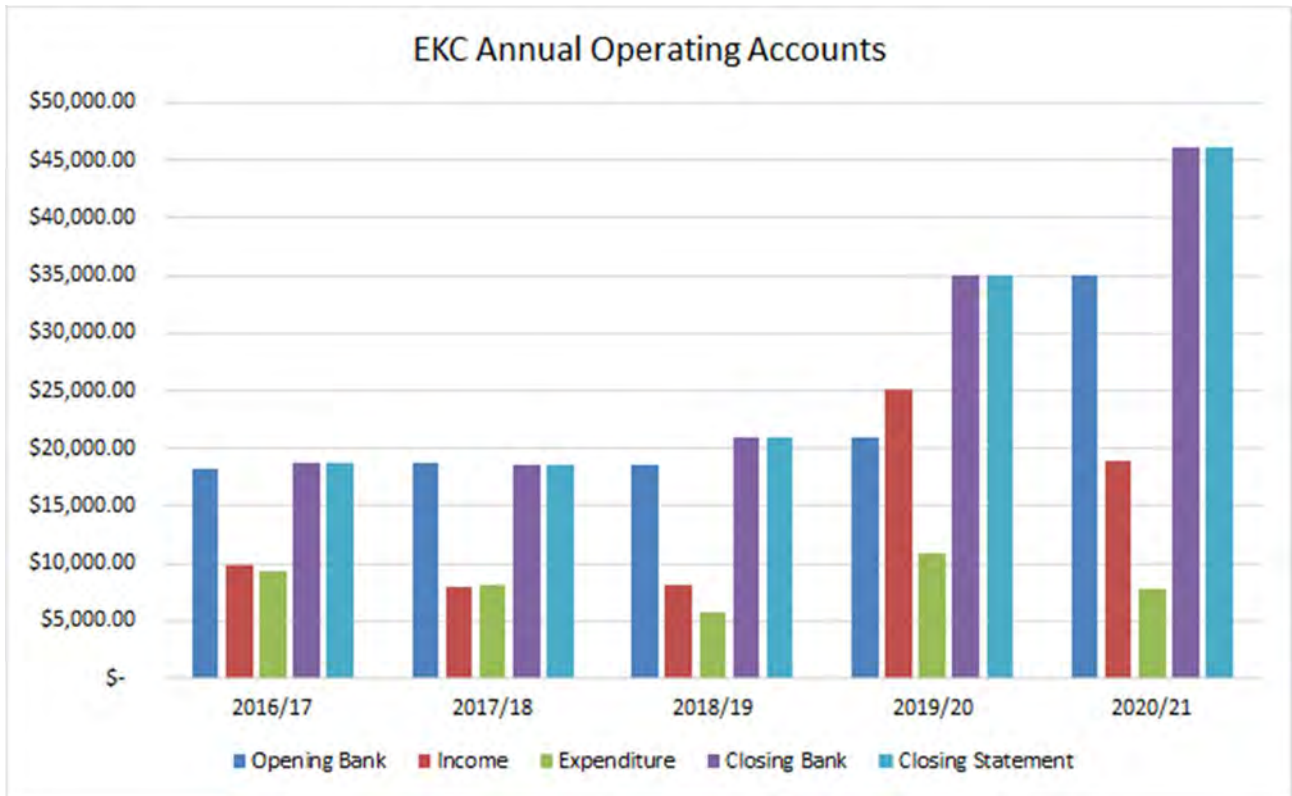


Figure 15: EKC Annual Operating Accounts 2016 to 2021 (Source: EKC)

Appendix 7: Consultation Outputs

The following table represents the verbatim comments of those organisations / individuals consulted during the development of the business case:

Shire of Exmouth Representatives	<ul style="list-style-type: none"> • The current plan is the clubs wish list and therefore an analysis of the phased development should be undertaken to determine what is achievable. • Celsius Group – the preferred proponents for the site. \$2M development costs and a further \$10M of flood mitigation measures are being identified as being potentially required to be undertaken. Roadworks would need to be catered for in addition. • The kart club could be based on the site for a little while yet as the development is a minimum of eighteen months to two years away. • Developer may not wish to contribute to the karting clubs relocation. • The club may not be able to generate sufficient income to secure its viability. The membership of the club is not large. • The shire does not have extensive funds, has a small rate base and there are few business benefactors in the area to call on. The shire need to borrow in excess of \$3.6m to undertake works to the swimming pool. • The shire hasn't put money into a capital reserve fund and is therefore looking at alternative options. Andrew Forrest may be in a position to assist. • The focus is on maintain current facility to a level. • It is critical to be realistic with a strong focus on asset management • If shire can't fund it, who could? <ul style="list-style-type: none"> ○ Karting Australia – keen to retain the facility and have a small funding program ○ Minderoo Foundation – may be the type of facility they would consider if developed in partnership with others. \$10M investment in a research lab and \$18M resort at Ningaloo Caravan Park. ○ Woodside and Santos are in the area and run their own community programs. • Councillor Mark Lucas has an involvement with the Celsius Group. • There is no political influence impacting on the site – issue was with previous manager who was not overly supportive of the kart club and the shire does not have much funding available. • There are no noise restrictions where they are proposed to be located. • Demographic Information – to be obtained from the senior planning officer. • Environmental Health oversea public events. • Alan Waddingham operates a motor mechanic business but has been a key proponent of the karting facility. Presently the VP of Karting WA. • From an Aboriginal Land Title perspective, this is a little confusing as approval appears to have been sought but not finalised. There is some agreement which alludes to Aboriginal community becoming members of the club.

<p>Planning Officer Shire of Exmouth</p>	<ul style="list-style-type: none"> • There are a series of local planning policies which will be sent through – A significant level of planning is currently underway for next year’s solar eclipse. • The site is a possible location for camping if it is self-contained. There may be ablution issues. The site should be zoned for alternative camping. • Caravanning / Camping – 2/3 nights for one off events is important. A number of lots have been taken away from the market which limits space. • Containers are not permissible at the current site – if they are clad to an agreed specification, that may be acceptable. The prominent location is the concern. • Development of the new site: <ul style="list-style-type: none"> ○ Acoustics is not a major issue ○ All land to the north of the Dept of Defence is suitable generally – it is close to the Pindan Pit ○ There will be a need to refer to Defence due to lighting implications ○ The 2019 determination – signed agreement but issues with heritage ○ To enable site clearance a desktop study will be required. ○ There have not been any water studies but water licensing capacity would be an issue – Watercorp should be consulted. Most licenses are at capacity.
<p>DLGSC representatives</p>	<ul style="list-style-type: none"> • This has been a long term consideration and they are aware of the temporary lease they are on. • The cost of development will be an issue and unlikely to be seen as a priority for CSRFF. • Membership levels are too low and ability to grow limited. • They did seek to challenge Landcorp / Development WA but backed down due to limited argument for investment. • There is potential to seek re-investment in something else to offset the loss of infrastructure. • They are still concerned with the pool redevelopment which was initially flagged at \$9m
<p>Exmouth Karting Club Representatives</p>	<p>History of facility</p> <ul style="list-style-type: none"> • Originally the Meredith Stevens Circuit. Peter Ascot was a founding member of the club which started at the airstrip – 10km out of town – races were stopped when aircraft were coming in to land. • Land was sought near the airport. • The current track was constructed in 1994. It was formerly the horse racing track. • Adam / Leah got involved in 2014 as President and secretary. <p>Current infrastructure:</p> <ul style="list-style-type: none"> • Currently 23 members (13 licensed competitors) • If the club were to stay on site they would wish to negotiate a minimum 10 year lease (even 5 plus 5) and update to technical standards to comply with Karting WA (latest track construction guidelines of 2022). • They are currently looking at the control tower replacement but will not invest until the future is certain. • They need to upgrade the fencing and the lowest priority is the clubhouse / scrutineers.

- Scrutineers operate under the shade adjacent to the track.
- They have male – urinal, toilet and shower / female toilets – two toilets and a shower. These could just do with being freshened up.
- They are connected to the sewer and mains water.
- The power is standard – 200amp 3 phase.
- There is no storage facility on site.
- 4 x club karts are located 25km out of town and they only have a two kart trailer to bring karts in and out of the site. This is preventing the ability to introduce new members, come and try and operate corporate events / controlled commercial karting.

Partial relocation must include:

- Track
- Safety lights
- Fencing requirements to standard
- Tower
- Room for stewards meeting
- Starting and finishing grid (ideally together)
- Pits area
- Floodlighting is not essential
- Storage – 2 storage facilities are available and can be utilised.
- Need for Wi-Fi
- Power / services
- Amenities
- First aid / gazebo currently used
- Amenities – shared with other users
- Spectator gazebos for shade
- Canteen would be a bonus / kitchen
- There is no need for a workshop on site.

Other considerations:

- Technically need 1200gap plus spectator fencing behind – check first line of defence guidelines for the explicit detail (current).
- The facility does not need dust suppression – they run water truck over the dirt / gravel parking area to control dust on busy days.
- Grandstands or mounded viewing areas are not a necessity.
- There are no need for payment entry gates – online is used to manage race fees and there is an option to use a temporary gate if spectators are to be charged.
- Four way power off the ground is required.

Governance:

- The club has a strategic plan
- There are policies in place that accord to the Karting Australia requirements.
- Financial accounts for the last five years are to be sent through separately.

General operations:

- People rock up and drive the track.
- They have potential to set up karts come and try days but it is limited by a lack of storage.
- This year is the clubs 30th anniversary
- Club events = third weekend of every month
- Australia Day long weekend is what they target for the main karting event. In 20222 it was the Gold Star Round – 15/16th Jan
- They would generally get mid 40's competing for the Northern Zone Round – generally round 2 or 3 in Exmouth.
- Karting Australia licence the track for lights, mediums and heavies. – all class races.
- It is all run under the mylaps timing system

Financial / Club Contributions:

- Earth works
- Access to vehicles / equipment / excavators.
- Electrical works
- Sheds (relocated from current storage)
- Temporary containers – cannot be constructed on existing site but may be an option on the new site out of town.
- They are currently limited due to the Marina Development – cladding of units may be acceptable.
- Provision of a canteen in a transportable would be ideal.
- There is no one site that delivers everything well. Bunbury Kart Club is a reasonable facility but isolated from the road. Karratha have units plumbed in.

Current fees:

- \$110 practice licence
- \$400 competition licence
- \$145 family membership
- \$75 adult member
- Participants licence and steward licence is free

Future Growth:

- They need to get 20-30 new local members into the club.
- They could do a lot more on site if karts were stored on site securely for developmental work.

- There are lots of people in the town – opportunity to build memberships.
- District school goes to year 12 – (500kids)
- Opportunity to bring in Aboriginal funding
- There is a small TAFE in Exmouth but for short courses / work placement – no real alignment to mechanical engineering etc.

Current constraints:

- No long term lease
- No vision for the site and facility
- While they have been earmarked to be removed for a number of years they continue to operate in limbo.

Future constraints:

- Distance out of town
- Aboriginal land title
- Water is on the main road and needs to be brought into the site.
- Power in the dirt road (Lot 500 – 19.54ha)
- Unknown soil survey and drainage
- Water table is unknown.

Potential partners: Nobody at present but opportunities exist for -

- Use of the site as a camp site – a big ticket item worth around \$20k to \$40k per event.
- The solar eclipse in 2023 – they currently cannot plan an event around this due to the potential numbers likely to be attracted to Exmouth. The site could be used for camping but regulations are inhibiting the process for approval.
- Super-moto could be approached as they use bitumen and dirt or bitumen alone.
- Bike riding with the youth as a focus
- Cape Range Riders – Could hold time trials
- Cycle events – scooter events
- Entry fee fundraisers
- Development of a burn-out pad
- Alignment with motocross
- Potential to start up archery again.

If the business changes and revenues increases the opportunities to expand use would be evident.

There is a need to minimise operational costs and asset management costs.

There is a need to consider a different management approach on a long term lease.

Risks:

- Kangaroos on the site which may cause serious injury

	<ul style="list-style-type: none"> • Lack of future planning for the current and potential site. • The grandfather clause that exists on the current site. The club is aware of the non-compliance issues which would need to be addressed if the track was modified or redeveloped. • A delay in moving to a new site may result in the clubs demise. • The cost of moving to a new site and implementing anew development. • Noise complaints received by the shire resulting in the limitation to times of operations. • Failing infrastructure on the current site which will require replacement i.e. fencing. • The approval process and timeline for the development of the new site. • Clarification that the identified future site for the kart track is the right site. • A lack of alignment to existing sports. • Uncertainty with regard to native title and approvals • The shires sponsorship policy impacting on the capability to generate income. <p>The above are to be incorporated in a risk assessment and mitigation plan.</p>
<p>Chamber of Commerce Representatives</p>	<ul style="list-style-type: none"> • The chamber have been talking to a number of external agencies who may be able to assist with a number of Shire initiatives / business alignments. • This could be added to the list but it would all be subject to negotiation. • They have funding to implement a variety of projects – grey water, swimming pool etc. • All initiatives are being explored to assist in enabling the Town to develop. • Chamber could help in navigating through the process – oil and gas funding could be accessed If the right projects were put forward. • They initial put a proposal to Woodside to fund the pool but it wasn't successful. • Chevron / Woodside have a lot of money available to expend but no-one wants it. • Key questions which need to be addressed: <ul style="list-style-type: none"> ○ Is the identified site the right site for relocation. ○ Is there a cheaper and more efficient site. • Investigate additional revenue streams – particularly related to its place as a tourist attraction – this has many benefits with joint websites, joint social and shared infrastructure / clubhouse. Co-location of clubs will be highly beneficial to achieve funding. • There is a need to talk to the Dept of Defence about the observatory they have planned in close proximity to the site. This is a \$1bn project and light pollution would be an issue. • The Cape Range Riders should be approached – mountain bike club involved in the trails development where there may be a potential linkage. Common Ground are working on the trails and there is potential for hiring and selling bikes at suitable locations. • Ningaloo Trails Master Plan was undertaken a few years ago – potential alignment. • The Chambers could be the administrator to all of the clubs – could widen the scope on how the whole thing is managed. • The impact of attracting people to a 'Recreation Park' would be easier to market. This could also be complimentary to corporate activities.

	<ul style="list-style-type: none"> • The Chambers want to be in a position themselves where they can value add to the business. • There is potential for a high level of collaboration and positioning to make what they do more accessible. The Chambers could reach out to the clubs in due course and convey the potential opportunities.
<p>Alan Waddingham (Karting WA VP and licenced track inspector)</p>	<p>Background:</p> <ul style="list-style-type: none"> • In 1992 Peter Ascot and Alan were looking at Carnarvon and the potential to develop a track in Exmouth. Both had a mechanical background and Peter Owned the Exmouth air charter. They initially looked at a hangar to the south and the runway. • They set the facility up by paying for 200m of bitumen surfacing and raced there for 2 years. • They were not licenced and became affiliated in 1993 with Karting WA • At the time they had 45 competitors with Carnarvon and would race every other week. • Carnarvon built their own track which subsequently closed and was taken over by motocross. • In 1995 Daryl Hicks designed a track and requested use of the horse club lease located on the area where the kart club is now. • The land is owned by the state but vested in the shire. • In 1999 the horseracing club collapsed and they raised the funds personally with the shire donating the stone and built the new track. A loan of \$35k was an enabling factor. • In 1999 the track put in for the state championships but cyclone Vance occurred which destroyed the site and left it under water for a few weeks. They relocated 1999/2000 and redeveloped to run the state championship – the track was moist underneath due to the lack of time for the work to settle and this resulted in the track having to subsequently be patched up and repaired. 170 participants were attracted to the event (65 local members). • It has now been 15 years since the club have been trying to get an alternative site / plot of land: <ul style="list-style-type: none"> ○ They initially looked at Watercorp Property but it was too close to Cameron’s Cave. ○ They looked at the area of the light airstrip. It was likely that rezoning would have gone through but it was opposed by the Pebble Beach Group / Tim Winton who wrote to oppose the development in 2010. ○ Keith Woodward looked at the tip / scaling scarp but it did not materialise as an option. ○ They also looked at the sporting shooters association but the club couldn’t sublease. It was always envisaged it would be a shared use site and at the time a 1/8th mile drag strip was being considered. ○ A meeting with the motocross club was undertaken but there were issues which needed to be resolved relating to the prevailing wind. ○ This led to the current site allocation. • At the time they were trying to get ### then native title consent – they had to go to public opinion for a 90 day period. There was interest from Yamatji - Onslow, Gnulli – Exmouth. • The Gnulli group wanted recognition – sponsorship and naming rights for the site plus associate memberships. • Defence were to clear the area for the club but it now has to go to the DPLH. • The site still needs approval plus an assessment of the water table • There are issues with the club not having a clear line of accountability. • They would need to undertake significant investment to replace what they already have.

	<ul style="list-style-type: none"> • The Northern Zone for karting was originally Tom Price, Hedland and Exmouth. • Most people will travel for one weeks break. The June long weekend as been a priority Newman is no longer racing there – the track was reclaimed as they ran out of members. It was a great track but the facility was lost (in the middle of a racecourse powered by a generator). They also had jet boats (East Pilbara) - \$70k clean-up costs). • Karting WA do not want to lose circuits • Tom Price is a transient community – they were close to having their licence cancelled but a new committee has recently set up • Pro -cadets is a modified class for juniors in the north. • Karting WA support the northern, central and southern zones. Karting Australia has become more open since the replacement of the CEO Doohan two years ago. The clubs can now use a reverse grid and ballot racing. There is one senior technical official in Karratha who supports the northern clubs. • In WA every track has to be licensed each year. • The steward needs to rectify any issues. • KWA have recently supported the repairs to the Cockburn track – they applied to KA for \$150k. 50% of the use of karting circuits in WA is across the Cockburn and Wanneroo karting tracks. • The track development fund belongs to every kart driver. \$400k is in the fund but limited capability. • There is also dirt karting in Lancelin, South west and Wheatbelt. • Geraldton has been through a rebuild and Albany have them. • Tom Price is the biggest threat due to the transient population – no buy in from members. • Getting state championships back to Exmouth would be a good outcome. They learnt a lot from the previous development – average Karter would bring 3 people to the event.
Celsius Developments representative	<ul style="list-style-type: none"> • They are currently looking at flood protection solutions for the site. • They have undertaken some work by looking at the levels and potential implications for flooding within and off-site. • They are 3-4 weeks away from finishing the investigations as are Development WA – they will then have 3-4 weeks to consider the reports (i.e. 10 weeks away from determination and therefore likely a September settlement). • The Town planning process will take a minimum of 12 months and the first stage will not go near where the karts are. There will be a six month build and therefore the likely date for the first residential property is late 2024. • The land is at best marginal in Exmouth and that any improvements will be negotiated with Development WA as coming off the financial bottom line. • Initially a contribution to the relocation of the kart track was considered but was removed from the submission due to a firm belief it should be the responsibility of state / local government to invest. • They will not fund the track development but see a 24 month peppercorn lease arrangement as being acceptable until they are ready to develop. This can be extended if required. • They are open to entering into a partnership agreement and discussion with Development WA regarding an alternative track but not the cost of redevelopment.

	<ul style="list-style-type: none"> • They believe they are more likely than not to develop the site based on the initial assessments but this may change. • There is no prospect of the track being retained on site.
Development WA representative	<ul style="list-style-type: none"> • Development WA took over the site with no financial obligation to relocate the karting track. The lease expires at the end of this month (June) which is held on a peppercorn basis. • Once the sale goes through (subject to flood mitigation measures being agreed) the karting facility would be Celsius properties responsibility. Aug / Sept likely land transfer and then a structure plan will need to be developed and approved. • The shire CEO had indicated that it had been suggested by an elected member(s) that the kart club would not be out of pocket (there is nothing on file though) • Development WA have lost a lot of money on the site to bring it up to a developable level (they have written off government obligations). The land was bought in the peak period and it has never gained equity. • Subject to the outcome of the business case it would be worthwhile potentially discussing the site further with Paul Ferranti. They have previously tried to advocate funding through the sport and do not see it as a responsibility of any land owner / developer. The relocation cost would probably kill off the development of the site. • Current lease is on a portion of state land and therefore will be dealt with differently to Crown land. The state would not invest in an area where the lease is on state land. The thinking is that the club have known for some time that they would need to vacate the land and there was no legal right to expect a continuation of the use. • In respect of the alternative site, it is probably not the most practical use given the likely development costs. The servicing of the site (costs) are unlikely to be realistic and affordable. Funding a facility in isolation will not be considered a high priority. • Most sites in Exmouth are subject to Native Title and development costs outweigh the likely revenue stream which could be generated. • Subject to the outcome of the business case the state government could explore a Community Service Obligation. No money is currently set aside but the Treasury could be requested to provide additional funding if the case is compelling. • A multi-functional option incorporating other sports is likely to be looked on more favourably. A minimal amount of funding could therefore be considered.
Watercorp	<ul style="list-style-type: none"> • Written response awaited following submission of the plans and clarity on the extent of development.
Department of Defence representative	<ul style="list-style-type: none"> • This is the first that The Department of Defence have heard of the karting track being located on the land and have not previously been consulted. • The Department of Defence will respond to the consultation process but will require a significant level of detail as it will go to all stakeholders within the Defence Team through their Land Planning and Regulation Section who will coordinate the response. This will need to include: <ul style="list-style-type: none"> ○ How big the site will be. ○ The number of people using the site – spectators, competitors, training, officials and other associated activity (media, other potential users, commercial considerations). ○ Hours of operation ○ Days / months / annual operating times and key visitor / major events.

- Extent of lighting
- Dust implications and mitigation measures
- Drone usage
- Radio frequencies and equipment to be used.
- Land contouring
- Flora and fauna implications and reciprocal arrangements on adjacent defence land.
- In the proposed location Defence is unlikely to be supportive of the track development. Dust implications, light implications and magnetics / frequencies will be a key focus. Defence operate through a variety of frequencies and will oppose any development which is likely to impact on their operations.
- Dust has recently become a major consideration on defence land – when the motocross was approved it was unlikely to have been understood how damaging the dust impact would be. Any changes / development applications related to the motocross facility and gun club are likely to be met with resistance. As they are existing uses and likely there before the space surveillance scope increased, unless they materially alter what they provide Defence have to live with it but they would oppose any future development and potentially seek their closure if that was an option.
- They were not aware of the mountain bike planning process but would need to be consulted on any trail development which may give rise to an adverse impact on defence land. The development of the Town to the north has adversely impacted on the Space Surveillance Telescope and testing. This development was undertaken during the planning phase of the telescope and implemented prior to or at the time of investment approval. The expansion of the town site has had an adverse impact which may have been prevented if considered today.
- As a \$1bn investment the Space Surveillance Telescope is seen as a critical consideration. Any development north of the Town is an issue . Anything South of the Town needs to avoid Area C/ RAAF Learmonth – Defence have become more acutely aware of the impact of developments within designated buffer zones around their land.
- Extent of buffer zones vary with the use / activity but the Space Surveillance Telescope buffer is from horizon to horizon.
- The large towers operated by the department to the north of Town are hazardous to human health due to the radiation transmitted from them (advice is not to allow people with pacemakers, metal implants near the towers as the radiation is transferred through the metal). This is due to the frequency used.
- With regard to rare flora and fauna, the Department have had to deal with 3 rare sub-species of common plants which have never been previously recorded – these new finds of plants have hindered the development of internal roads and other construction work. Defence Enviro's will not permit their clearance and this is likely to be an issue on the site identified for karting.
- Defence will seek to reduce or remove any lighting – it is unlikely to be permissible due to the Space Surveillance Telescope. Street lights at Harold D Holt Precinct are likely to be removed due to the adverse impact they are having. Shielding may help but it is the direct line of sight which is the issue.
- The recent proposed Tattarang development have agreed to huge limitations including:
 - Height limitations on buildings to two storeys only.
 - Frequency limits
 - Shielding on lights and limitations on their placement and number

	<ul style="list-style-type: none"> • It is recognised that Andrew Forrest has unlimited resources which have the potential to overcome issues. There is a site protection plan for the facilities north of the Town. A current report being undertaken will be passed through to the shire when completed which recommends limitations which have been agreed to.
Exmouth Motorcycle Club representative	<ul style="list-style-type: none"> • Would be interested in being involved in a co-location option but the club have limited finances. There is however no big money around to potentially provide a solution. • The motocross facility does not require significant investment as the club is capable of restructuring the track seasonally. • There would be potential for a new co-located facility to bring in more usage but they do struggle to maintain memberships. • They would want to bring in a motocross event and promote the development of the sport. • They run off a generator set which is required to maintain the water supply. • They have no power, 2 x small toilet blocks with a donga for a clubroom. There is no shade and no proper kiosk with shade. They have reticulation on the tracks but it is now in need of replacement for which they will be seeking grant assistance. • The facility requires constant maintenance • They have 10 members this year and 20 members in 2021. • They is not an issue with the wind – prevailing wind is from the ocean side towards the range. • Minimum infrastructure required includes: <ul style="list-style-type: none"> ○ Clubroom / kiosk ○ Track fully reticulated and fenced ○ Pits area and shade ○ Starting grid – current track is only safe for a 20 grid starting area due to limitations on it size / length but could extend to 40 if the track were increased and danger reduced. This is the only limiting factor. ○ Safety equipment ○ Electricity ○ Ablutions ○ Machinery for the track • They have previously been approached and would welcome the opportunity to enhance the provision across the sports. • Could look at separate BMX track out there – this could then allow the Town to join in the NW Championships (as they could with motocross). Carnarvon were also looking at a coastal series.
Sporting Shooters Australia Association - Exmouth	<ul style="list-style-type: none"> • The gun club can literally do whatever they like on their land. Everything down the range has to be approved and licensed through the WA Police. • The opportunity for shared amenities would be welcomed and they would consider the potential use of spare land to the south of the traps for the karting circuit. Western Power previously looked at putting a solar farm on the land but it then ceased to pursue the option. • They currently have: <ul style="list-style-type: none"> ○ 300m range shed

	<ul style="list-style-type: none"> ○ 50m range shed and ○ 2 x toilets and showers ○ Shipping containers ○ 25m range mound – which they recently put in at a cost of \$100k ● They are completely self-funded although the AFP / Police do pay to use the range. ● Current membership is 60 ● Expanded use – would like a bigger clubhouse ● Anything developed south of the clubhouse is fine – anything further north is wasting time ● Very positive to co-locating – the land in front of the gun club would potentially provide a suitable solution to achieve this.
Cape Range Riders representatives	<ul style="list-style-type: none"> ● The mountain bike club is involved in developing the trails in the hills and are unlikely to see the ‘soft’ land around the proposed kart track as being suitable for additional mountain bike infrastructure as the soil (sand) is not conducive to their activity which is best undertaken where hard landscaping / rock features exist. ● A site survey is currently being undertaken by Common Ground. The trails are 90% there but need it to be approved to market the land to developers. Land within the Town area consists of: <ul style="list-style-type: none"> ○ Watercorp land – strip of land to the northern bore field. ○ Defence – need to keep away from ○ Crown land ○ DBCA land ○ Native title – generally the focus is on using areas which are easiest to access. ● Main issues are associated with flora and fauna – the Town site is really hemmed in. ● The mountain bike club want to ride in the bush – all land invested in defence requires a difficult approval process to be followed. The trail between the town and through defence land to the hills would be problematic ● They were involved with the development of the pump track in the centre of town (and have a storage room close by donated by the Shire). ● They would be keen to see some sort of affiliation to service multiple clubs being a high priority in the Town. ● If a facility was developed to service the gun club, motocross and karting, it is likely mountain bikes would use the facility if it had the space for hosting an event. This would also be attractive to other clubs. ● A BMX facility in the Town (or at the karting track) would be a great thing to have but there is no club at present. Kids would graduate from BMX to mountain biking (reference was made to Karratha as a good model).

Appendix 8: Order of Probable Costs

Table 13: Overall Order of Probable Cost – Full Contractor Development

Exmouth Kart Club		Proposed Racetrack			
					\$ 18,635,804
Item	Description	Quantity	Unit	Rate (\$)	Total (\$)
Buildings					
1.01	Allowance for Control Tower	1	Sum	150,000	150,000
1.02	Allowance for Canteen / Clubroom	60	m2	4,000	240,000
1.03	Allowance for Amenities	32	m2	5,000	160,000
1.04	Allowance for Officials Room	12	m2	5,500	66,000
1.05	Allowance for Storage / Maintenance Shed	108	m2	2,500	270,000
1.06	Allowance for Shaded Structure	12	m2	2,000	24,000
External Works					
1.07	Allowance for site clearance (assume 50% site)	9,500	m2	20	190,000
1.08	Allowance for hard site clearance - existing pavements/ material kept on site		Note	15	Excluded
1.09	Allowance for excavation in hard ground	1	P.Sum	100,000	100,000
1.10	Allowance for balance cut and fill earthworks	20,000	m2	10	200,000
1.11	Allowance for sealed race track	7,525	m2	115	865,375
1.12	Allowance for catch traps	1,000	m	50	50,000
1.13	Allowance for gravel bed	2,000	m	35	70,000
1.14	Allowance for hardstand to grids	2,500	m2	165	412,500
1.15	Allowance for Pit Bays; assumed sealed	4,000	m2	115	460,000
1.16	Allowance for Car Parking; assumed sealed	2,100	m2	115	241,500
1.17	Allowance for Ambulance Standing Area	1	P.Sum	15,000	15,000
1.18	Allowance for incoming road	2,450	m2	150	367,500
1.19	Allowance for general site soft landscaping	1	P.Sum	25,000	25,000
1.20	Allowance for earthworks banking from site material	1	P.Sum	50,000	50,000
1.21	Allowance for shelters / canopies	1	P.Sum	50,000	50,000
1.22	Allowance for bins, seats, bike racks, signage etc	1	P.Sum	20,000	20,000
1.23	Allowance for fencing		Note		Excluded
1.24	Allowance for gates		Note		Excluded
1.25	Allowance for Preliminaries	8	%	3,116,875	249,350
					-
External Services					
1.26	Allowance for stormwater /water	1	P.Sum	25,000	25,000
1.27	Allowance for sewer	1	P.Sum	50,000	50,000
1.28	Allowance for gas		Note		Excluded
1.29	Allowance for electrical and lighting	1	P.Sum	150,000	150,000
1.30	Allowance for floodlighting	4	No	70,000	280,000
1.31	Allowance for track emergency lighting	1	P.Sum	50,000	50,000
1.32	Allowance for hydrants		Note		Excluded
1.33	Allowance for communications	1	P.Sum	25,000	25,000
1.34	Allowance for security	1	P.Sum	25,000	25,000
1.35	Allowance for Preliminaries	8	%	605,000	48,400
	Total				4,929,625
	Regional Loading Factor - Exmouth	63	%		3,105,664
					8,035,289
2.01	Design Contingencies	10.00%			803,529
2.02	Construction Contingencies	10.00%			883,882
2.03	Headworks and Statutory Charges		Note		Excluded
2.04	Building Act Compliance		Note		Excluded
2.05	Percent for Public Art		Note		Excluded
2.06	Land Costs (if applicable)		Note		Excluded
2.07	Other Costs - FFE		Note		Excluded
2.08	Other Costs - ICT	1	Sum	100,000	100,000
2.09	Professional Fees	8.00%			777,816
2.00	On-Costs - Sub Total				2,565,227
	GROSS PROJECT COST				18,635,804
3.00 Escalation					
3.01	Base date of pricing - November 2022				
3.02	Escalation from November 2022 to Start on Site		Note		Excluded
3.03	Escalation during Construction Contract		Note		Excluded
3.00	Escalation - Sub Total				-
	ESCALATED NET PROJECT COST				18,635,804
4.00 Owner / Local Authority Managed Costs					
4.01	Project Management Costs		Note		Excluded
4.00	Total Local Authority Costs				-
	ESTIMATED GROSS PROJECT (COMMITMENT) TOTAL COST				18,635,804

Table 14: Overall Order of Probable Cost – Partial Contractor Development and partial In-Kind Support

Exmouth Kart Club		Proposed Racetrack			\$ 7,472,748
Item	Description	Quantity	Unit	Rate (\$)	Total (\$)
Buildings					
1.01	Allowance for Control Tower	1	Sum	150,000	150,000
1.02	Allowance for Canteen / Clubroom	3	Connection and Transport Structure	4,000	12,000
1.03	Allowance for Amenities	3	Connection and Transport Structure	4,000	12,000
1.04	Allowance for Officials Room	2	Connection and Transport Structure	5,500	11,000
1.05	Allowance for Storage / Maintenance Shed	5	Connection and Transport Structure	2,500	12,500
1.06	Allowance for Shaded Structure	12	m2	2,000	24,000
External Works					
1.07	Allowance for site clearance (assume 50% site)	-	Club Volunteers	20	-
1.08	Allowance for hard site clearance - existing pavements/ material kept on site	-	Note	15	Excluded
1.09	Allowance for excavation in hard ground	1	P.Sum	100,000	100,000
1.10	Allowance for balance cut and fill earthworks	-	Club Volunteers	10	-
1.11	Allowance for sealed race track	5,145	m2	115	591,675
1.12	Allowance for catch traps	1,000	m	50	50,000
1.13	Allowance for gravel bed	2,000	m	35	70,000
1.14	Allowance for hardstand to grids	1,500	m2	165	247,500
1.15	Allowance for Pit Bays; assumed not sealed	-	m2	115	-
1.16	Allowance for Car Parking; assumed not sealed	-	m2	115	-
1.17	Allowance for Ambulance Standing Area	1	P.Sum	15,000	15,000
1.18	Allowance for incoming road	2,450	m2	150	367,500
1.19	Allowance for general site soft landscaping	-	Club Volunteers	25,000	-
1.20	Allowance for earthworks banking from site material	-	Club Volunteers	50,000	-
1.21	Allowance for shelters / canopies	1	P.Sum	50,000	50,000
1.22	Allowance for bins, seats, bike racks, signage etc	-	P.Sum	20,000	-
1.23	Allowance for fencing	-	Note	-	Excluded
1.24	Allowance for gates	-	Note	-	Excluded
1.25	Allowance for Preliminaries	8	%	1,491,675	119,334
External Services					
1.26	Allowance for stormwater /water	1	P.Sum	25,000	25,000
1.27	Allowance for sewer	1	P.Sum	50,000	50,000
1.28	Allowance for gas	-	Note	-	Excluded
1.29	Allowance for electrical and lighting	1	Club Volunteers	20,000	20,000
1.30	Allowance for floodlighting	12	Club Volunteers	70,000	20,000
1.31	Allowance for track emergency lighting	1	P.Sum	50,000	50,000
1.32	Allowance for hydrants	-	Note	-	Excluded
1.33	Allowance for communications	1	P.Sum	25,000	25,000
1.34	Allowance for security	1	P.Sum	25,000	25,000
1.35	Allowance for Preliminaries	8	%	215,000	17,200
Total					2,064,709
	Regional Loading Factor - Exmouth	63	%	-	1,300,767
					3,365,476
2.01	Design Contingencies	5.00%			168,274
2.02	Construction Contingencies	5.00%			176,687
2.03	Headworks and Statutory Charges		Note		Excluded
2.04	Building Act Compliance		Note		Excluded
2.05	Percent for Public Art		Note		Excluded
2.06	Land Costs (if applicable)		Note		Excluded
2.07	Other Costs - FFE		Note		Excluded
2.08	Other Costs - ICT	1	Sum	100,000	100,000
2.09	Professional Fees	8.00%			296,835
2.00	On-Costs - Sub Total				741,796
GROSS PROJECT COST					7,472,748
3.00 Escalation					
3.01	Base date of pricing - November 2022				
3.02	Escalation from November 2022 to Start on Site		Note		Excluded
3.03	Escalation during Construction Contract		Note		Excluded
3.00	Escalation - Sub Total				-
ESCALATED NET PROJECT COST					7,472,748
4.00 Owner / Local Authority Managed Costs					
4.01	Project Management Costs		Note		Excluded
4.00	Total Local Authority Costs				-
ESTIMATED GROSS PROJECT (COMMITMENT) TOTAL COST					7,472,748

Appendix 9: Financial Projections

The financial projections for a club only use and multi-club use together with a potential hire by a commercial operator is provided below.

Table 15: EKC Club operated facility – club use only – Base Case 10 Year Operational Business Projections

Exmouth Kart Club Site Financial Model											
Income	1	2	3	4	5	6	7	8	9	10	
Sponsorship	\$ 8,000	\$ 8,400	\$ 8,820	\$ 9,261	\$ 9,724	\$ 10,210	\$ 10,721	\$ 11,257	\$ 11,820	\$ 12,411	Figures based on Peak Performance year plus 33% growth
Memberships and Registration Fees	\$ 4,000	\$ 4,200	\$ 4,410	\$ 4,631	\$ 4,862	\$ 5,105	\$ 5,360	\$ 5,628	\$ 5,910	\$ 6,205	Figures based on Peak Performance year plus 33% growth
Fundraising	\$ 8,500	\$ 8,925	\$ 9,371	\$ 9,840	\$ 10,332	\$ 10,848	\$ 11,391	\$ 11,960	\$ 12,558	\$ 13,186	Figures based on most recent end of year accounts plus growth of \$1.2k
Miscellaneous	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	Figures based on most recent end of year accounts at 25% of reported figure
Events - entry fee and ticket sales	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	Based on 200 spectators @ \$10 each
Club Kart hire	\$ 1,000	\$ 1,050	\$ 1,103	\$ 1,158	\$ 1,216	\$ 1,276	\$ 1,340	\$ 1,407	\$ 1,477	\$ 1,551	Assumed volunteer income derived from Kart hire sessions \$40 x 25
Training and development activities	\$ 750	\$ 788	\$ 827	\$ 868	\$ 912	\$ 957	\$ 1,005	\$ 1,055	\$ 1,108	\$ 1,163	Assumed volunteer income derived from Kart hire sessions \$30 x 25
Club hire	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Nil use
Kiosk sales	\$ 3,000	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647	\$ 3,829	\$ 4,020	\$ 4,221	\$ 4,432	\$ 4,654	Nominal figure assumed based on club comps and 1 x major regional event
Bar sales	\$ 3,000	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647	\$ 3,829	\$ 4,020	\$ 4,221	\$ 4,432	\$ 4,654	Nominal figure assumed based on club comps and 1 x major regional event
Other users eg criterium track, gun club	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Nil use
Total Income	\$ 32,250	\$ 33,863	\$ 35,556	\$ 37,333	\$ 39,200	\$ 41,160	\$ 43,218	\$ 45,379	\$ 47,648	\$ 50,030	
Expenditure											
Bank Fees	\$ 100	\$ 105	\$ 110	\$ 116	\$ 122	\$ 128	\$ 134	\$ 141	\$ 148	\$ 155	Figures based on average costs
Kart WA Fees	\$ 1,300	\$ 1,365	\$ 1,433	\$ 1,505	\$ 1,580	\$ 1,659	\$ 1,742	\$ 1,829	\$ 1,921	\$ 2,017	Figures based on Peak Performance year plus 30%
Track Maintenance	\$ 5,910	\$ 6,206	\$ 6,516	\$ 6,842	\$ 7,184	\$ 7,543	\$ 7,920	\$ 8,316	\$ 8,732	\$ 9,168	0.1% of overall construction cost of \$591k
Building and site maintenance	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	1% of nominal \$200k construction cost annually.
Events and Kart Meet Expenses	\$ 5,800	\$ 6,090	\$ 6,395	\$ 6,714	\$ 7,050	\$ 7,402	\$ 7,773	\$ 8,161	\$ 8,569	\$ 8,998	Figures based on most recent end of year accounts plus 25%
Club Kart Hire Maintenance	\$ 500	\$ 525	\$ 551	\$ 579	\$ 608	\$ 638	\$ 670	\$ 704	\$ 739	\$ 776	Nominal figure assumed based on club owned and operated karts
Equipment Purchases	\$ 1,000	\$ 1,050	\$ 1,103	\$ 1,158	\$ 1,216	\$ 1,276	\$ 1,340	\$ 1,407	\$ 1,477	\$ 1,551	Figures based on Peak Performance year plus 20%
Fundraising Expenses	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	Figures based on Peak Performance year plus 20%
Miscellaneous	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	Figures based on most recent end of year accounts at 50% of reported figure
Power	\$ 1,000	\$ 1,050	\$ 1,103	\$ 1,158	\$ 1,216	\$ 1,276	\$ 1,340	\$ 1,407	\$ 1,477	\$ 1,551	Figures based on average costs - assuming current site more environmentally sustainable
Water	\$ 1,200	\$ 1,260	\$ 1,323	\$ 1,389	\$ 1,459	\$ 1,532	\$ 1,608	\$ 1,689	\$ 1,773	\$ 1,862	Nominal figure assumed based on need to utilise water for dust supression - potential dam water use if possible
Gas	\$ 300	\$ 315	\$ 331	\$ 347	\$ 365	\$ 383	\$ 402	\$ 422	\$ 443	\$ 465	Nominal Figure
Administration costs	\$ 500	\$ 525	\$ 551	\$ 579	\$ 608	\$ 638	\$ 670	\$ 704	\$ 739	\$ 776	Nominal Figure based on collating club records, bookkeeping, bookings and general adminsitartion obligations
Cleaning	\$ 200	\$ 210	\$ 221	\$ 232	\$ 243	\$ 255	\$ 268	\$ 281	\$ 295	\$ 310	Nominal Figure - club only use
Equipment hire (club)	\$ 200	\$ 210	\$ 221	\$ 232	\$ 243	\$ 255	\$ 268	\$ 281	\$ 295	\$ 310	Nominal Figure - club only use
Stock for resale - kiosk	\$ 1,500	\$ 1,575	\$ 1,654	\$ 1,736	\$ 1,823	\$ 1,914	\$ 2,010	\$ 2,111	\$ 2,216	\$ 2,327	50% of sales
Stock for resale - bar	\$ 1,500	\$ 1,575	\$ 1,654	\$ 1,736	\$ 1,823	\$ 1,914	\$ 2,010	\$ 2,111	\$ 2,216	\$ 2,327	50% of sales
Rent or Licence fee	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	Assumed to be a nominal lease fee - peppercorn
Total Expenditure	\$ 27,011	\$ 28,361	\$ 29,779	\$ 31,267	\$ 32,831	\$ 34,472	\$ 36,196	\$ 38,006	\$ 39,906	\$ 41,901	
Net Operating Result	\$ 5,239	\$ 5,502	\$ 5,777	\$ 6,066	\$ 6,369	\$ 6,688	\$ 7,022	\$ 7,373	\$ 7,742	\$ 8,129	

Table 16: EKC Club operated facility – club, multi-functional community use and commercial access – Base Case 10 Year Operational Business Projections

Exmouth Kart Club Site Financial Model											
Income	1	2	3	4	5	6	7	8	9	10	
Sponsorship	\$ 8,000	\$ 8,400	\$ 8,820	\$ 9,261	\$ 9,724	\$ 10,210	\$ 10,721	\$ 11,257	\$ 11,820	\$ 12,411	Figures based on Peak Performance year plus 33% growth
Memberships and Registration Fees	\$ 4,000	\$ 4,200	\$ 4,410	\$ 4,631	\$ 4,862	\$ 5,105	\$ 5,360	\$ 5,628	\$ 5,910	\$ 6,205	Figures based on Peak Performance year plus 33% growth
Fundraising	\$ 8,500	\$ 8,925	\$ 9,371	\$ 9,840	\$ 10,332	\$ 10,848	\$ 11,391	\$ 11,960	\$ 12,558	\$ 13,186	Figures based on most recent end of year accounts plus growth of \$1.2k
Miscellaneous	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	Figures based on most recent end of year accounts at 25% of reported figure
Events - entry fee and ticket sales	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	Based on 200 spectators @ \$10 each
Club Kart hire	\$ 1,000	\$ 1,050	\$ 1,103	\$ 1,158	\$ 1,216	\$ 1,276	\$ 1,340	\$ 1,407	\$ 1,477	\$ 1,551	Assumed volunteer income derived from Kart hire sessions \$40 x 25
Training and development activities	\$ 750	\$ 788	\$ 827	\$ 868	\$ 912	\$ 957	\$ 1,005	\$ 1,055	\$ 1,108	\$ 1,163	Assumed volunteer income derived from Kart hire sessions \$30 x 25
Commercial Karting Provider Hire	\$ 5,000	\$ 5,250	\$ 5,513	\$ 5,788	\$ 6,078	\$ 6,381	\$ 6,700	\$ 7,036	\$ 7,387	\$ 7,757	Assumed commercial operator hires for \$500 x 10 sessions annually
Club hire	\$ 500	\$ 525	\$ 551	\$ 579	\$ 608	\$ 638	\$ 670	\$ 704	\$ 739	\$ 776	Nominal track and facility hire locally 20 x \$25
Kiosk sales	\$ 3,000	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647	\$ 3,829	\$ 4,020	\$ 4,221	\$ 4,432	\$ 4,654	Nominal figure assumed based on club comps and 1 x major regional event
Bar sales	\$ 3,000	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647	\$ 3,829	\$ 4,020	\$ 4,221	\$ 4,432	\$ 4,654	Nominal figure assumed based on club comps and 1 x major regional event
Other users eg criterium track, gun club	\$ 500	\$ 525	\$ 551	\$ 579	\$ 608	\$ 638	\$ 670	\$ 704	\$ 739	\$ 776	Nominal Figure
Total Income	\$ 38,250	\$ 40,163	\$ 42,171	\$ 44,279	\$ 46,493	\$ 48,818	\$ 51,259	\$ 53,822	\$ 56,513	\$ 59,338	
Expenditure											
Bank Fees	\$ 100	\$ 105	\$ 110	\$ 116	\$ 122	\$ 128	\$ 134	\$ 141	\$ 148	\$ 155	Figures based on average costs
Kart WA Fees	\$ 1,300	\$ 1,365	\$ 1,433	\$ 1,505	\$ 1,580	\$ 1,659	\$ 1,742	\$ 1,829	\$ 1,921	\$ 2,017	Figures based on Peak Performance year plus 30%
Track Maintenance	\$ 5,910	\$ 6,206	\$ 6,516	\$ 6,842	\$ 7,184	\$ 7,543	\$ 7,920	\$ 8,316	\$ 8,732	\$ 9,168	0.1% of overall construction cost of \$591k
Building and site maintenance	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	1% of nominal \$200k construction cost annually.
Events and Kart Meet Expenses	\$ 5,800	\$ 6,090	\$ 6,395	\$ 6,714	\$ 7,050	\$ 7,402	\$ 7,773	\$ 8,161	\$ 8,569	\$ 8,998	Figures based on most recent end of year accounts plus 25%
Club Kart Hire Maintenance	\$ 500	\$ 525	\$ 551	\$ 579	\$ 608	\$ 638	\$ 670	\$ 704	\$ 739	\$ 776	Nominal figure assumed based on club owned and operated karts
Equipment Purchases	\$ 1,000	\$ 1,050	\$ 1,103	\$ 1,158	\$ 1,216	\$ 1,276	\$ 1,340	\$ 1,407	\$ 1,477	\$ 1,551	Figures based on Peak Performance year plus 20%
Fundraising Expenses	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	Figures based on Peak Performance year plus 20%
Miscellaneous	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955	\$ 3,103	Figures based on most recent end of year accounts at 50% of reported figure
Power	\$ 1,000	\$ 1,050	\$ 1,103	\$ 1,158	\$ 1,216	\$ 1,276	\$ 1,340	\$ 1,407	\$ 1,477	\$ 1,551	Figures based on average costs - assuming current site more environmentally sustainable
Water	\$ 1,200	\$ 1,260	\$ 1,323	\$ 1,389	\$ 1,459	\$ 1,532	\$ 1,608	\$ 1,689	\$ 1,773	\$ 1,862	Nominal figure assumed based on need to utilise water for dust supression - potential dam water use if possible
Gas	\$ 300	\$ 315	\$ 331	\$ 347	\$ 365	\$ 383	\$ 402	\$ 422	\$ 443	\$ 465	Nominal Figure
Administration costs	\$ 500	\$ 525	\$ 551	\$ 579	\$ 608	\$ 638	\$ 670	\$ 704	\$ 739	\$ 776	Nominal Figure based on collating club records, bookkeeping, bookings and general adminsitartion obligations
Cleaning (hire)	\$ 1,600	\$ 1,680	\$ 1,764	\$ 1,852	\$ 1,945	\$ 2,042	\$ 2,144	\$ 2,251	\$ 2,364	\$ 2,482	Nominal Figure
Equipment hire (kart hire)	\$ 800	\$ 840	\$ 882	\$ 926	\$ 972	\$ 1,021	\$ 1,072	\$ 1,126	\$ 1,182	\$ 1,241	Nominal additional equipment for user groups
Stock for resale - kiosk	\$ 1,500	\$ 1,575	\$ 1,654	\$ 1,736	\$ 1,823	\$ 1,914	\$ 2,010	\$ 2,111	\$ 2,216	\$ 2,327	50% of sales
Stock for resale - bar	\$ 1,500	\$ 1,575	\$ 1,654	\$ 1,736	\$ 1,823	\$ 1,914	\$ 2,010	\$ 2,111	\$ 2,216	\$ 2,327	50% of sales
Rent or Licence fee	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	Assumed to be a nominal lease fee - peppercorn
Total Expenditure	\$ 29,011	\$ 30,461	\$ 31,984	\$ 33,583	\$ 35,262	\$ 37,025	\$ 38,876	\$ 40,820	\$ 42,861	\$ 45,004	
Net Operating Result	\$ 9,239	\$ 9,702	\$ 10,187	\$ 10,696	\$ 11,231	\$ 11,793	\$ 12,382	\$ 13,002	\$ 13,652	\$ 14,334	

Appendix 10: Risk Analysis



Exmouth Kart Club Business Case

Future Development Options

Risk Analysis

23RD OCT 2022

Introduction and Risk Assessment

The risk identification, analysis and evaluation process are critical to ensure the key personnel understand all implications relating to the development of a replacement karting circuit and ancillary infrastructure to facilitate the long term needs of Exmouth Kart Club (EKC):

The high level risk analysis process followed is consistent with local government risk frameworks and focused on both strategic and operational risk having regard to the following risk categories:

- Occupational Safety and Health / Injury / Wellbeing
- Financial / Economic
- Service Delivery / Strategic Objectives
- Environmental
- Reputational
- Compliance / Regulatory

Each risk is analysed in terms of impact (consequence) and probability (likelihood). Five ratings of Almost Certain (5), Likely (4), Possible (3), Unlikely (2) and Rare (1) are accorded to probability. Five ratings of Insignificant (1), Minor (2), Moderate (3), Major (4) and Catastrophic (5) are accorded to impact and subsequently distilled as presenting:

- Extreme Risks - require careful management and the development of a Risk Management Plan.
- High Risks - require careful management and the development of a Risk Management Plan.
- Substantial Risk - require monitoring risks and treatment implementation
- Moderate Risk - require careful management
- Low Risks - would be generally accepted or discarded.

A Risk Register for the development of karting circuit and ancillary infrastructure is then developed to provide a template for ongoing risk management as the project

evolves. This should be periodically revisited to review risk status, eliminate risks no longer relevant and incorporate any additional risk items.

Background to the Risk Assessment:

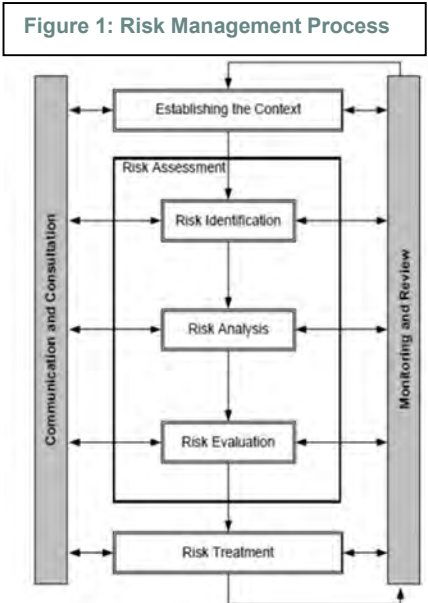
To undertake the assessment the following aspects are to be included and used to inform the process:

- Documentation, planning process and outputs from existing and previous strategic and facility planning work undertaken by EKC and the Shire of Exmouth. In particular the Strategic Community Plan of the Shire is seen as the overarching reference document.
- Assessment processes and rationale for inclusion and exclusion of facility infrastructure to support the needs of EKC, together with the potential constraints on the full development sought by EKC.
- The likely impact and response from state government, local clubs and other consultee's during a consultation process and the testing of assumptions to provide justification for the development having regard to current utilisation, functionality, form, demographic profiling, industry benchmarking and accessibility.
- The potential consequence of not proceeding if an alternative site is not suitable.

Risk Management Process

Risk Management is the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects.

The risk assessment approach to be applied is in accordance with typical local government risk management frameworks. An abridged version of the risk management process is outlined in figure 1.



Rating the Risk

In determining the risk level, the following model is utilised for the classification of risk:

Level of Risk = Likelihood x Consequence.

Likelihood and Consequence definitions applied are as per, with the level of risk being determined using the risk rating table at Table 1.

Table 1: Risk Rating

Consequence \ Likelihood	1	2	3	4	5
	Insignificant	Minor	Major	Critical	Catastrophic
1 Rare	1 Low	2 Low	3 Low	4 Low	5 Moderate
2 Unlikely	2 Low	4 Low	6 Moderate	8 Moderate	10 Substantial
3 Possible	3 Low	6 Moderate	9 Moderate	12 Substantial	15 High
4 Likely	4 Low	8 Moderate	12 Substantial	16 High	20 Extreme
5 Almost certain	5 Moderate	10 Substantial	15 High	20 Extreme	25 Extreme

Likelihood and Consequence Tables

Table 2 provides the definition against which Likelihood of an event occurring is to be assessed. The consequence table (Table 3) provides the descriptor and potential implications under all risk scenarios. This is provided at overleaf.

Table 2: Likelihood Table

Level	Descriptor	Description
5	Almost Certain	Such events are expected to occur routinely during an operation / asset life / project.
4	Likely	Such events may occur frequently during an operation / asset life / project.
3	Possible	Such an event may occur more than twice during an operation / asset life / project.
2	Unlikely	Possible that such an event may occur once during operation / asset life / project.
1	Rare	Theoretically such an event is possible but not expected to occur during an operation / asset life / project.

The risk acceptance criteria identify where the consequence of the risk would fall. Unacceptable would require immediate intervention and Urgent Attention Required would necessitate planned immediate or long-term strategies to be put in place. Within the table the following abbreviations are made:

- OP: Operational Performance (financial performance).
- PI: Performance Indicators.
- DWER: Department of Water and Environmental Regulation (This can also include the DBCA – Department of Biodiversity, Conservation and Attractions who may be responsible for some environmental controls).
- OHS: Occupational Safety and Health.
- Community Health and Wellbeing: Relates to the mental and physical health of the general population. This is a general alignment to the objectives of the Shire of Exmouth within their Strategic Community Plan.

Table 3 can be amended further to reflect the needs of the club and Shire of Exmouth.

Table 3: Risk Assessment and Consequence

		OSH / Injury / Well-being	Financial / Economic	Brand Reputation	Operations / Delivery Disruption	Environment Health	Compliance / Regulatory
Consequence / Severity	Insignificant 1	No injuries / no impact on wellbeing	< \$25,000 or < 5% of OP. Little or no impact on asset.	Low impact. Low profile. Low social media attention. No complaint.	Little impact. Business as usual. < 5% variation against PI.	An insignificant environmental event that can be immediately corrected under the control of the Town, Partner or Club.	Minor breach of policy / process requiring some response with little impact.
	Minor 2	First aid treatment / Minor adverse impact on Wellbeing	\$25k ≤ to < \$100k or 5% ≤ to <10% of OP. Minor loss or damage.	Low impact. Low profile. Low social / media attention. Possible complaint.	Minor impact. Easily dealt with. Still business as usual. 5 ≤ to < 10% variation against PI.	A minor environmental event that can be corrected through system improvements within the Town, Partner or Club.	Compliance breach of policy / process / statutes requiring additional work or low level financial penalty.
	Major 3	Medical treatment. No lost time injury (LTI) / Likely to have a detrimental impact on community Wellbeing	\$100k ≤ and < \$250k or 10% ≤ to < 25% of OP. Major damage to asset.	Moderate impact. Moderate media attention. Public complaint and Medium social media interest.	Some objectives affected. Can continue business as usual, with minor controls executed. 10 ≤ to < 25% variation against PI.	A moderate environmental event, that requires DWER notification, no auditor required and can be remediated at low cost in conjunction with the Shire, Club and DWER.	Compliance breach requiring investigation, mediation or restitution and breach of legislation or regulations. Sanction issued and medium level financial penalty.
	Critical 4	Partial disablement or severe injury. LTI < 10 days / Serious adverse impact on community wellbeing.	\$250k ≤ and < \$1m or 25% ≤ to < 50% of OP. Significant loss of asset.	Damage to reputation. Public embarrassment. High media and social media attention. Several public complaints. Third party legal action.	Some major objectives cannot be achieved. Business can still deliver, but not to expected level. 25 ≤ to < 50% variation against PI.	A significant environmental event that requires DWER notification, a site auditor appointed, a clean-up cost of between \$250K - \$1M over a 1-2 year period.	Compliance breach involving external investigation or third party actions resulting in tangible loss or reputation damage to the Shire and / or Club and breach of legislation or regulations with substantial penalties.

Catastrophic 5	Death or permanent disablement. LTI ≥ 10 days / Likely to result in catastrophic impact on community health and wellbeing.	≥ \$1 million or ≥ 50% of OP. Complete loss of asset.	Irreversible damage to reputation. Very high level of public embarrassment. Very high social / media attention. Many public complaints.	Most objectives cannot be achieved. Business cannot operate. ≥ 50% variation against PI.	A severe environmental event that requires DWER notification , a site auditor appointed, a clean-up cost greater than \$1M over a 2- 4 year period.	Compliance breach involving regulatory investigation , prosecution and / or third party actions resulting in debilitating loss or irreversible reputation damage to the organisations.
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Note: Financial Impact relates to EKC impact. This will also need to take into account the expectations of the Shire of Exmouth in respect of the final extent of the developed asset

Risks and Controls

Identified risks are analysed individually and summarized. The table below incorporates the outputs from the initial assessment:

Ref#	Type	Identified risk	How it can happen	Current Controls	Likelihood	Consequence	Residual risk rating
1	Compliance / Regulatory	All statutory approvals necessary to plan, design and build the karting circuit, clubhouse and associated infrastructure are unable to be obtained.	<ul style="list-style-type: none"> - The Shire and / or government agencies do not support or approve the proposed development. - Environmental / Flood Impact / Contamination / Clearance / Heritage issues cannot be overcome. - Poor project planning and implementation. 	<ul style="list-style-type: none"> - Extensive liaison with the Shire, Government Agencies and potential community partnerships. - The completion of the business case which will identify technical requirements and build in the required outputs in the implementation plan. - Current statutory controls and obligations 	4	5	20
2	Financial / Economic	Overall cost of development for the preferred site location to meet the needs of adjacent landowners	<ul style="list-style-type: none"> - Excessive conditions required by the Department of Defence in 	<ul style="list-style-type: none"> - Extensive liaison with the Shire and Government Agencies. 	5	5	25

		<p>is cost prohibitive Potential obligations include:</p> <ul style="list-style-type: none"> - Site servicing - Bush clearance - Noise management plan - Environmental management plan - Dust management plan - Aboriginal Heritage Study 	<p>relation to the development of the land.</p> <ul style="list-style-type: none"> - DoW / Watercorp obligations not being met. - Aboriginal Heritage issues unable to be addressed. - Poor budgeting 	<ul style="list-style-type: none"> - Ongoing budget assessment related to detailed technical studies required to be undertaken prior to the development of the land. 			
3	Financial / Economic	<p>Increasing costs due to ongoing instability in the market and inability to obtain labour and materials at a reasonable rate</p>	<ul style="list-style-type: none"> - Current labour and materials shortage continue. - Poor cost planning and review process established 	<ul style="list-style-type: none"> - Shire of Exmouth involvement in facilitating the project development in accordance with the implementation plan arising from the Business Case. - Ongoing review of cost plan as technical studies are completed. 	5	5	25
4	Financial / Economic	<p>Development WA indicate that they are unlikely to provide resources to support the relocation of the karting circuit.</p>	<ul style="list-style-type: none"> - Development WA consider that without a business case they have no obligation to support the relocation. - Current site was purchased at the top of the market and they are seeking to minimise losses. 	<ul style="list-style-type: none"> - Liaison with Development WA on completion of the Business Case. - Potential opportunity to approach state government for additional resources. 	5	4	20
5	Financial / Economic	<p>Celsius Pty Ltd indicate that they are unlikely to provide resources to support the relocation of the karting circuit.</p>	<ul style="list-style-type: none"> - There is no obligation to fund a replacement in the EOI process and they have confirmed that the sites development is not contingent on finding a replacement. 	<ul style="list-style-type: none"> - Liaison with Celsius Pty Ltd and Development WA to determine a reasonable offset cost / investment to secure the replacement track. 	5	4	20

			<ul style="list-style-type: none"> - Cost of developing land is marginal. Any additional investment undertaken by Celsius Pty Ltd will be subject to negotiation with Development WA. 	<ul style="list-style-type: none"> - Local level lobbying of development proponents. 			
6	Service Delivery / Strategic Objectives	Size of developable land incapable of providing the level of services commensurate with the current facility	<ul style="list-style-type: none"> - Inadequate assessment of current site constraints / potential constraints on an alternative land. - Restrictions placed by other state government / federal government agencies. 	<ul style="list-style-type: none"> - Site assessment process through the Business Case. - Ongoing negotiation with state government / federal government agencies. - National guidelines for karting circuit development and Karting WA / EKC knowledge and appreciation of minimum facility requirements to service the club and competition venues. 	2	4	8
7	Compliance / Regulatory	Unable to agree acquisition of preferred land for the development of the karting track through Native Title Rights application process.	<ul style="list-style-type: none"> - Opposition by Gnulli Native Title Claimants to the development of the site. - Conditions cost prohibitive / unable to be satisfied. 	<ul style="list-style-type: none"> - Ongoing liaison with Native Title Party to resolve any issues of significance. - Application / Approval process 	3	4	12
8	Service Delivery / Strategic Objectives	Lack of political support at state government level.	<ul style="list-style-type: none"> - State government do not recognise the value of investment in the replacement karting track and club facility / consider it to be no / low priority. - Lack of available resources to support the relocation. 	<ul style="list-style-type: none"> - Lobbying of state government representatives. - Briefing state government representatives of outcome of the business case. 	3	5	15

9	Service Delivery / Strategic Objectives	Lack of political support at Shire level.	<ul style="list-style-type: none"> - Shire of Exmouth do not recognise the value of investment in the replacement facility. - Change in local elected member representation. - Uncertain future budgeting and lack of available resources to facilitate the development of the karting track and associated infrastructure 	<ul style="list-style-type: none"> - Current commitment from elected members. - Development of Business Case and recommendations to be considered and endorsed by council. - Ongoing engagement with local Chambers to identify alternative funding sources. 	1	5	5
10	Financial / Economic	Inability to secure grant funding through the CSRFF, other state government resources and federal government.	<ul style="list-style-type: none"> - Low priority within CSRFF funding criteria. - State government assessment process does not recognise value for money for the investment required 	<ul style="list-style-type: none"> - Development of Business Case. - Potential to attract partnership funding through other sources (through local Chambers / Businesses). - Council support to develop a replacement facility. 	4	4	16
11	Compliance / Regulatory	The ultimate karting circuit is not able to be developed due to constraints on the land rendering the circuit non-compliant with Karting WA and Karting Australia Guidelines.	<ul style="list-style-type: none"> - Unknown site constraints impact on potential development area. - Excessive undulation and inability to undertake appropriate cut and fill required to meet Karting Australia specifications. - Inability to protect the circuit from local wildlife. 	<ul style="list-style-type: none"> - Current Karting Australia Guidelines / Track specifications. - Ongoing dialogue with state government and federal government consultee's in respect of statutory approval processes. 	3	4	12

12	Environmental	Karting activities are likely to result in land contamination / noise related concerns to the detriment of the local community	<ul style="list-style-type: none"> - Lack of effective controls over the development. - Development within close proximity of known noise sensitive areas (adjacent to residential development or within close proximity of environmentally sensitive areas. 	<ul style="list-style-type: none"> - Current policies adopted by the Shire of Exmouth. - Statutory decision making processes. - Technical studies recommended through the business case. 	2	4	8
13	Service Delivery / Strategic Objectives	The inability to develop the karting track in advance of the development of Super Lot D.	<ul style="list-style-type: none"> - Land approvals cannot be secured prior to Super Lot D Development. - Additional technical studies required to be undertaken put a delay in the decision making process. - Recommendations from the technical studies are potentially cost prohibitive. - 	<ul style="list-style-type: none"> - Ongoing engagement with development proponents and securing the potential ongoing commitment to extend the lease - Statutory decision making processes. - Funding to be secured for technical studies to be undertaken. 	5	5	25
14	Reputational	The lack of the ability for the Shire to negotiate and secure an alternative site for the development of the karting circuit should the site to the north of Town be unviable resulting in loss of faith by community groups.	<ul style="list-style-type: none"> - Lack of an alternative site option. - Known and unknown site constraints on any alternative land within the Shire. 	<ul style="list-style-type: none"> - Further site investigation based on known constraints. 	4	5	20
15	Reputational	The loss of a relatively unique regional sporting infrastructure for karting which is detrimental to the north west sporting landscape.	<ul style="list-style-type: none"> - No alternative development options available. - Cost of development of a new site is prohibitive. 	<ul style="list-style-type: none"> - Shire support for the EKC relocation. - Support from Karting WA to retain the track facilities. 	4	5	20

16	Financial / Economic	Loss of events infrastructure which supports northwest competition which attracts external investment into the Shire	<ul style="list-style-type: none"> - Lack of appreciation of the economic value of a diverse range of facilities to service high level competition in regional WA. 	<ul style="list-style-type: none"> - Shire support for the EKC relocation. - Economic opportunities being considered by the local Chamber of Commerce. 	3	4	12
17	Service Delivery / Strategic Objectives	Lack of volunteer capability to manage the replacement asset both on an ongoing basis for training and competition and to secure sufficient funds to maintain the asset in good order.	<ul style="list-style-type: none"> - Limited volunteer structure and financial capability. - Lack of accurate asset management plans and clear lines of accountability. - Loss of existing volunteers and no succession planning. 	<ul style="list-style-type: none"> - Existing club operating under Karting Australia guidelines. - Ability for EKC to raise financial resources locally. - Programming of competitions and events through Karting WA. 	3	4	12
18	Occupational Safety and Health / Injury / Wellbeing	Loss of a valuable social and sporting resource to the local community which adds to the diversity of opportunities within a relatively isolated Town site. Consequential negative impact on broader mental health and physical wellbeing of the resident community.	<ul style="list-style-type: none"> - Lack of ability to develop the site prior to the closure of the current EKC facility. - Lack of funding and identification of an alternative solution to replace the track. 	<ul style="list-style-type: none"> - Shire support for the EKC relocation. - Master planning for sporting infrastructure about to commence. 	5	3	15
19	Occupational Safety and Health / Injury / Wellbeing	Potential loss of life or injury caused by inappropriate development of land and incorporation of appropriate safety and driver protective infrastructure	<ul style="list-style-type: none"> - Karting Australia Guidelines are not considered / adhered to. - Insufficient fencing surrounding the site to protect from wildlife. - Inadequate provision of access to medical support locally. 	<ul style="list-style-type: none"> - Karting Australia Guidelines are required to be complied with if the club is affiliated to KWA. - Land management controls and risk identification through the KA certification process. 	1	4	4

20	Service Delivery / Strategic Objectives	Inability to attract competition and events to the new facility resulting in its financial viability being compromised.	<ul style="list-style-type: none"> - Current commitment from Karting WA ceases. - Karting within the northwest ceases to exist as a viable sport. - Cost of participation becomes excessive and a barrier to the events viability 	<ul style="list-style-type: none"> - KWA strategic planning, commitment to developing the northwest as a karting hub and annual calendar of events. - KA guidelines and development / licensing support. 	2	4	8
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Risk Evaluation and Treatment

The table below outlines the organisational risk acceptance criteria and tolerance tables and the requirement to treat risks where the value of the risk is High or Extreme.

Risk #	Short Risk Description	Treatment Details	Responsibility	Completion Date	Projected		
					Likelihood	Consequence	Rating
1	All statutory approvals necessary to plan, design and build the karting circuit, clubhouse and associated infrastructure are unable to be obtained.	<p>Development of an implementation plan following completion of the detailed Business Case and consideration by council to undertake the necessary technical research and detailed design to secure statutory approvals.</p> <p>Ongoing liaison with the Shire officers to obtain project management support.</p>			4	5	20
2	<p>Overall cost of development for the preferred site location to meet the needs of adjacent landowners is cost prohibitive Potential obligations include:</p> <ul style="list-style-type: none"> - Site servicing - Bush clearance - Nosie management plan - Environmental management plan - Dust management plan - Noise management plan - Aboriginal Heritage Study 	<p>Funding plan to be established.</p> <p>Grant funding to be sourced through state and federal governments in addition to potential contributions from land developers / local resource companies.</p>			5	5	25

3	Increasing costs due to ongoing instability in the market and inability to obtain labour and materials at a reasonable rate	Ongoing review of capital build costs.			5	5	25
4	Development WA indicate that they are unlikely to provide resources to support the relocation of the karting circuit.	Ongoing dialogue with Development WA on completion of the business case.			5	4	20
5	Celsius Pty Ltd indicate that they are unlikely to provide resources to support the relocation of the karting circuit.	Ongoing dialogue with Celsius Pty Ltd on completion of the business case.			5	4	20
8	Lack of political support at state government level.	EKC with the support of the Shire of Exmouth is to continue to advocate for the development of a replacement track and associated infrastructure.			3	5	15
10	Inability to secure grant funding through the CSRFF, other state government resources and federal government.	Funding plan to be established to determine other sources of funding including commercial and land development contributions.			4	4	16
13	The inability to develop the karting track in advance of the development of Super Lot D.	Ongoing dialogue with Celsius Pty Ltd and Development WA to determine ongoing commitment and timeline for the development. Temporary Lease extension on the current site until full development is undertaken.			5	5	25

14	The lack of the ability for the Shire to negotiate and secure an alternative site for the development of the karting circuit should the site to the north of Town be unviable resulting in loss of faith by community groups.	Ongoing liaison with Shire of Exmouth Planning staff to identify and proof up an alternative site for development.			4	5	20
15	The loss of a relatively unique regional sporting infrastructure for karting which is detrimental to the north west sporting landscape.	Ongoing liaison with Shire of Exmouth, Celsius Pty Ltd and Development WA to secure the sites retention as far as practicable prior to developing a replacement site.			4	5	20
18	Loss of a valuable social and sporting resource to the local community which adds to the diversity of opportunities within a relatively isolated Town site. Consequential negative impact on broader mental health and physical wellbeing of the resident community.	Ongoing liaison with Shire of Exmouth, Celsius Pty Ltd and Development WA to secure the sites retention as far as practicable prior to developing a replacement site.			5	3	15

Warranties and Disclaimers

The information contained in this report is provided in good faith. While Otium Planning Group has applied their own experience to the task, they have relied upon information supplied to them by other persons and organisations.

We have not conducted an audit of the information provided by others but have accepted it in good faith. Some of the information may have been provided 'commercial in confidence' and as such these venues or sources of information are not specifically identified. Readers should be aware that the preparation of this report may have necessitated projections of the future that are inherently uncertain and that our opinion is based on the underlying representations, assumptions and projections detailed in this report.

There will be differences between projected and actual results because events and circumstances frequently do not occur as expected and those differences may be material. We do not express an opinion as to whether actual results will approximate projected results, nor can we confirm, underwrite or guarantee the achievability of the projections as it is not possible to substantiate assumptions which are based on future events.

Accordingly, neither Otium Planning Group, nor any member or employee of Otium Planning Group, undertakes responsibility arising in any way whatsoever to any persons other than client in respect of this report, for any errors or omissions herein, arising through negligence or otherwise however caused.

PAXON

SHIRE OF EXMOUTH

Exmouth Aged Care Facility Needs Assessment

DRAFT

Version 1.0 | February 2023

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TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	4
1.1 PURPOSE	4
1.2 BACKGROUND	4
1.3 MARKET ANALYSIS	5
1.4 SERVICE MODEL REVIEW.....	5
1.5 STRATEGIC ALIGNMENT	6
1.6 CAPITAL COST.....	6
1.7 FEASIBILITY ASSESSMENT	6
2. MARKET ANALYSIS.....	8
2.1 DEMOGRAPHICS	8
2.2 SUPPLY	11
2.3 DEMAND FOR AGED CARE SERVICES.....	13
2.4 QUALITATIVE REVIEW OF AGED CARE DEMAND.....	13
3. SERVICE DELIVERY MODEL OPTIONS	14
3.1 SECTOR OVERVIEW	14
3.2 COMMUNITY CARE	14
3.3 RESIDENTIAL AGED CARE.....	17
4. LOCATION ASSESSMENT.....	18
4.1 LOCATION AND FACILITY REQUIREMENTS	18
5. OWNERSHIP STRUCTURE ASSESSMENT	20
5.1 OWNERSHIP STRUCTURES.....	20
6. OPTIONS FORMULATION	21
6.1 OPTIONS DEFINITION.....	21
7. NON-FINANCIAL ASSESSMENT OF OPTIONS	23
7.1 CRITERIA FOR EVALUATION OF OPTIONS.....	23
7.2 OPTION EVALUATION.....	23
7.3 SUMMARY	30
8. FEASIBILITY ASSESSMENT	32
8.1 SHORTLISTED OPTIONS	32
8.2 SERVICE MODEL SCALE AND TIMING.....	32
8.3 REVENUE ASSUMPTIONS.....	32
8.4 OPERATING COST ASSUMPTIONS	36
8.5 CAPITAL ASSUMPTIONS	36
8.6 RESULTS	39
8.7 STAGED IMPLEMENTATION.....	43

8.8 REGULATORY CHANGES TO AGED CARE SECTOR44

9. RECOMMENDATIONS.....45

9.1 RECOMMENDATION 1.....45

9.2 RECOMMENDATION 2.....45

9.3 RECOMMENDATION 3.....45

1. EXECUTIVE SUMMARY

1.1 Purpose

This assessment has been undertaken to determine the needs for aged care services in the Exmouth LGA and understand potential service models to address that need. The limited availability of aged care services in the area present challenges to the community, who are largely required to managed their own care requirements independently or relocate to larger regional centres when additional care is required.

This needs assessment aims to:

- Determine demand for aged care services now and in the future;
- Determine a service model that will address the unmet demand for services;
- Understand service viability of service model options; and
- Establish the capital requirement for service model options.

1.2 Background

The Exmouth Shire Local Government Area (LGA) is located in the Central West coastal region of Western Australia. The LGA's population was approximately 2,935 as at 2020. Figure 1 shows the LGA boundaries and the location of Exmouth town.

Figure 1: Exmouth Shire LGA



The limited aged care services currently available in Exmouth are provided by the Western Australian Country Health Services (WACHS) and consist of the following:

- Commonwealth Home Support Packages (CHSP) delivered through the Exmouth Health Service on a limited basis; and
- Three residential aged care beds located within the Exmouth Health Service.

Home Support Packages have been allocated to members of the community however WACHS isn't equipped to provide these services and private providers do not have a presence in the town.

Exmouth's small size and remote location present numerous challenges to health and aged care service providers. The small population does not currently present demand for services that would make a

private sector provider viable without taking significant risks. Other challenges include the availability of accommodation for staff, the ability to attract and retain staff in the area and the escalated cost of goods and services in the area. These factors contribute to market failure in the area of aged care service provision in the area.

1.3 Market Analysis

Demographic statistics based on latest census data from WA Tomorrow Projections for the Exmouth LGA indicate there is a residential population of 2935 as at 2020 and is expected to grow to 3,634 by 2031, representing a compound annual growth rate of 2.0%. The residential population aged 70 years and over, a more direct measure of demand for aged care services, is expected to increase from 239 in 2020 to 519 in 2031.

Population projections and the Commonwealth Governments aged care provision ratio were used to determine projected demand for aged care services in the area. Based on this approach, there is expected demand for 40 residential aged care places by 2031, increasing to 46 by 2041. Expected demand for residential aged care in Exmouth is summarised in Table 1. Consultation with stakeholders indicates that there is immediate demand for at least one dementia specific care suite and residential aged care couples room.

Table 1: Assessed Demand for Aged Care Places, Exmouth LGA.

	National Aged Care Provision Ratio (per 1,000 residents)	2031	2036	2041
<i>Total Addressable Demand</i>	<i>1,000</i>	<i>513</i>	<i>547</i>	<i>584</i>
Aged Care Places				
Residential Care places	78	40	43	46
Home Care places	45	23	25	26
Short-term Restorative Care places	2	1	1	1
Total Aged Care Places	125	64	68	73

1.4 Service Model Review

Assessment of unmet demand for aged care services supports the development of a residential aged care facility. Consultation indicated that a residential aged care service would address a critical need for the community and present numerous benefits to the community, enabling residents to stay in the community as they age.

Following a review of possible service models, a location assessment and a review of ownership structures, it is recommended that the Shire pursue the development of a publicly owned and operated residential age care facility co-located with the Exmouth Health Service. This will present the following advantages:

- Address a critical need for service of the Exmouth community and remove the need for residents to travel and relocate for critical services;
- Provide a means of addressing demand for services in the most economically feasible manner;
- Address some of the unique operational challenges of operating a care facility in a remote area such as staffing and the availability of accommodation; and
- Enable demand for services to be aggregated in a specialist age care facility and free up existing health service capacity for use in the provision of other health services.

A feasibility assessment was undertaken to assess the viability of developing and operating a 46 bed residential aged care facility in Exmouth, as well as the implementation of a staged approach to development consisting of the interim development of smaller scale facilities. The feasibility assessment includes capital costs but not recurrent costing for staff accommodation.

1.5 Strategic Alignment

Provision of aged care will address a core community need now and into the future as well as supporting community cohesion, local business and employment opportunities. Establishment of a residential aged care service in Exmouth will make a considerable contribution to the Shire’s strategic goals and priorities¹. Specific strategic priorities advanced through establishment of an aged care service are summarised in the table below.

Table 2: Shire of Exmouth Strategic Priorities

Strategic Priority 1.2: Ensure a full suite of services to meet the needs of families and individuals at all ages and stages of life	
1.2.1	Encourage and promote intergenerational programs that improve quality of life, such as; early childhood library services, youth development, home health care and a facility for the aged, including Aged Care Business Plan.

1.6 Capital Cost

The expected capital costs for building a new facility ranges between \$30.7 million and \$41.6 million depending on the scale of the facility. Capital costs were calculated using internal benchmarks from recent development projects undertaken in regional and remote Western Australia. The cost of land has not been included in feasibility assessment. Inclusion of land within scope of the assessment can be expected to add a further \$2.3 to \$3.3 million dollars to the assessment depending on the size of the facility.

Table 3: Estimated Capital Costs

Development Component	30-Bed Facility	46-Bed Facility
Construction Costs	\$20,880,000	\$28,268,000
Design & Construction Contingencies	\$4,176,000	\$5,653,600
Professional Fees	\$1,670,400	\$2,261,440
Gross Project Cost	\$26,726,400	\$36,183,000
Escalation	\$4,008,960	\$5,427,500
Total Capital Cost	\$30,735,400	\$41,610,500

A proportion of upfront capital costs for the project would be offset as the facility becomes operational and residents make capital contributions in the form of Refundable Accommodation Deposits or Contributions (RADs/RACs). It is estimated that the largest facility would receive approximately \$4.4 million in RADs or RACs over the first 10 years of operation. Estimates of resident capital contributions are subject to significant uncertainty as a result of potential changes to the regulation of the aged care industry sources of capital, as well as variability in the propensity of residents to choose capital contributions over daily contributions.

1.7 Feasibility Assessment

Results of the feasibility assessment of short-listed options indicate that a residential aged care service would not be economically viable on its own and would require ongoing subsidisation to achieve a suitable return for the operator.

Table 4 contains a summary of results from the feasibility assessment for facilities of three different sizes, aligned with the capital costs above. Results are presented for FY36, reflecting the expected operating performance of the facilities at full occupancy, with the exception of the 46 bed facility which is estimated

¹ <https://www.exmouth.wa.gov.au/documents/920/strategic-community-plan-and-corporate-business-plan-2023-2033-your-choice-our-future>

to reach full occupancy in FY42. Results indicate that a residential care facility would require an annual operating subsidy of approximately 1.8 million including lifecycle capital costs. The declining subsidy requirement as a percentage of revenue is the result of fixed costs of service as well as aged care funding arrangements for regional and remote facilities.

Table 4: Feasibility Assessment, Operating Results and Subsidy Requirement, FY36, \$'000

Development Component	30-Bed Facility	46-Bed Facility
Revenue	2,913	5,406
Operating Costs	(3,847)	(6,803)
Recurrent Operating Profit/(Loss)	(934)	(1,396)
Lifecycle Capital Costs	(307)	(416)
Net Subsidy Requirement	1,844	1,812

2. MARKET ANALYSIS

This section addresses some of the key drivers of supply/demand for residential aged care services in the Exmouth LGA. It provides an overview of the population and demographics of the Exmouth LGA and how these factors will drive demand for residential aged care services in the future. This section utilises population data and projections from the Australian Bureau of Statistics (ABS) and the WA Department of Planning, Land and Heritage.

2.1 Demographics

2.1.1 Residential Population and Demographics

Figure 2 illustrates the historic total population of the Exmouth LGA from 2015 to 2020, as well as the annual growth rates of Exmouth and Western Australia. Key findings include:

- Exmouth population growth has averaged 1.3% compound growth over the five year period ending 2020, marginally above that of Western Australia with a comparable growth rate of 0.9% over the same period; and
- From 2015 to 2020, the residential population of Exmouth grew from 2,794 in 2015 to 2,935 in 2020, an increase of 186 residents or 6.8% over the period.

Figure 2: Exmouth Population and Growth Rates, 2015 – 2020.

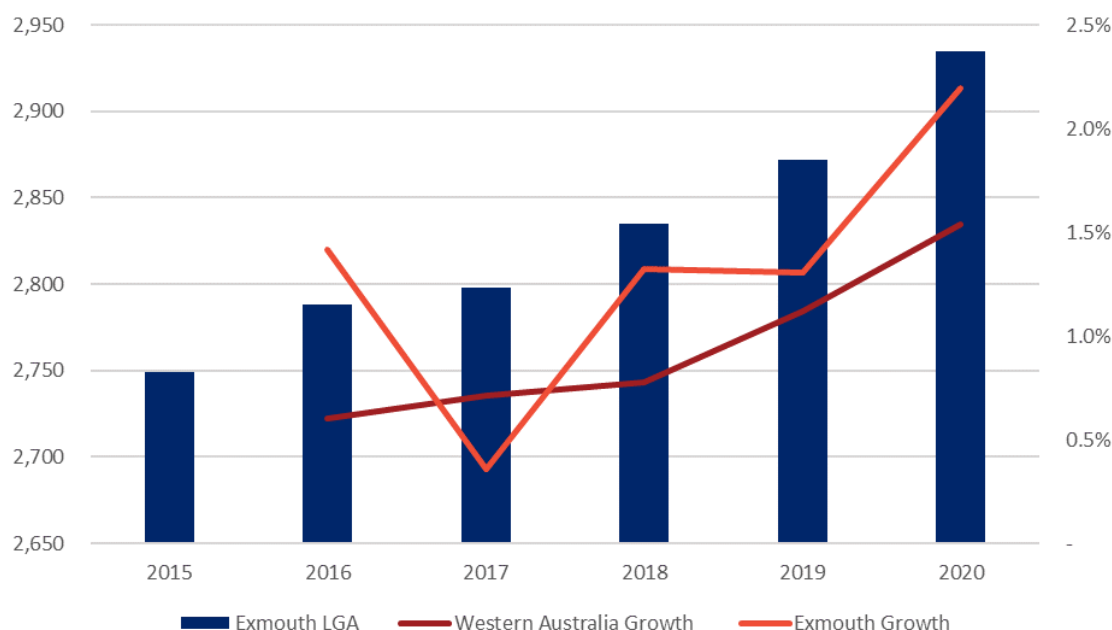


Table 5 identifies demographic summary statistics for the Exmouth LGA, Gascoyne and Western Australia. Demographic data for the area indicates that:

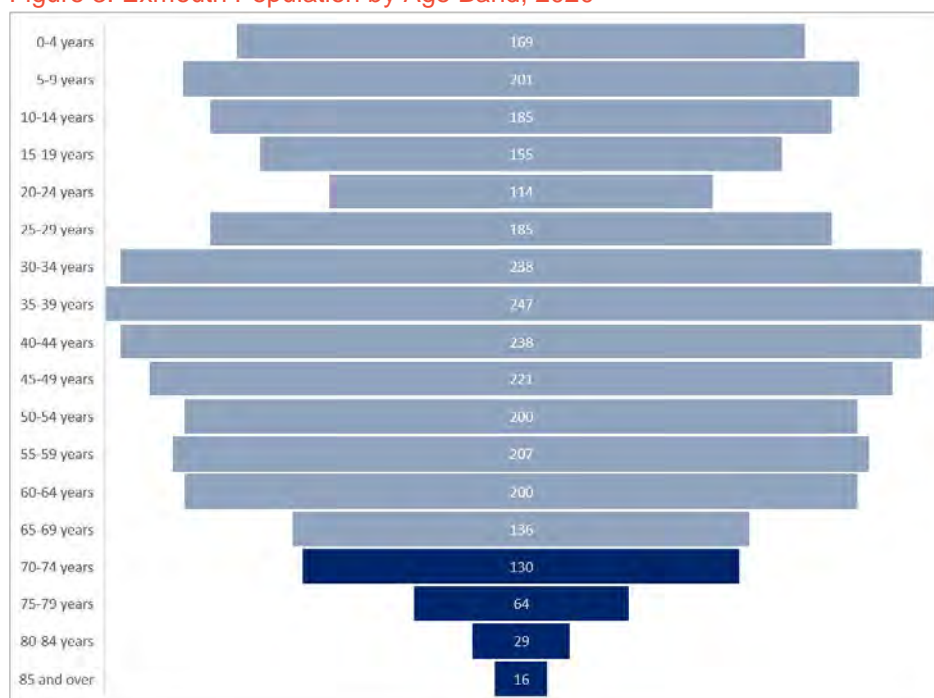
- In Exmouth, approximately 8.1% of the population is 70 years and over, compared to 10.0% for the Gascoyne region and 10.5% for the broader Perth region;
- The largest subsection of the Exmouth population is in the 22-44 year age bracket which represents approximately 34.8% of the total population;
- Based on the latest census data on WA Tomorrow, it is estimated that there were 239 people aged 70 years and over in the Exmouth LGA in 2020.

Table 5: Demographic Summary data for Exmouth LGA, Gascoyne and Western Australia

	Exmouth	Gascoyne	Western Australia
<i>Median Ages</i>			
Males	39.7	40.9	37.0
Females	39.1	39.3	38.2
Total	39.4	40.2	37.6
<i>Age Bands</i>			
0-19	710	2,260	672,156
22-44	1,022	2,967	927,997
45-69	964	3,138	783,127
70+	239	928	280,281
Total	2,935	9,293	2,663,561

Figure 3 contains the population of Exmouth LGA by age cohort in greater detail. Consistent with summary figures above, the figure shows that the Exmouth population peaks in the middle age bands of between 30 and 44 years. Of 239 people estimated to be 70 years and over in 2020, a large proportion of them are in the 70-74 years age bracket. The size of age cohorts beyond 74 decreases in higher age bands.

Figure 3: Exmouth Population by Age Band, 2020



2.1.2 Population Projections

The WA Department of Planning, Lands and Heritage provides population projections by age cohort for LGAs within the State. These have been combined with ABS census data that estimates total residential population and the Aboriginal and Torres Strait Islander populations to provide an estimate of the projected demand for aged care for aged care services in the region. Total residential population in the Exmouth LGA is expected to grow from 2,935 in 2020 to approximately 3,634 by 2031, representing a cumulative average growth rate (CAGR) of approximately 2.0%.

The residential population aged 70 years and over, a more direct measure of demand for aged care services, is expected to increase from 239 in 2020 to 519 in 2031.

Table 6: Population Projections, Exmouth by 70+ and 50+ years of age indigenous population

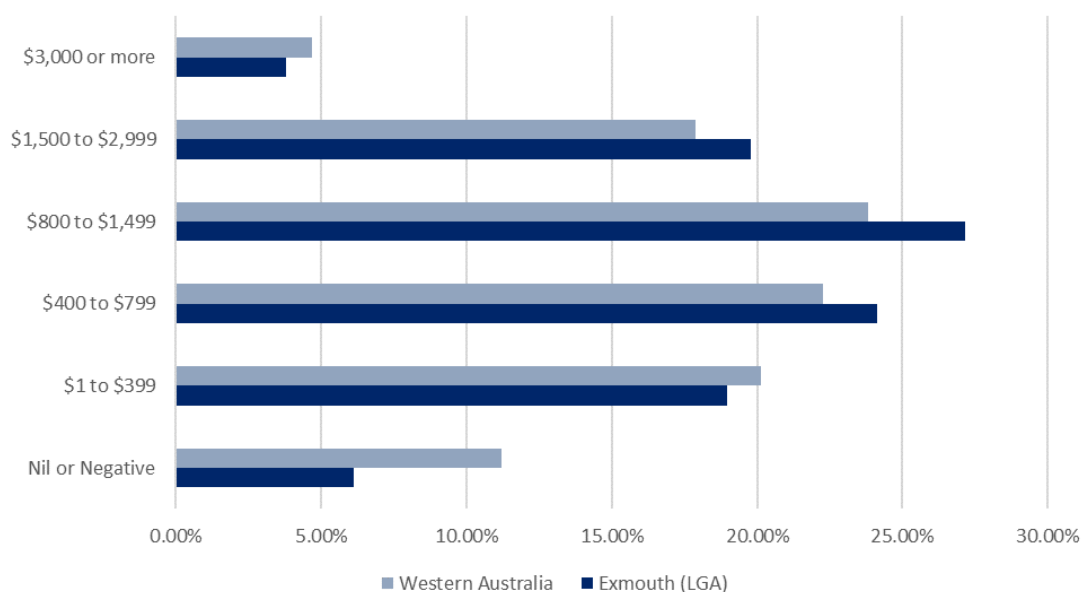
Year	Exmouth 70+ Year population	Exmouth Indigenous Population 50+ years	Total Addressable Demand
2021	265	5.8	271
2022	279	6.1	285
2023	296	6.5	303
2024	318	7.0	325
2025	344	7.6	352
2026	377	8.3	385
2027	393	8.6	402
2028	413	9.1	422
2029	437	9.6	447
2030	467	10.3	477
2031	502	11.0	513
2032	508	11.2	520
2033	515	11.3	526
2034	522	11.5	533
2035	529	11.6	540
2036	536	11.8	547
2037	543	11.9	555
2038	550	12.1	562
2039	557	12.3	569
2040	564	12.4	577
2041	572	12.6	584

Source: ABS, WA Tomorrow, Paxon calculations.

2.1.3 Wealth and income levels

The median annual personal income of Exmouth residents was approximately \$47,000 in 2018 compared to approximately \$55,000 for Western Australia. A review of the distribution of residents by income brackets indicates that a higher proportion of Exmouth residents earn in the middle annual income brackets relative to the broader State. Just 6% of the Exmouth resident population have nil or negative personal weekly income, relative to 11% for the same cohort across the State. Exmouth maintains a higher proportion of the population in the middle income brackets with personal incomes between \$400 and \$3,000 a week.

Figure 4: Proportion of Resident Population by Income Bracket, Exmouth LGA and WA



Source: ABS, 2016 Census Data

2.1.4 Socio-economic Status

A review of the data collected on relative disadvantage in the area was undertaken by assessing the Socio-Economic Indexes for Areas (SEIFA) 2016, an ABS data product that ranks areas in Australia according to relative socio-economic advantage and disadvantage. Relative socio-economic advantage and disadvantage is defined in terms of the populations access to material and social resources, and their ability to participate in society.

The Exmouth LGA was ranked in the 9th decile on the Index of Relative Socio-economic Disadvantage (IRSD), reflecting a ranking of 444 out of 544 LGAs nationally. Within Western Australia, Exmouth ranks in the 8th decile on the IRSD, a ranking of 107 of a total of 137 LGAs in the State. These results indicate that the Exmouth LGA is more disadvantaged relative to other areas of the State and nation. This is common for more rural and remote areas of the country with less direct access to economic opportunities.

2.2 Supply

The supply of aged care services is central to a market analysis of the Exmouth catchment area, and estimating the likely unserved demand.

2.2.1 Residential aged care

Residential aged care supply in Exmouth is provided through the Exmouth Health Service, which maintains three residential aged care beds. Additional residential aged care services are available through public and not-for-profit providers located in the regional centres of Carnarvon, Karratha and Roebourne.

The table below contains a summary of supply within the area.

Table 7: Residential Aged Care Providers in Gascoyne and West Pilbara Regions

Location	Facility	Provider	Beds
Exmouth	Exmouth Health Service	WACHS	3
Carnarvon	Gnullingoo Mia Residential Care	WACHS	38
Roebourne	Yaandina Frail Aged Hostel	Yaandina Community Services	20
Karratha*	NA	NA	NA

* no publicly available information on the Karratha aged care facility.

The Gnullingoo Mia Residential Care facility provides a case study in the development of residential aged care in a rural setting. From a service provision perspective, Carnarvon maintains a similar set of challenges to those that exist in Exmouth including a lack of viability in private sector providers and resulting market failure across health and social care services.

To account for expected growth in the region, the Carnarvon Health Campus began a series of redevelopment activities in 2008 which were subsequently completed in 2016. Redevelopment activities included the refurbishment of the emergency department, IT infrastructure upgrades and expanded scope of service provision including renal dialysis, a dental health clinic. Community mental health and child health services among other clinical service offerings. Similar redevelopment activities were undertaken at the Exmouth Health Service, with the two projects receiving a total of \$34.9 million of government funding.

The Gnullingoo Mia Residential Care Facility was developed and officially opened in December 2021. The facility is co-located with the Carnarvon Health Campus, integrated with the existing health service to ensure residents have access to skilled aged care assessments and treatments and streamline the provision of subacute and geriatric medical services. The facility, which is owned and operated by WACHS, has approximately doubled the residential care capacity in the town.

The Yaandina Frail Aged Hostel provides residential and community aged care services for aboriginal and non-aboriginal residents in the town of Roebourne.

2.2.2 Home Care

The table below contains a summary of the home and community care service providers in the region.

Table 8: Home Care Providers Gascoyne and West Pilbara Regions

Location	Provider	Services
Exmouth	Exmouth Health Service	CHSP
Carnarvon	WACHS	Home Care and CHSP
Carnarvon	SilverChain	Home Care
Roebourne	Yaandina Frail Aged Hostel	Home Care and CHSP

2.2.3 Consultation

Consultation with constituents in the community indicate that there are barriers to supply of aged care services in Exmouth, consistent with challenges faced in regional areas throughout Western Australia. The supply of service in regions faces the following challenges as related to recruitment and cost:

- Lack of suitable accommodation options hinders the attraction and retention of staff in Exmouth;
- Recruitment of specialist clinical staff such as registered nurses (RNs) is extremely difficult in regional and remote areas; and
- Input goods and consumables are materially more expensive in Exmouth relative to other regional centres and the Perth metropolitan area.

2.3 Demand for Aged Care Services

Demand for aged care services has been determined by applying the Aged Care Provision Ratio to the Exmouth LGA population cohort 70+ years (including Indigenous 50+ years population). The national aged care provision ratio is 125 places per 1,000 people aged over 70 years, comprising of:

- 78 Residential Aged Care places;
- 45 home care places; and
- 2 restorative care places.

Using the projected addressable demand for aged care in 2031, 2036 and 2041, provides the expected need for age care outlined in Table 9.

Table 9: Assessed Demand for Aged Care Places, Exmouth LGA.

	National Aged Care Provision Ratio (per 1,000 residents)	2031	2036	2041
<i>Total Addressable Demand</i>	1,000	513	547	584
Aged Care Places				
Residential Care places	78	40	43	46
Home Care places	45	23	25	26
Short-term Restorative Care places	2	1	1	1
Total Aged Care Places	125	64	68	73

2.4 Qualitative Review of Aged Care Demand

Consultation with constituents within the Shire resulted in the following findings as relates to current utilisation of aged care services by Exmouth residents:

- The lack of aged care particularly high-care services for elderly with significant care requirements, in the area has forced long-time residents to migrate from Exmouth to other regional and metropolitan centres to access suitable care;
- A cohort of residents are allocated CHSPs as an initial measure to address simple service and care needs. Services are provided by WACHS through the Exmouth Health Service.
- A large proportion of residents currently receiving CHSPs have also been allocated HCPs. The Exmouth Health Service is not in a position to provide HSPs to these consumers and there are no other suitable providers active in the area.
- A number of residents have or will need residential aged care over the short to medium term (three years). This cohort includes one couple and one resident with dementia care requirements.

3. SERVICE DELIVERY MODEL OPTIONS

Aged care is provided through a range of programs and services with different referral pathways reflecting the needs of care recipients. Care ranges from low-level support to more intensive services including the following:

- Assistance with everyday living activities, such as cleaning, laundry, shopping, meals and social participation;
- Respite care;
- Personal care, such as help getting dressed, eating and going to the toilet;
- Health care, including nursing and allied health care; and
- Accommodation.

This section outlines the service delivery model options for delivering aged care services to the Exmouth community.

3.1 Sector Overview

The aged care sector can be broadly separated into two categories differentiated by the type of services and care customers require. Categories include retirement living, community care and residential aged care.

Figure 5: Proportion of Resident

Community Care

- Care services provided in the customers home and throughout the community. Various levels of home and community care aim to enable older people to maintain functional independence in their communities. Care services are funded through a number of Commonwealth Government programs.

Residential Aged Care

- Aged care services are provided in purpose built residential care facilities. Residential care involves the provision of high acuity services and specialist care such as dementia and palliative care. Services are funded by a mix of user charges and Commonwealth Government funding.

Community and residential aged care sectors are both subject to significant Commonwealth Government regulation, compliance mandates and funding arrangements. The Commonwealth Government previously funded residential aged care through the Aged Care Funding Instrument (ACFI) however recent reforms have seen this shift to an activity based funding and classification arrangement administered by the Independent Hospital Pricing Authority (IHPA). Community care is funded through the Home Care Package Program and the Commonwealth Home Support Programme (CHSP).

3.2 Community Care

Community Care is a broad term used to describe a collection of services and health care that are packaged up to meet the unique needs of each individual in their own home, rather than in a hospital or care home. Community care aims at enabling the elderly and disabled to remain in the own homes for as long as possible through the provision of clinical services, personal assistant and support services in the home. A well administered care program should provide continuity of care as the care recipient's needs change.

Community care is administered through two government programs. Depending on care needs, a person can access the Commonwealth Home Support Program (CHSP) or access a Home Care Package (HSP).

Table 10 contains a summary of the key characteristics of a community care service model.

Table 10: Community Care Service Model Characteristics

Service Characteristics	Description
Setting	Community based aged care is delivered in the care recipients home. The care provider maintains a mobile workforce that travels to each clients residence for the provision of care.
Workforce	Staff involved directly in the provision of care include clinical staff (RNs and ENs) and personal assistants. Personal assistant's and care workers provider the majority of care services while clinical staff provide a narrower set of services addressing the clinical service requirements of the care recipient. The use of clinical staff increases with the acuity of the care resident.
Services	Care service includes the following activities: <ul style="list-style-type: none"> • Domestic assistance with cooking, cleaning, washing and ironing; • Assistance with personal care, bathing and dressing; • Equipment • Food services including meal preparation and delivery as well as assistance with shopping activities; • Practical assistance with individual transportation needs; • Assistance with minor home modifications, maintenance activities and gardening; and • Nursing services tailored to the clinical needs of the care recipient.
Funding	Community care is paid for with a combination of user fees and Commonwealth Government funding through the HCP program and the CHSP. Care needs and acuity of the care recipient determines the appropriate package and the level of government funding provided.

Community care is seen as providing several advantages over traditional residential aged care and disability care service models including:

- Most people prefer to live in their own home rather than moving to a residential care facility;
- Community care helps people retain their independence for longer;
- Providing assistance to people living in the general community for as long as possible is preferable for the care recipient and has positive flow on effect to the broader community; and
- Provision of high quality community care uses less health and aged care resources as it avoids costly admission to residential aged care and acute care.

3.2.1 Commonwealth Home Support Program

The Commonwealth Home Support Programme is intended to provide entry-level services focused on supporting older people to maintain their health, independence and safety at home and in the community. It also aims to keep people connected with their community. This program typically represents an elderly persons first interaction with aged care services, with approximately 76%² of people accessing the program before other aged care programs or services.

Services under the program are provided on an ongoing or short-term basis depending on a person's needs. They can include:

² Royal Commission into Aged Care Quality and Safety, 2021, Final Report: Care, Dignity and Respect, Volume 1, Summary and Recommendations.

- allied health and therapy services
- domestic assistance
- goods, equipment and assistive technology
- home maintenance
- home modifications
- meals and other food services
- nursing
- personal care
- social support
- specialised support services
- transport
- centre-based respite, flexible respite and cottage respite.

Care recipients most commonly access assistance with housekeeping (domestic assistance) followed by allied health and therapy services, transport to places out of walking distance, home maintenance, social support, nursing, and meals delivered to their home.

3.2.2 Home Care Packages

Home Care Packages are delivered on a ‘consumer directed care’ basis, meaning that the package is allocated to the care recipient who then has choice over the particular service provider. Service that form part of a HCP include:

- support services, such as help with washing and ironing, house cleaning, gardening, basic home maintenance, home modifications related to care needs, transport to help with shopping, doctor visits or attending social activities;
- personal services, such as help with showering or bathing, dressing and mobility;
- care-related services, such as nursing and other health support, including physiotherapy (exercise, mobility, strength and balance), services of a dietitian (nutrition assessment, food and nutrition advice, dietary changes) and hearing and vision services; and
- care management, such as coordinating care and services.

While there is some overlap in services provided through the CHSP and HCPs, the later are provided in a more comprehensive bundle of services. The HCP program has four levels, outlined in the table below along with some descriptive statistics on current utilisation nationally.

Home Care Package Level	Service Description	Utilisation in 2019-20 ³ (% of total packages)
Level 1	Support for basic care needs.	11.5%
Level 2	Support for people with low care needs	41.3%
Level 3	Support for people with intermediate care needs	20.6%
Level 4	Support for people with high care needs	26.6%

³ Royal Commission into Aged Care Quality and Safety, 2021, Final Report: Care, Dignity and Respect, Volume 1, Summary and Recommendations.

3.3 Residential Aged Care

Residential aged care is care provided to elderly people who can no longer live in their home. Care is provided at a dedicated residential care facility and includes accommodation and personal care 24 hours a day, as well as access to nursing and general health care services. Residential aged care typically caters to higher acuity care needs.

Table 11: Residential Aged Care Service Model Characteristics

Service Characteristics	Description
Setting	Residential aged care is provided at a dedicated residential care facility. The facility operator must be designated an Approved Provider under the aged care legislation.
Workforce	<p>Direct care services are administered by a combination of clinical staff (RNs and ENs) and personal assistants. Hotel, accommodation and support services are delivered by support staff including chefs, cleaning, administration and maintenance personnel.</p> <p>Staff involved directly in the provision of care include clinical staff (RNs and ENs) and personal assistants. Personal assistant's and care workers provider the majority of care services while clinical staff provide a narrower set of services addressing the clinical service requirements of the care recipient. The use of clinical staff increases with the acuity of the care resident.</p>
Services	<p>Personal assistance and clinical care services relating to the following:</p> <ul style="list-style-type: none"> • Supervision and assistance with activities of daily living where required; • Medication and pain management; • Nutrition including management of enteral feeding; • Personal hygiene and including dressing, undressing, washing, drying and grooming; • Management of medical conditions and clinical care needs. <p>Accommodation, hotel and support services include:</p> <ul style="list-style-type: none"> • Catering and meal provision; • Linen and cleaning services; • Gardening and site maintenance; • Accessibility and provision of mobility equipment; • Transportation; and • Social engagement and entertainment.
Funding	Residential aged care is funded through a combination of user fees and Commonwealth Government funding. Government funding is administered through the Australian National Aged Care Classification (AN-ACC).

4. LOCATION ASSESSMENT

4.1 Location and Facility Requirements

The assessment of unmet demand indicates potential demand for up to 46 residential aged care beds by 2041. With the exception of three residential aged care beds located within the Exmouth Health Service, there is no existing supply of residential aged care in the catchment. The relatively small level of unmet demand and the economies of scale required to make residential aged care services feasible on an ongoing basis indicates that unmet demand is best addressed through a single aged care facility.

The location assessment has therefore considered the following two location options:

- Co-location with Exmouth Health Service; and
- Standalone Care Facility.

4.1.1 Co-location with Exmouth Health Service

The Exmouth Health Service is a purpose built health care hub located in the centre of Exmouth on Lyon Street. The health service has undergone refurbishment and development work which concluded in 2021. This involved significant refurbishment work and an expansion in the clinical service profile of the facility, including the following:

- New outpatient facilities including a new hospital entry, reception, triage and waiting area;
- Refurbished space for new medical imaging equipment, expanded communications room, a fourth dedicated General Practitioner consulting room and medical records room;
- New treatment areas for improved access to visiting specialists and practitioners;
- Programs such as community mental health, social work and child health services in one location for ease of access;
- Modern and purpose-built two-chair dental facility;
- New Telehealth equipment, including video conference interview room;
- Relocation of the ambulance bay for improved privacy and weather screening;
- A new training/group meeting room for staff; and
- Upgraded IT infrastructure.

The facility maintains an emergency department, six inpatient beds and three residential aged care beds.

Colocation with the Exmouth Health Service offers a number of advantages to a service provider relative to a standalone facility. The advantages of a collocated aged care facility and service include the following:

- Realisation of synergies in corporate overhead, administration, reporting and compliance activities;
- Realisation of efficiencies in staffing, workforce management and clinical service provision;
- Increased flexibility in managing healthcare service capacity at the hospital;
- Enable conversion of three aged care beds embedded in the health service for more specialised and in need clinical services; and
- Ability to streamline the admission, discharge and provision of healthcare to aged care facility residents.

Vacant land of approximately 14,000 sqm is situated at 19 and 21 Fyfe Street, adjacent to the south-east border of the Exmouth Health Service. This site has been considered for a co-located aged care facility as part of this feasibility assessment. Figure 6 identifies the vacant land adjacent to the Exmouth Health Service.

Figure 6: Exmouth Health Service Colocation Site, 19 and 21 Fyfe Street



4.1.2 Standalone Facility

Analysis of unmet demand supports the development of an aged care facility of up to 46 beds by 2041. A 46 bed aged care facility would represent a facility scale close to the average of aged care facilities nationally. As at June 2020, approximately 19% of aged care facilities had between 41 and 60 care places and the majority of care facilities (~61%) maintaining 61 or more care places.

5. OWNERSHIP STRUCTURE ASSESSMENT

5.1 Ownership Structures

Aged care services can be delivered through a number of different ownership structures depending on the desired and appropriate risk allocation and appetite of stakeholders involved, as well as the characteristics of the market being assessed. The possible ownership structures that could be considered for service delivery in Exmouth are summarised in Table 12.

Table 12: Residential Aged Care Ownership Structures

Structure	Description
State-owned and State Operated	Under this structure, the State would be responsible for the design, development and construction of the aged care facility and retain ownership upon completion. The State would also be responsible for the ongoing management and maintenance of the facility.
	Upon completion, the State would also be responsible for the provision of aged care services at the facility including the staffing, training, the provision of care, clinical compliance and reporting activities. The State is required to be an Approved Provider as relates to residential aged care services administered through the Commonwealth Government.
State-owned Facility Leased to Private Provider	The State would fund, design, develop and construct the aged care facility which would then be leased to a private provider to manage the ongoing operation of the facility and the provision of care. The State would be responsible for the ongoing management and maintenance of the facility.
	Under the structure, the private provider is required to be an Approved Provider as relates to aged care service provision administered by the Commonwealth Government. This includes ensuring compliance with relevant safety and quality standards.
Privately Owned Facility, State Operated	Under this structure, a private entity would be responsible for the design, development and construction of the aged care facility and retain ownership upon completion and would continue to be responsible for the ongoing maintenance of the facility. This could be a property development company or sector specific Real Estate Investment Trust (REIT). The private operator would also be responsible for the ongoing management and maintenance of the facility.
	Upon completion, the private entity would lease the facility to the State who would be responsible for the provision of aged care services at the facility. The State is required to be an Approved Provider as relates to residential aged care services administered through the Commonwealth Government.
Privately Owned and Operated	Under this structure an aged care operator would design, develop and construct a residential aged care facility, retain ownership of the asset and provide aged care services at the facility. This structure will require the project to be financially feasible when considered by a private entity on its own merits, with no government subsidies beyond Commonwealth Government aged care service funding.
	The nature of the assets and services would reflect the private operators assessment of need, feasibility and sustainability in the context of the local market supply and demand picture.

6. OPTIONS FORMULATION

6.1 Options Definition

This section outlines options for addressing the existing and future demand for aged care services in Exmouth. The options outlined represent a combination of possible services based on a combination of possibilities as relates to the service delivery mode, the location and the ownership structure as outlined in sections 3, 4 and 5.

6.1.1 Option 1: Home Care Service, Public Delivery

Option 1 is State-delivered home care services to residents of Exmouth. Home care represents aged care services delivered in the community typically at the resident's home. Under this option a government run service would be responsible for the core business activities including hiring relevant staff and administering care services on a daily basis. This service would be funded by the Commonwealth Government through the HCP program with any shortfall in funding covered by the public sector entity administering the services (most likely WACHS).

6.1.2 Option 2: Home Care Services, Private Sector or Not-for-profit delivery

Option 2 represents the delivery of home care services by a private or not-for-profit operator. Home care represents aged care services delivered in the community typically at the resident's home. Under this option a private sector or not-for-profit provider would be responsible for the core business activities including hiring relevant staff and administering care services on a daily basis. Delivery of a private or NFP delivered service may require additional public sector subsidies to ensure economic viability of the service.

6.1.3 Option 3: State Owned and Operated Residential Aged Care Facility, Stand-alone Facility

Under this option the State would own and operate a standalone residential aged care facility. The State would be responsible for the design, construction and ongoing maintenance of the facility as well as operating the facility on an ongoing basis. This includes hiring a suitable workforce for the provision of services, administering care services, and ensuring compliance with relevant aged care regulations and compliance requirements.

6.1.4 Option 4: State Owned and Operated Residential Aged Care Facility, Co-located Facility

Under this option the State would own and operate a co-located residential aged care facility. The State would be responsible for the design, construction and ongoing maintenance of the facility as well as operating the facility on an ongoing basis. This includes hiring a suitable workforce for the provision of services, administering care services, and ensuring compliance with relevant aged care regulations and compliance requirements.

The co-located facility would facilitate shared staffing with the Exmouth Health Service as well as increased operational efficiencies owing to the sharing of administrative, facilities management and corporate overhead functions.

6.1.5 Option 5: State-owned Residential Aged Care Facility Leased to Private Operator, Stand-alone Facility

Under Option 5, the State would be responsible for the development, construction, ownership and maintenance of a stand-alone facility on an ongoing basis. This facility would be leased to a private sector operator who would be responsible for the provision of aged care services. The facility would be situated in a stand-alone location in the Exmouth town.

6.1.6 Option 6: State-owned Residential Aged Care Facility Leased to Private Operator, Co-located Facility

Under this option the State would be responsible for the development, construction, ownership and maintenance of the co-located facility on an ongoing basis. This facility would be leased to a private

sector operator who would be responsible for the provision of aged care services. The facility would be co-located with the Exmouth Health Service.

6.1.7 Option 7: Privately Owned Facility Leased to State Operator, Stand-alone Facility

Under this option a private sector entity would be responsible for the design and construction of a facility aged care facility as well as the ongoing maintenance and ownership of the asset. After completion of development, the asset would be leased to a public sector operator for the delivery of residential aged care services to the Exmouth community.

Viability of this option for a private entity may be dependent upon capital subsidies for the government or long-term leasing guarantees.

6.1.8 Option 8: Privately Owned Facility Leased to State Operator, Col-located Facility

Under this option a private sector entity would be responsible for the design and construction of a facility aged care facility as well as the ongoing maintenance and ownership of the asset. After completion of development, the asset would be leased to a public sector operator for the delivery of residential aged care services to the Exmouth community.

The facility would be co-located with the Exmouth Health Service to facilitate efficient delivery of care services through shared workforce and rostering and enable the achievement of synergies in administrative and corporate overhead functions.

Viability of this option for a private entity may be dependent upon capital subsidies for the government or long-term leasing guarantees.

6.1.9 Option 9: Privately Owned and Operated

Option 9 represents a privately owned and operated residential aged care facility. The private operator would be responsible for the design, construction and ongoing maintenance of the asset as well as the delivery of residential aged care services on an ongoing basis. Viability of a private sector project may be dependent on a government capital subsidy or operating grant or both.

7. NON-FINANCIAL ASSESSMENT OF OPTIONS

Options have been subject to a qualitative assessment, which involved ranking of the options based on their ability to meet the current and future demand for aged care services in the Exmouth LGA. This section outlines the non-financial assessment of options and the process used to shortlist options for financial assessment.

7.1 Criteria for Evaluation of Options

Criteria have been developed to conduct a non-financial assessment and ranking of options. Each criteria has been scored with a ranking out of a possible 5 to reflect the relative importance/weighting of the criteria.

Table 13: Options Evaluation Criteria

Criteria	Score	Weighting
Care services alignment with need	5	20%
Addresses current and future demand for services	5	20%
Supports resident's connection to community	4	16%
Provides for continuity of care and scope for integration with existing healthcare services	3	12%
Provides means of achieving efficiency in service delivery	3	12%
Provides certainty of care and reduces risk of service failure events	5	20%
Total Score	25	100%

Long-listed options are assessed against each criteria through assignment of a raw score between 1 and 5. The weightings contained in Table 13 are then applied to the raw scores assigned. The weighted score is then aggregated for each option and used to rank long-listed options. This ranking is then used to identify short-listed options for a financial and feasibility assessment.

7.2 Option Evaluation

7.2.1 Option 1: Home Care Service, Public Delivery

Table 14: Option 1 Evaluation

Criteria	Raw Score	Reason
Care services alignment with need	3	Home care would provide care aligned with lower acuity needs of residents in the community. Consultation indicates that residents with higher acuity and care needs are required to leave town to find appropriate care.
Addresses current and future demand for services	1	This option addresses a portion of the immediate demand for aged care services in the Exmouth area. Expected growth in demand for aged care services indicates that there would be a shortfall in the provision of residential aged care services now and in the future.
Supports resident's connection to community	5	Care delivered in the home and community facilitates increased independence of care recipients, continued relationships with existing care providers and continued relationships within and across the community.
Provides for continuity of care and scope for integration with existing healthcare services	2	Home care provides limited scope to provide a continuum of care as care recipients age and care requirements increase. Home care under this option would be delivered through the Exmouth Health Service and would

Criteria	Raw Score	Reason
		allow some integration with healthcare services and use of common referral pathways.
Provides means of achieving efficiency in service delivery	3	This option would facilitate the provision of care with a lower cost profile and limited capital requirements relative to residential aged care options.
Provides certainty of care and reduces risk of service failure events	4	Service provision under this option would be reliant on access to the required staffing and the ability to retain staff over extended periods. These things are in-turn dependent upon the characteristics of the local labour market as well as availability of accommodation for workers.
Total Score	18	

7.2.2 Option 2: Home Care Services, Private Sector or Not-for-profit delivery

Table 15: Option 2 Evaluation

Criteria	Raw Score	Reason
Care services alignment with need	3	A home care program would provide care aligned with lower acuity needs of residents in the community. Consultation indicates that residents with higher acuity and care needs are required to leave town to find appropriate care.
Addresses current and future demand for services	1	This option addresses a portion of the immediate demand for aged care services in the Exmouth area. Expected growth in demand for aged care services indicates that there would be a shortfall in the provision of residential aged care services now and in the future.
Supports resident's connection to community	5	Care delivered in the home and community facilitates increased independence of care recipients, continued relationships with existing care providers and continued relationships within and across the community.
Provides for continuity of care and scope for integration with existing healthcare services	2	Home care provides limited scope to provide a continuum of care as care recipients age and care requirements increase. Home care under this option would be delivered by a private or not-for-profit entity and therefore be relatively less integrated with existing health services compared to a publicly administered program.
Provides means of achieving efficiency in service delivery	3	This option would facilitate the provision of care with a lower cost profile and limited capital requirements relative to residential aged care options.
Provides certainty of care and reduces risk of service failure events	2	Service provision under this option would be reliant on access to the required staffing and the ability to retain staff over extended periods. These things are in-turn dependent upon the characteristics of the local labour market as well as availability of accommodation for workers. The operations of a private or not-for-profit provider are less likely to be resilient in the face of operational, cost or funding challenges and therefore carries some service failure risk.
Total Score	16	

7.2.3 Option 3: State Owned and Operated Residential Aged Care Facility, Stand-alone Facility

Table 16: Option 3 Evaluation

Criteria	Raw Score	Reason
Care services alignment with need	5	Residential care services provided through this option would cater to the care needs of high acuity residential care recipients. This option directly

Criteria	Raw Score	Reason
		addresses the care needs of existing residents. Consultation indicates this segment of demand is currently underserved by the public provider constrained by capacity at the Exmouth Health Service.
Addresses current and future demand for services	5	A residential aged care service would address currently unmet demand for services and provide scope to address future projected unmet demand for services.
Supports resident's connection to community	4	By addressing currently unmet demand for residential care services, this option would allow higher acuity residents in need of care service to remain in Exmouth instead of leaving town to find suitable services. This option would enable more elderly residents and their families to remain in Exmouth.
Provides for continuity of care and scope for integration with existing healthcare services	3	A publicly administered residential care service would be integrated with the Exmouth Health Service however a standalone facility would not receive the benefits of co-location as relate to service planning and continuity of care.
Provides means of achieving efficiency in service delivery	3	This option would facilitate the provision of residential aged care services although a lack of co-location would not allow the public entity to achieve synergies in fixed costs such as administrative and corporate overhead functions that would otherwise be achievable.
Provides certainty of care and reduces risk of service failure events	5	A public sector provider would be more resilient to operational challenges and fluctuations in demand for care services than would a comparable private sector or not-for-profit provider. This is likely to provide more certainty over the availability of care services for residents and reduce the risk of service failures.
Total Score	25	

7.2.4 Option 4: State Owned and Operated Residential Aged Care Facility, Co-located Facility

Table 17: Option 4 Evaluation

Criteria	Raw Score	Reason
Care services alignment with need	5	Residential care services provided through this option would cater to the care needs of high acuity residential care recipients. This option directly addresses the care needs of existing residents. Consultation indicates this segment of demand is currently underserved by the public provider constrained by capacity at the Exmouth Health Service.
Addresses current and future demand for services	5	A residential aged care service would address currently unmet demand for services and provide scope to address future projected unmet demand for services.
Supports resident's connection to community	4	By addressing currently unmet demand for residential care services, this option would allow higher acuity residents in need of care service to remain in Exmouth instead of leaving town to find suitable services. This option would enable more elderly residents and their families to remain in Exmouth.
Provides for continuity of care and scope for integration with existing healthcare services	4	A publicly administered residential care service would be integrated with the Exmouth Health Service. Co-location would facilitate referral and patient transfer processes and thereby provide a high continuity of care for recipients moving into and out of the local health system.
Provides means of achieving efficiency in service delivery	5	This option would facilitate the provision of residential aged care services although a lack of co-location would not allow the public entity to achieve synergies in fixed costs such as administrative and corporate overhead functions that would otherwise be achievable.

Criteria	Raw Score	Reason
Provides certainty of care and reduces risk of service failure events	5	A public sector provider would be more resilient to operational challenges and fluctuations in demand for care services than would a comparable private sector or not-for-profit provider. This is likely to provide more certainty over the availability of care services for residents and reduce the risk of service failures.
Total Score	28	

7.2.5 Option 5: State-owned Residential Aged Care Facility Leased to Private Operator, Stand-alone Facility

Table 18: Option 5 Evaluation

Criteria	Raw Score	Reason
Care services alignment with need	5	Residential care services provided through this option would cater to the care needs of high acuity residential care recipients. This option directly addresses the care needs of existing residents. Consultation indicates this segment of demand is currently underserved by the public provider constrained by capacity at the Exmouth Health Service.
Addresses current and future demand for services	5	A residential aged care service would address currently unmet demand for services and provide scope to address future projected unmet demand for services.
Supports resident's connection to community	4	By addressing currently unmet demand for residential care services, this option would allow higher acuity residents in need of care service to remain in Exmouth instead of leaving town to find suitable services. This option would enable more elderly residents and their families to remain in Exmouth.
Provides for continuity of care and scope for integration with existing healthcare services	2	A privately administered residential care service would be less integrated with the healthcare system (Exmouth Health Service) relative to a publicly administered residential care service.
Provides means of achieving efficiency in service delivery	3	A standalone facility with a private operator would not be in a position to leverage potential administrative and corporate overhead synergies or sharing of workforce and rostering functions. A private provider is therefore less likely to achieve efficiencies in service delivery given the unique aspects of the aged care market in Exmouth.
Provides certainty of care and reduces risk of service failure events	3	A private or not-for-profit provider would be less resilient to operational challenges and fluctuations in demand for care services than would a comparable public sector provider. All else being equal, a private operator is likely to present more service failure risk and more likely to be reliant on government studies to ensure service availability and feasibility.
Total Score	22	

7.2.6 Option 6: State-owned Residential Aged Care Facility Leased to Private Operator, Co-located Facility

Table 19: Option 6 Evaluation

Criteria	Raw Score	Reason
Care services alignment with need	5	Residential care services provided through this option would cater to the care needs of high acuity residential care recipients. This option directly

Criteria	Raw Score	Reason
		addresses the care needs of existing residents. Consultation indicates this segment of demand is currently underserved by the public provider constrained by capacity at the Exmouth Health Service.
Addresses current and future demand for services	5	A residential aged care service would address currently unmet demand for services and provide scope to address future projected unmet demand for services.
Supports resident's connection to community	4	By addressing currently unmet demand for residential care services, this option would allow higher acuity residents in need of care service to remain in Exmouth instead of leaving town to find suitable services. This option would enable more elderly residents and their families to remain in Exmouth.
Provides for continuity of care and scope for integration with existing healthcare services	3	A privately administered co-located care facility would facilitate some integration in the patient management, referral and transportation aspects of care services.
Provides means of achieving efficiency in service delivery	3	A privately administered care service limits the options for achieving synergies in workforce planning, rostering, administration and corporate overhead functions. A private provider is therefore less likely to achieve efficiencies in service delivery given the unique aspects of the aged care market in Exmouth.
Provides certainty of care and reduces risk of service failure events	3	A private or not-for-profit provider would be less resilient to operational challenges and fluctuations in demand for care services than would a comparable public sector provider. All else being equal, a private operator is likely to present more service failure risk and more likely to be reliant on government studies to ensure service availability and feasibility.
Total Score	23	

7.2.7 Option 7: Privately Owned Facility Leased to State Operator, Stand-alone Facility

Table 20: Option 7 Evaluation

Criteria	Raw Score	Reason
Care services alignment with need	5	Residential care services provided through this option would cater to the care needs of high acuity residential care recipients. This option directly addresses the care needs of existing residents. Consultation indicates this segment of demand is currently underserved by the public provider constrained by capacity at the Exmouth Health Service.
Addresses current and future demand for services	5	A residential aged care service would address currently unmet demand for services and provide scope to address future projected unmet demand for services.
Supports resident's connection to community	4	By addressing currently unmet demand for residential care services, this option would allow higher acuity residents in need of care service to remain in Exmouth instead of leaving town to find suitable services. This option would enable more elderly residents and their families to remain in Exmouth.
Provides for continuity of care and scope for integration with existing healthcare services	2	A publicly administered residential care service could be integrated with the Exmouth Health Service. A stand-alone facility limits the scope of integration achievable with the local health system (through the Exmouth Health Service).
Provides means of achieving efficiency in service delivery	3	This option would facilitate the provision of residential aged care services although a lack of co-location would not allow the public entity to easily achieve synergies such as the sharing of fixed administrative and corporate overhead costs than would otherwise be achievable.

Criteria	Raw Score	Reason
Provides certainty of care and reduces risk of service failure events	2	It is unlikely a private entity would undertake the risks associated with establishing a purpose specific asset such as a residential aged care facility without a government subsidy, grant or concessional and long-dated leasing terms of a public sector tenant. Public provision of services would facilitate certainty of service provision to residents seeking care.
Total Score	21	

7.2.8 Option 8: Privately Owned Facility Leased to State Operator, Co-located Facility

Table 21: Option 8 Evaluation

Criteria	Raw Score	Reason
Care services alignment with need	5	Residential care services provided through this option would cater to the care needs of high acuity residential care recipients. This option directly addresses the care needs of existing residents. Consultation indicates this segment of demand is currently underserved by the public provider constrained by capacity at the Exmouth Health Service.
Addresses current and future demand for services	5	A residential aged care service would address currently unmet demand for services and provide scope to address future projected unmet demand for services.
Supports resident's connection to community	4	By addressing currently unmet demand for residential care services, this option would allow higher acuity residents in need of care service to remain in Exmouth instead of leaving town to find suitable services. This option would enable more elderly residents and their families to remain in Exmouth.
Provides for continuity of care and scope for integration with existing healthcare services	3	A publicly administered and co-located residential care service could be integrated with the Exmouth Health Service. A stand-alone facility limits the scope of integration achievable with the local health system (through the Exmouth Health Service).
Provides means of achieving efficiency in service delivery	3	Co-location with the Exmouth Health Service would enable the rationalisation of certain fixed costs of service such as administrative and corporate overhead functions. Co-location would also enable the public operator to share workforce and rostering functions, addressing some of the challenges related to staffing unique to the operating in a remote area
Provides certainty of care and reduces risk of service failure events	2	It is unlikely a private entity would undertake the risks associated with establishing a purpose specific asset such as a residential aged care facility without a government subsidy, grant or concessional and long-dated leasing terms of a public sector tenant. Public provision of services would facilitate certainty of service provision to residents seeking care.
Total Score	22	

7.2.9 Option 9: Privately Owned and Operated Facility

Table 22: Option 9 Evaluation

Criteria	Raw Score	Reason
Care services alignment with need	5	Residential care services provided through this option would cater to the care needs of high acuity residential care recipients. This option directly

Criteria	Raw Score	Reason
		addresses the care needs of existing residents. Consultation indicates this segment of demand is currently underserved by the public provider constrained by capacity at the Exmouth Health Service.
Addresses current and future demand for services	5	A residential aged care service would address currently unmet demand for services and provide scope to address future projected unmet demand for services.
Supports resident's connection to community	4	By addressing currently unmet demand for residential care services, this option would allow higher acuity residents in need of care service to remain in Exmouth instead of leaving town to find suitable services. This option would enable more elderly residents and their families to remain in Exmouth.
Provides for continuity of care and scope for integration with existing healthcare services	3	A privately administered residential care service would be less integrated with the healthcare system (Exmouth Health Service) relative to a publicly administered residential care service.
Provides means of achieving efficiency in service delivery	2	A private operator would not be in a position to leverage potential administrative and corporate overhead synergies or sharing of workforce and rostering functions with existing public health infrastructure at the Exmouth Health Service. A private provider is therefore less likely to achieve efficiencies in service delivery given the unique aspects of the aged care market in Exmouth.
Provides certainty of care and reduces risk of service failure events	2	A private or not-for-profit provider would be less resilient to operational challenges and fluctuations in demand for care services than a comparable public sector provider. All else being equal, a private operator is likely to present more service failure risk and more likely to be reliant on government subsidies to ensure service availability and feasibility.
Total Score	21	

7.3 Summary

Table 23 contains a summary of the raw scores for each option.

Table 23: Summary of Raw Scores

	Option1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9
Care services alignment with need	3	3	5	5	5	5	5	5	5
Addresses current and future demand for services	1	1	5	5	5	5	5	5	5
Supports resident's connection to community	5	5	4	4	4	4	4	4	4
Provides for continuity of care and scope for integration with existing healthcare services	2	2	3	4	2	3	2	3	2
Provides means of achieving efficiency in service delivery	3	3	3	5	3	3	3	3	2
Provides certainty of care and reduces risk of service failure events	4	2	5	5	3	3	2	2	2
Total	18	16	25	28	22	23	21	22	20

The weightings of each criteria developed to conduct the non-financial assessment contained in Table 13 were applied to raw scores to obtain a total weighted score for each option. Weighted scores are shown in Table 24. Option 4, State Owned and Operated Residential Aged Care Facility (Co-located Facility) ranked highest followed by Option 3, State Owned and Operated Residential Aged Care Facility (Stand-alone Facility).

Table 24: Summary of Weighted Scores

	Option1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9
Care services alignment with need	0.7	0.7	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Addresses current and future demand for services	0.2	0.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Supports resident's connection to community	0.9	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Provides for continuity of care and scope for integration with existing healthcare services	0.2	0.2	0.3	0.3	0.2	0.3	0.2	0.3	0.2
Provides means of achieving efficiency in service delivery	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.2
Provides certainty of care and reduces risk of service failure events	0.9	0.4	1.1	1.1	0.7	0.7	0.4	0.4	0.4
Total	3.0	2.6	4.5	4.7	4.0	4.0	3.7	3.8	3.7
Option Ranking	0.7	0.7	1.1	1.1	1.1	1.1	1.1	1.1	1.1

8. FEASIBILITY ASSESSMENT

This section outlines the feasibility assessment of shortlisted options including the modelling approach and assumptions informing each assessment. The financial assessment of each option considers the initial capital costs, operating revenue, operating costs and capital financing options including the capital and operating subsidies required to achieve an economically viable service.

8.1 Shortlisted Options

The qualitative assessment resulted in the shortlisted options presented in the following table.

Table 25: Shortlisted Options

	Service Model	Owner	Operator	Location
Option 3	Residential Aged Care	State	State	Strand-alone
Option 4	Residential Aged Care	State	State	Co-located
Option 6	Residential Aged Care	State	Private	Co-Located

8.2 Service Model Scale and Timing

Financial feasibility of each option has been assessed based on a scale and facility size that meets expected demand for residential aged care services in the area by 2041. It has been assumed that existing supply of aged care delivered through the Exmouth Health Service will move to the newly established service, and that the three beds used to deliver that care would be repurposed for admitted care services.

It has been assumed that development and construction of the residential aged care facility will take 2 years, and the operational period would begin on 1 July 2026.

8.3 Revenue Assumptions

8.3.1 Revenue Assumptions

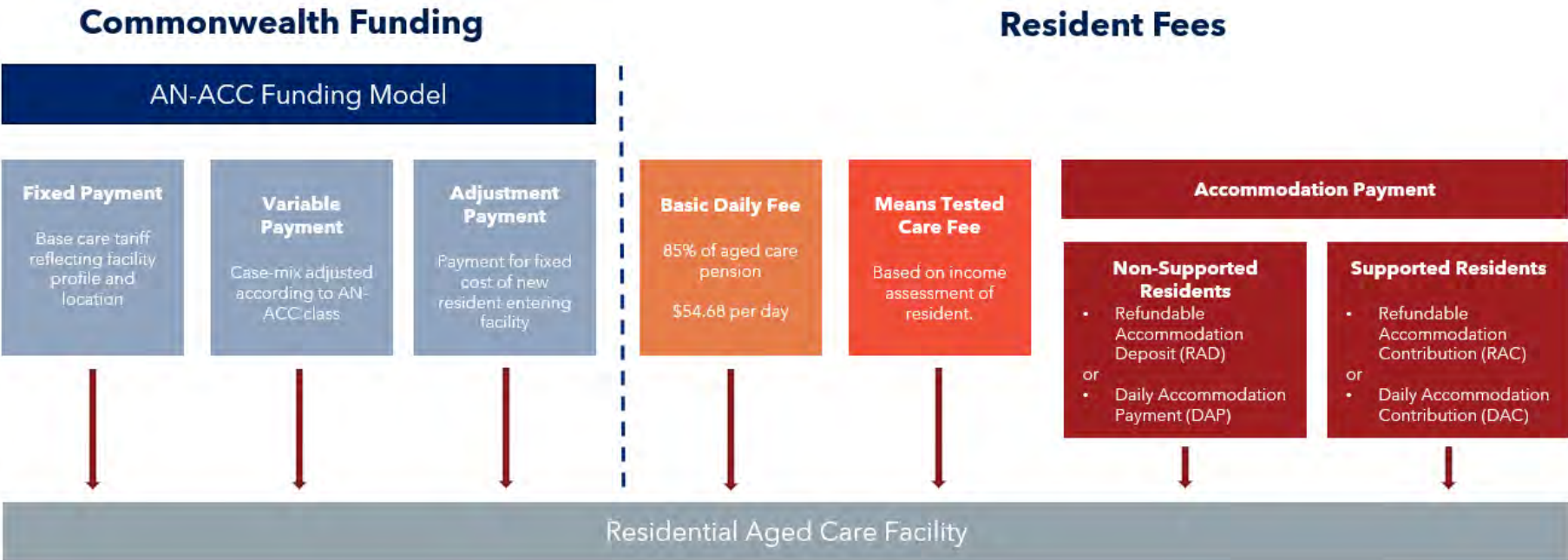
A combination of Commonwealth Government and residential contributions provide funding for residential aged care:

- Commonwealth Government contribution is based on care subsidies determined by the Australia National Aged Care Classification (AN-ACC) and funding model as implemented by the Independent Hospital Pricing Authority (IHPA). Care subsidies are based on the acuity of the residents and their individual care needs as determined by the classification.
- Resident contributions are made up of a basic daily fee, means tested care fee, accommodation payments and extra service fees.

Figure 7 outlines the funding components attributable to a residential care facility.

Operating revenue projections for the new RAC facility have been built bottom-up by identifying the daily revenue per resident a private provider earns for providing residential aged care services. This methodology included developing a case mix profile of resident acuity.

Figure 8: Aged Care Facility Funding Sources

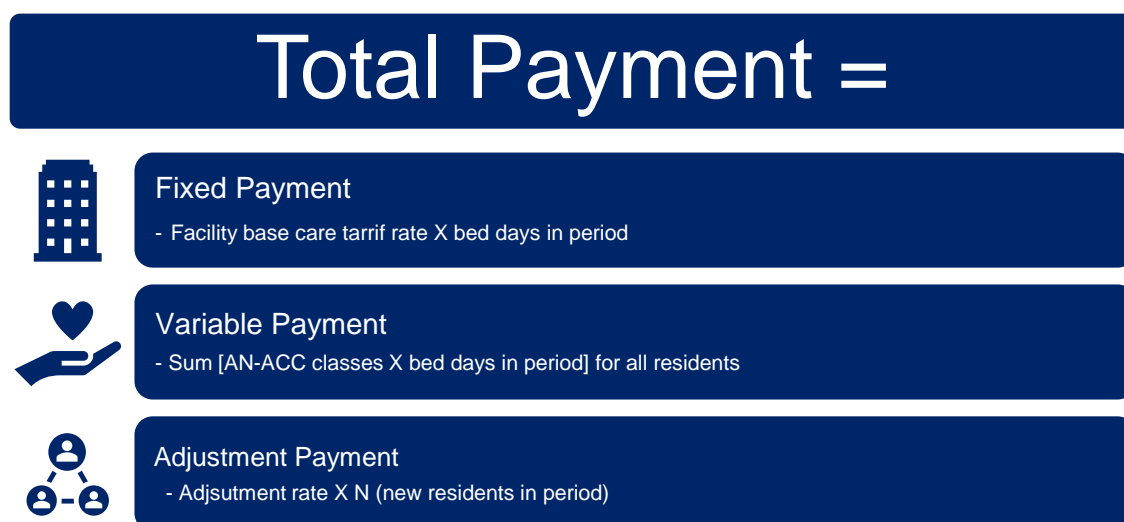


8.3.1.1 Commonwealth Government Care Subsidy

The basis for funding of the residential aged care sector in Australia is currently transitioning from the Aged Care Funding Instrument (ACFI) to a case-mix and activity based funding (ABF) model similar to that used to fund public hospital service. Funding reforms have focused on the development and implementation of the Australian National Aged Care Classification (AN-ACC) which will be used to price and fund aged care in Australia from 1 October 2022.

Funding under the proposed model includes a fixed component, a variable component and an adjustment payment. The fixed component represents the fixed costs of care provided to all residents regardless of care requirements such as clinical supervision and training, facility clinical management and shared care activities such as night supervision, and resident observation. The variable component reflects the cost of individualised care for residents with different needs for assistance with activities of daily living and clinical or social support. The quantum of variable payment is based on an assessment of the residents clinical and care needs, which informs assignment to one of 13 care classes in the AN-ACC. The adjustment payment is a one-off payment for each resident upon entry into a care facility to recognise initial costs of establishing a resident in the facility. The payment mechanism for an aged care facility under this model is presented in Figure 9.

Figure 9: Aged Care Funding Mechanism



Source: Commonwealth Department of Health

The design characteristics of the payment and funding model being implemented have some important implications for the feasibility of an aged care facility in the Shire. Specific things to note that will materially impact the funding of an aged care facility and therefore its feasibility include the following:

- Funding for facilities in rural and remote areas, defined as regions with a Modified Monash Model (MMM) score of 6 or 7, received base care funding for approved bed days (as opposed to occupied bed days for facilities located in the metropolitan facilities);
- The funding model differentiates between small (<30 beds) and large (30+ beds) facilities located in regional and remote areas reflecting the higher fixed cost structures of small facilities. Smaller facilities attract a marginally higher base care tariff than larger facilities (0.68 NWAU for small facilities vs 0.52 NWAU for larger facilities); and
- Facilities determined to have a specialisation in indigenous care received a higher base care tariff.

The parameters underpinning this funding model have been used as the basis for assessing operating revenue of the facility options being assessed for aged care in the Shire. The following tables outline the funding parameters and casemix assumptions applied to the feasibility assessment of short-listed options.

The casemix profile applied in the assessment reflects that of a remote facility and based on casemix data developed as part of the Resource Utilisation and Classification Study (RUCS) ⁴.

Table 26: Facility Funding Parameters and Casemix Assumptions

AN-ACC Assigned Class	NWAU	Casemix Profile (% of residents)
Class 1 - Admit for Palliative Care	1.00	-
Class 2 - Independent without CF	0.19	28.00%
Class 3 - Independent with CF	0.31	6.00%
Class 4 - Assisted mobility, high cognition, without CF	0.21	8.20%
Class 5 - Assisted mobility, high cognition, with CF	0.37	29.00%
Class 6 - Assisted mobility, medium cognition, without CF	0.35	3.00%
Class 7 - Assisted mobility, medium cognition, with CF	0.49	1.00%
Class 8 - Assisted mobility, low cognition	0.54	4.50%
Class 9 - Not mobile, higher function, without CF	0.54	6.00%
Class 10 - Not mobile, higher function, with CF	0.87	4.60%
Class 11 - Not mobile, lower function, lower pressure sore risk	0.83	6.00%
Class 12 - Not mobile, lower function, lower pressure sore risk, without CF	0.81	0.50%

Source: Commonwealth Department of Health, Australian Health Services Research Institute RUCS Report 4

8.3.2 Resident Fees

Resident fees represent a large proportion of residential age care revenue incorporating a residential care fee based on a proportion of the single aged care pension, a means tested care fee and daily accommodation payments or contribution (DAP/DAC). Noting the socio-economic profile of the resident population in the Exmouth LGA, it has been conservatively assumed that the facility will accrue no means tested care fees. The assumptions used to develop resident fee revenue projections are contained in the table below.

Table 27: Resident Fee Revenue Assumptions

Assumption	Value	Source/Description
Maximum Permissible Interest Rate	5%	Government set rate which determines the price chargeable on the face value of accommodation (RAD).
Residential Care Fee	\$54.68 per resident per day	Department of Health Schedule of Fees and Charges for Residential and Home Care from 1 July 2022.

⁴ <https://www.health.gov.au/resources/publications/resource-utilisation-and-classification-study-rucs-reports>

8.4 Operating Cost Assumptions

Operating cost assumptions informing the feasibility assessment are drawn from internal aged care benchmarks for comparable facilities operating in regional and remote areas. These costs were crosschecked against internal benchmarks for metropolitan based residential aged care providers and publicly available cost benchmarks for reasonableness.

Operating costs are separated into fixed and variable components and applied to the facility profile to determine total operating cost by component, and adjusted for escalation to account for the expected cost escalation between benchmarks and the expected commencement of operations. An additional 10% loading for non-labour costs was applied to account for the nature of cost pressures faced in Exmouth. The table below contains a summary of operating costs split into fixed and variable components in FY22 that form the basis of the feasibility assessment.

Table 28: Operating Cost Assumptions, FY22

Operating cost component	Fixed	Variable (\$ per bedday)
Employee related expenses	529,298	290.0
Administration	56,176	18.0
Clinical operations	-	12.5
Support services	-	28.8
Repairs and maintenance	56,176	59.3
Utilities	20,265	6.5
Corporate Overhead	55,286	5.0

A publicly administered service that is co-located with the Exmouth Health Service offers the opportunity to achieve synergies across some operational functions. Administrative and corporate overhead functions are assumed to be absorbed by Exmouth Health Service under Option 3.

8.5 Capital Assumptions

8.5.1 Development and Construction Costs

The capital cost for building a new residential age care facility were estimated using internal benchmark cost plans from recent development projects undertaken in rural and remote Western Australia. The approach involves developing cost per square meter from comparable projects, the application of escalation and contingencies and applying these assumptions to the shortlisted option facility profile.

Development and construction costs include the following components:

- Design, and construction of residential care building;
- Building design, construction and contingencies; and
- Furniture, fittings and equipment (FFE).

Lifecycle asset replacement cost was development based on the useful life of aged care facilities and the replacement cost of fixtures and furniture and FFE.

Table 29: Development and Construction Cost Assumptions

Description	Unit/Rate	Unit/Assumption
Aged Care Facility		
<i>Average facility area per bed</i>	<i>sqm/bed</i>	80
<i>Construction cost per sqm</i>	<i>\$/sqm</i>	2,300
<i>External works, landscaping and site service</i>	\$	1,000,000
Staff Accommodation		
<i>Average Area per Bed</i>	<i>square meters</i>	150.0
<i>Construction cost per Square meter</i>	\$	2,500.0
<i>Cleaners Store</i>	\$	20,000.0
<i>Construction period</i>	<i>time</i>	July 2024 to June 2026
<i>Regional Loading</i>	<i>% of direct construction costs</i>	100%
<i>Design contingency</i>	<i>% of total construction costs</i>	10%
<i>Construction contingency</i>	<i>% of total construction costs</i>	10%
<i>Professional Fees</i>	<i>% of total construction costs</i>	8%
<i>Escalation (to July 2024)</i>	<i>% of gross project costs</i>	15%
<i>Building Fitting and fixtures</i>	<i>% of gross project costs</i>	10%

8.5.2 Lifecycle Capital

Lifecycle capital costs are assumed to be 1% of upfront capital costs annually commencing three years after completion of construction and opening of the facility.

8.5.3 Capital Funding Sources

Upon entry into care, residential aged care residents may choose to pay for accommodation through a lump sum Refundable Accommodation Deposit (RAD), a Daily Accommodation Payment (DAP) or a combination of the two. Residents with low means have their accommodation costs subsidised by the Commonwealth Government.

A RAD is a lump sum payment by the resident to an approved provider for accommodation. This payment effectively acts as an interest-free loan to approved providers, and forms a crucial component of the capital financing in the sector. These lump sums payments are refunded to the resident when they leave residential aged care. As at June 2020, 53% of residential aged care residents paid a RAD with an average value of approximately \$332,000. This represents approximately \$30.2 billion in capital funding for the sector.

The financial assessment incorporates RADs received from a proportion of residents as a component of capital funding for the project. As this money will be received as and when residents enter care following development and construction of the facility, it can be used as an offset against the initial cost of developing the asset. The assumptions used to inform the expected RAD profile of the facility is contained in the Table 30.

Table 30: RAD Profile Assumptions

Assumption	Value	Source, Notes
RAD Price	\$265,000	ACFA Ninth Report on the Funding and Financing, agreed RAD price in remote areas in 2019-20.
Proportion of RAD Paying Residents	33.3%	ACFA Ninth Report on the Funding and Financing, remote residents including residents that choose a combination payment method and assuming 50% of combination payments are RADs by value.

8.6 Results

This section outline the recurrent operating profile and capital cost requirements for each short-listed option.

8.6.1 Option 3: State Owned and Operated Residential Aged Care Facility, Stand-alone Facility

Table 31: Option 3 Projected Recurrent Revenue and Operating Costs, \$'000

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37
Care Subsidies	2,797	2,882	3,006	3,106	3,247	3,439	3,542	3,696	3,856	4,031	4,232
Resident Fees	645	692	769	818	902	1,025	1,080	1,174	1,272	1,375	1,515
Total Revenue	3,442	3,573	3,775	3,924	4,149	4,465	4,622	4,870	5,127	5,406	5,748
Employee Related	2,993	3,181	3,481	3,677	4,005	4,484	4,699	5,065	5,444	5,852	6,387
Goods and Services	505	538	593	628	688	776	815	881	951	1,025	1,123
Repairs & Maintenance	76	81	89	94	103	117	123	133	143	155	170
Corporate Overhead	161	169	181	189	202	221	230	244	259	275	296
Total Operating Costs	3,734	3,969	4,344	4,589	4,999	5,598	5,866	6,323	6,797	7,306	7,975
Operating Profit/(Loss)	(292)	(396)	(569)	(665)	(850)	(1,133)	(1,244)	(1,453)	(1,670)	(1,900)	(2,227)
Lifecycle Capital Cost	-	-	416	416	416	416	416	416	416	416	416
Net Cost of Service	(292)	(396)	(985)	(1,081)	(1,266)	(1,549)	(1,660)	(1,869)	(2,086)	(2,316)	(2,643)

8.6.2 Option 4: State Owned and Operated Residential Aged Care Facility, Co-located Facility

Table 32: Projected Recurrent Revenue and Operating Costs, \$'000

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37
Care Subsidies	2,797	2,882	3,006	3,106	3,247	3,439	3,542	3,696	3,856	4,031	4,232
Resident Fees	645	692	769	818	902	1,025	1,080	1,174	1,272	1,375	1,515
Total Revenue	3,442	3,573	3,775	3,924	4,149	4,465	4,622	4,870	5,127	5,406	5,748
Employee Related	2,993	3,181	3,481	3,677	4,005	4,484	4,699	5,065	5,444	5,852	6,387
Goods and Services	313	336	373	397	438	498	524	569	617	668	735
Repairs & Maintenance	76	81	89	94	103	117	123	133	143	155	170
Corporate Overhead	69	73	79	84	90	100	105	113	120	129	140
Total Operating Costs	3,451	3,670	4,022	4,252	4,637	5,199	5,450	5,880	6,325	6,803	7,431
Operating Profit/(Loss)	(8)	(97)	(247)	(328)	(488)	(734)	(829)	(1,010)	(1,198)	(1,396)	(1,684)
Lifecycle Capital Cost			416	416	416	416	416	416	416	416	416
Net Cost of Service	(8)	(97)	(663)	(744)	(904)	(1,150)	(1,245)	(1,426)	(1,614)	(1,812)	(2,064)

8.6.3 Option 6: State-owned Residential Aged Care Facility Leased to Private Operator, Co-located Facility

Table 33: Projected Recurrent Revenue and Operating Costs, \$'000

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37
Care Subsidies	2,797	2,882	3,006	3,106	3,247	3,439	3,542	3,696	3,856	4,031	4,232
Resident Fees	645	692	769	818	902	1,025	1,080	1,174	1,272	1,375	1,515
Total Revenue	3,442	3,573	3,775	3,924	4,149	4,465	4,622	4,870	5,127	5,406	5,748
Employee Related	2,993	3,181	3,481	3,677	4,005	4,484	4,699	5,065	5,444	5,852	6,387
Goods and Services	505	538	593	628	688	776	815	881	951	1,025	1,123
Repairs & Maintenance	76	81	89	94	103	117	123	133	143	155	170
Corporate Overhead	161	169	181	189	202	221	230	244	259	275	296
Total Operating Costs	3,734	3,969	4,344	4,589	4,999	5,598	5,866	6,323	6,797	7,306	7,975
Operating Profit/(Loss)	(292)	(396)	(569)	(665)	(850)	(1,133)	(1,244)	(1,453)	(1,670)	(1,900)	(2,227)
Lifecycle Capital Cost	-	-	416	416	416	416	416	416	416	416	416
Net Cost of Service	(292)	(396)	(985)	(1,081)	(1,266)	(1,549)	(1,660)	(1,869)	(2,086)	(2,316)	(2,643)

8.6.4 Capital Cost and Required Subsidy

The capital cost of each short-listed option is the same, with an expected total capital cost of \$41.6 million. This represents the required capital subsidy for undertaking the development, construction, fit out and commissioning of a new residential aged care facility with 46 aged care places.

8.6.5 Summary

Results of the feasibility assessment indicate that a 46 bed residential aged care facility is expected to be uneconomic and incur recurrent operating losses at full capacity and during the ramp-up phase. This is consistent with current providers within the industry, particularly those in regional areas. Table 34 contains a summary of the expected recurrent operating subsidies required to ensure the service is economic for the operator and the cumulative recurrent subsidies required for the first 10 years of operation.

Table 34: Recurrent Subsidy Requirements for Short-listed Options

	Recurrent Operating Subsidy FY31	Recurrent Operating Subsidy FY36	Cumulative Recurrent Operating Subsidy FY27 to FY36
Option 3	\$850,000	\$1,900,000	\$10,173,000
Option 4	\$488,000	\$ 1,396,000	\$6,335,000
Option 6	\$850,000	\$1,900,000	\$10,173,000

The initial capital cost of developing the asset would be offset by Refundable Accommodation Deposits and Contributions (RAD/RAC) received as the facility becomes operational. The tables below outlines the upfront capital cost of the project, ongoing lifecycle costs and the expected capital offsets received through RADs/RACs across all shortlisted options.

Table 35: Capital Requirements and Offsets for Shortlisted Options

	Upfront Capital Cost	RAD/RAC Received by FY36	Cumulative Lifecycle by FY36	Cumulative Net Capital Requirement At FY36
Option 3, 4 and 6	\$41,610,500	(\$4,382,000)	\$2,912,700	\$37,228,500

8.7 Staged Implementation

The feasibility assessment has been conducted to understand capital requirements under a staged development of an aged care facility. A staged development would consist of a medium scale facility being built in the first instance to address immediate demand for services with the option to expand the facility at a later stage. This will allow the Shire and stakeholders to consider options that would reduce the upfront capital costs of the project while addressing the immediate need of the community. The feasibility assessment has been conducted on facilities with the following operational profiles:

- Medium Scale: 30 age care places; and
- Large: 46 aged care places.

These facility profiles have been applied to Option 4 incorporating the efficiency benefits of co-location with the Exmouth Health Service.

Table 36: Capital Requirements and Operating Subsidies for Staged Implementation, \$'000

	Medium Scale	Large Scale
Aged Care Places (beds)	30	46
Upfront Capital Requirement	30,700	41,600
Recurrent Subsidy Requirement (FY36)	1,537	1,396
Lifecycle Capital Costs (FY36)	307	416
Net Cost of Service (FY36)	1,844	1,812

8.8 Regulatory Changes to Aged Care Sector

This section outlines some key regulatory reforms currently being implemented by the Commonwealth Government that may impact the results of the feasibility assessment. Key reforms relate to the implementation of minimum mandated care minutes potential changes to capital funding regulations of the sector.

8.8.1 Care Minute Mandates

Reforms following the Royal Commission into Aged Care Quality and Safety (Royal Commission) brought into effect minimum mandated care minutes for residents in residential aged care. This policy is designed to address the incidence of poor clinical safety and quality of care uncovered during the Royal Commission. From October 2023, aged care providers will be required to meet a mandatory care time standard of:

- An average 200 minutes per day for each resident (215 minutes from Oct 2024);
- including 40 minutes of Registered Nurse (RN) time (44 minutes from Oct 2024); and
- an RN on site for a minimum of 16 hours per day.

The 200 minutes does not include allied health, pastoral care staff or contractors. Minutes required for each resident will be case-mix adjusted, which means that each AN-ACC class will attract a specific number of minutes per day. The 200 minutes per day is an average which will be adjusted to reflect the specific care needs of the resident (lower or higher). The latest industry data indicates that providers currently deliver approximately 178 care minutes per resident per day.

8.8.2 Regulatory Reform to Capital Funding for the Sector

Recommendation 142⁵ of the Royal Commission into Aged Care Quality and Safety supports phasing out the use and requirement of RADs to reduce providers' reliance on consumers as a source of capital financing. The recommendation included the establishment of an aged care accommodation capital facility, with the terms and conditions of assistance to incentivise the development of small household models of accommodation.

The eventual reforms to capital funding regulations for the sector are currently unknown and may impact the capital requirement aspects of the feasibility assessment.

⁵ Royal Commission into Aged Care Quality and Safety, 2021, Final Report: Care, Dignity and Respect, Volume 1, Summary and Recommendations.

9. RECOMMENDATIONS

This section outlines key recommendations relating to the establishment of a residential aged care service in Exmouth.

9.1 Recommendation 1

It is recommended that the Shire pursue the development of a State Owned and Operated residential aged care facility aligned with Option 4. The feasibility assessment indicates that this option would have an expected upfront capital requirement/subsidy of approximately \$41.6 million and require a recurrent operating subsidy.

This option would enable the operator to realise co-location efficiencies by rationalising administrative and corporate overhead functions with the Exmouth Health Service. This option would also enable the operator to overcome difficulties relating to operating an aged care facility in a remote location through shared staffing arrangements.

9.2 Recommendation 2

It is recommended that the residential aged care facility include the following to address specific needs of the Exmouth community identified during consultation with the community:

- A minimum of one dementia specific care place; and
- A minimum of one couples care option.

9.3 Recommendation 3

It is recommended that the Shire outline the benefits of a local residential aged care facility during consultation with capital providers, including the following:

- Ability to repurpose 3 care spaces at the Exmouth Health Service that are currently being used to provide residential aged care services for alternative uses including admitted care services;
- Reduced patient transfer costs to the Western Australian Country Health Service on a recurrent basis;
- Addressing a critical care need of the Exmouth community that will enable residents to remain in the community.



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Monthly Financial Report

For the period ended

February 2023

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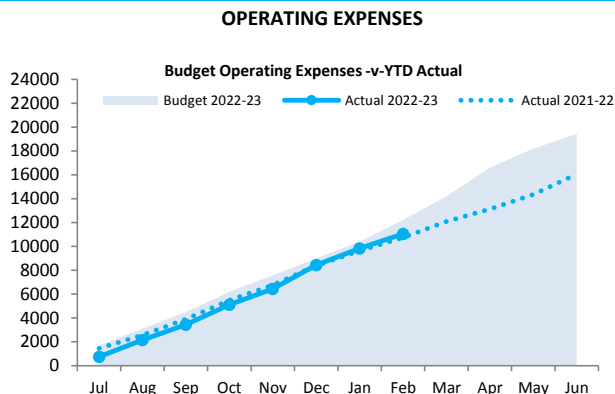
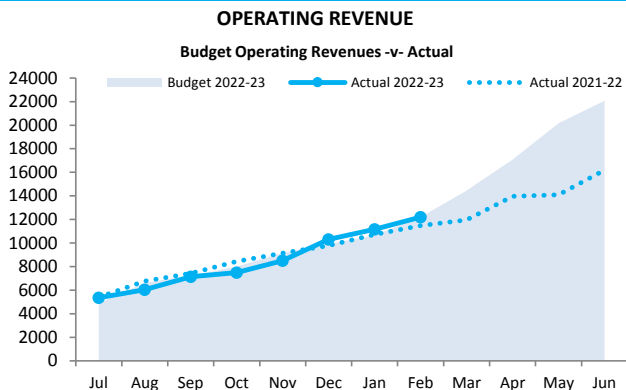
SHIRE OF EXMOUTH
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 28 February 2023

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

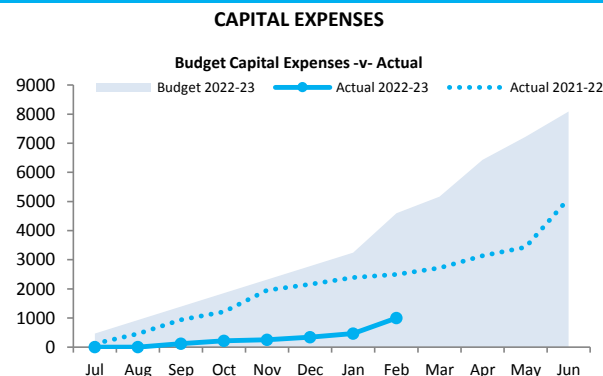
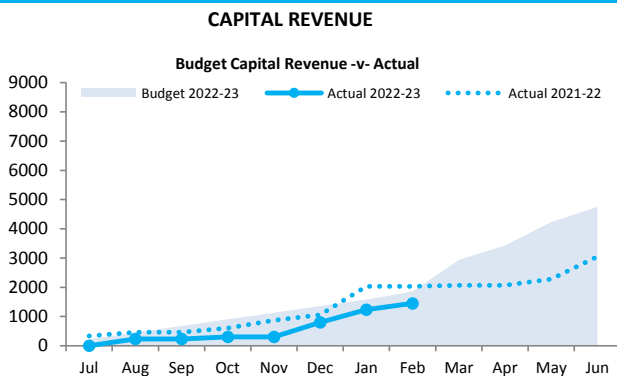
TABLE OF CONTENTS

Statement of Financial Activity by Nature or Type	4
Explanation Explanation of Material Variances	5
Basis of Preparation	6
Note 1 Statement of Financial Activity Information	7
Note 2 Cash and Financial Assets	8
Note 3 Reserve Accounts	9
Note 4 Receivables	10
Note 5 Other Current Assets	11
Note 6 Disposal of Assets	12
Note 7 Capital Acquisitions	13
Note 8 Payables	14
Note 9 Borrowings	15
Note 10 Lease Liabilities	16
Note 11 Other Current Liabilities	17
Note 12 Operating grants and contributions	18
Note 13 Non operating grants and contributions	19
Note 14 Trust Fund	20

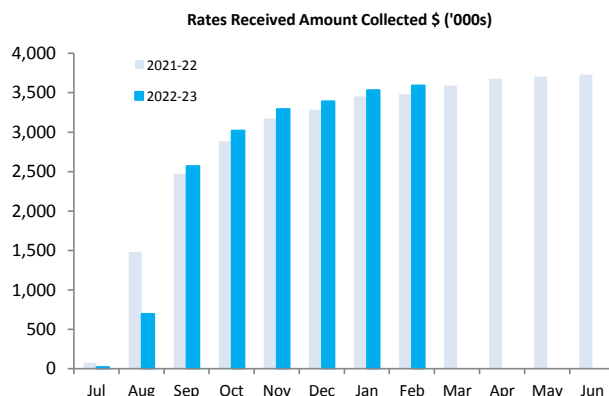
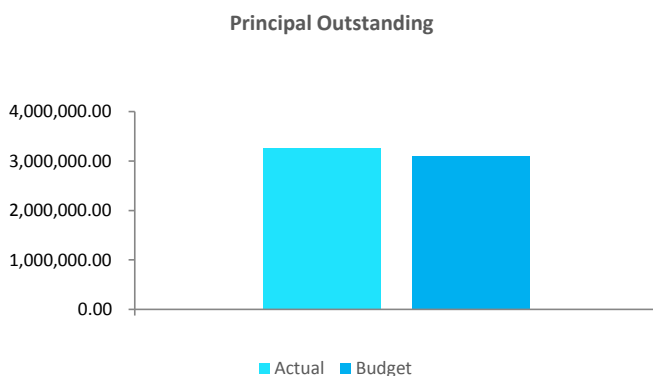
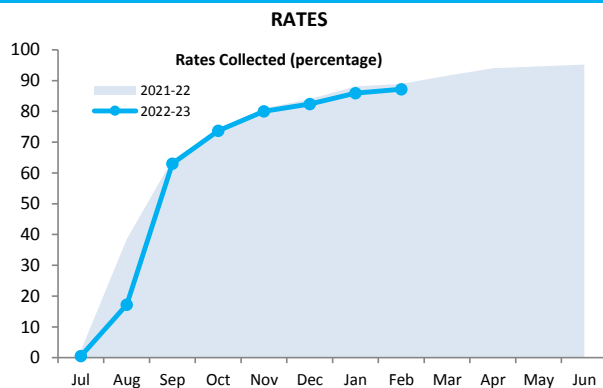
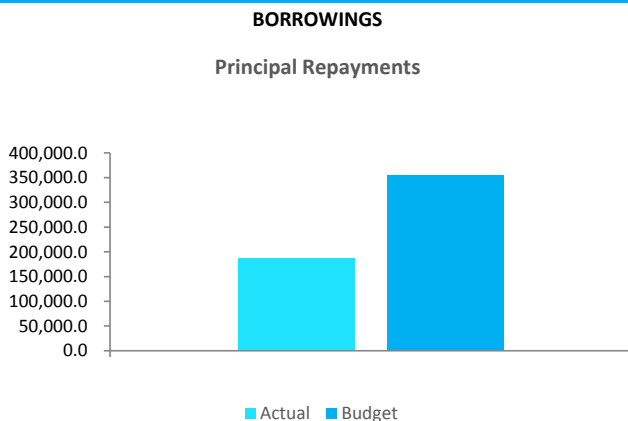
OPERATING ACTIVITIES



INVESTING ACTIVITIES



FINANCING ACTIVITIES



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

KEY TERMS AND DESCRIPTIONS FOR THE PERIOD ENDED 28 FEBRUARY 2023

NATURE OR TYPE DESCRIPTIONS

REVENUE

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Excludes administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, and other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. *Regulation 54 of the Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates, reimbursements etc.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Shortfall between the value of assets received over the net book value for assets on their disposal.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets. Excluding Land.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

BY NATURE OR TYPE

	Ref	Amended Budget	YTD Budget	YTD Actual	Variance \$	Variance %
	Note	(a)	(b)	(c)	(c) - (b)	((c) - (b))/((b))
		\$	\$	\$	\$	%
Opening funding surplus / (deficit)	1(c)	2,293,274	2,293,274	2,293,274	0	0.00%
Revenue from operating activities						
Rates		3,920,000	3,904,992	3,924,247	19,255	0.49%
Specified area and ex gratia rates		57,000	57,000	57,054	54	0.09%
Operating grants, subsidies and contributions	12	2,814,000	1,214,678	725,937	(488,741)	(40.24%)
Fees and charges		9,783,000	6,770,168	6,941,071	170,903	2.52%
Interest earnings		280,000	186,656	147,478	(39,178)	(20.99%)
Other revenue		466,000	310,600	234,246	(76,354)	(24.58%)
		17,320,000	12,444,094	12,030,033	(414,061)	(3.33%)
Expenditure from operating activities						
Employee costs		(7,469,000)	(4,983,800)	(4,585,634)	398,166	7.99%
Materials and contracts		(6,227,000)	(3,253,516)	(2,753,597)	499,919	15.37%
Utility charges		(859,000)	(572,432)	(510,826)	61,606	10.76%
Depreciation on non-current assets		(3,810,000)	(2,539,728)	(2,452,897)	86,831	3.42%
Interest expenses		(112,000)	(59,000)	(48,221)	10,779	18.27%
Insurance expenses		(606,000)	(591,424)	(600,434)	(9,010)	(1.52%)
Other expenditure		(348,000)	(208,538)	(98,343)	110,195	52.84%
		(19,431,000)	(12,208,438)	(11,049,953)	1,158,485	(9.49%)
Non-cash amounts excluded from operating activities	1(a)	3,810,000	2,539,728	2,452,897	(86,831)	(3.42%)
Amount attributable to operating activities		1,699,000	2,775,384	3,432,977	657,593	23.69%
Investing activities						
Proceeds from non-operating grants, subsidies and contributions	13	4,747,000	1,854,496	1,623,217	(231,279)	(12.47%)
Proceeds from disposal of assets	6	146,000	50,000	65,600	15,600	31.20%
Payments for property, plant and equipment and infrastructure	7	(8,090,000)	(4,593,080)	(996,774)	3,596,306	78.30%
Amount attributable to investing activities		(3,197,000)	(2,688,584)	692,043	3,380,627	(125.74%)
Financing Activities						
Transfer from reserves	3	2,103,000	0	0	0	0.00%
Payments for principal portion of lease liabilities	10	(6,000)	0	0	0	0.00%
Proceeds from community loans		12,000	0	17,600	17,600	0.00%
Advance to community groups		(102,000)	(102,000)	(102,267)	(267)	(0.26%)
Repayment of debentures	9	(354,000)	(185,000)	(188,118)	(3,118)	(1.69%)
Transfer to reserves	3	(2,439,000)	0	(122,022)	(122,022)	0.00%
Amount attributable to financing activities		(786,000)	(287,000)	(394,807)	(107,807)	37.56%
Closing funding surplus / (deficit)	1(c)	9,274	2,093,074	6,023,487	3,930,413	(187.78%)

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

Refer to Note for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

EXPLANATION OF MATERIAL VARIANCES

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2022-23 year is \$25,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Explanation of variances
	\$	%	
Revenue from operating activities			
Operating grants, subsidies and contributions	(488,741)	(40.24%)	Timing of operating grants
Fees and charges	170,903	2.52%	Timing of aviation operations, visitor centre and NADC
Interest earnings	(39,178)	(20.99%)	Timing of maturity of investments (Interest rates are increasing)
Other revenue	(76,354)	(24.58%)	Timing of reimbursements
Expenditure from operating activities			
Employee costs	398,166	7.99%	Vacant positions
Materials and contracts	499,919	15.37%	Timing of maintenance and operational projects
Utility charges	61,606	10.76%	Timing of billing
Depreciation on non-current assets	86,831	3.42%	Timing of right of use assets
Other expenditure	110,195	52.84%	Timing of aviation lease payment
Investing activities			
Proceeds from non-operating grants, subsidies and contributions	(231,279)	(12.47%)	Timing of projects
Payments for property, plant and equipment and infrastructure	3,596,306	78.30%	See note 7

BASIS OF PREPARATION

The financial report has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying Regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to these financial statements.

SIGNIFICANT ACCOUNTING POLICES

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimation of fair values of certain financial assets
- estimation of fair values of fixed assets shown at fair value
- impairment of financial assets

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

ROUNDING OFF FIGURES

All figures shown in this statement are rounded to the nearest dollar.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 13 March 2023

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Notes	Amended Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities		\$	\$	\$
Adjustments to operating activities				
Add: Depreciation on assets		3,810,000	2,539,728	2,452,897
Total non-cash items excluded from operating activities		3,810,000	2,539,728	2,452,897

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

		Amended Budget Opening 30 June 2022	Last Year Closing 30 June 2022	Year to Date 28 February 2023
Adjustments to net current assets				
Less: Reserves - restricted cash	3	(11,279,359)	(11,279,359)	(11,401,382)
Less: Financial assets at amortised cost - self supporting loans	5	(12,200)	(12,200)	5,400
Add: Borrowings	9	354,034	354,034	165,916
Add: Provisions employee related provisions	11	778,391	778,391	778,391
Add: Lease liabilities	10	6,122	6,122	6,122
Total adjustments to net current assets		(10,153,012)	(10,153,012)	(10,445,553)

(c) Net current assets used in the Statement of Financial Activity

Current assets				
Cash and cash equivalents	2	15,287,959	15,287,959	15,133,184
Rates receivables	4	177,378	177,378	480,849
Receivables	4	2,797,875	2,797,875	2,977,428
Other current assets	5	168,185	168,185	165,296
Less: Current liabilities				
Payables	8	(4,492,472)	(4,492,472)	(983,196)
Borrowings	9	(354,034)	(354,034)	(165,916)
Contract liabilities	11	(354,092)	(354,092)	(354,092)
Lease liabilities	10	(6,122)	(6,122)	(6,122)
Provisions	11	(778,391)	(778,391)	(778,391)
Less: Total adjustments to net current assets	1(b)	(10,153,012)	(10,153,012)	(10,445,553)
Closing funding surplus / (deficit)		2,293,274	2,293,274	6,023,487

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted \$	Restricted \$	Total Cash \$	Trust \$	Institution	Interest Rate	Maturity Date
Cash on hand								
Petty Cash and Floats	Cash and cash equivalents	2,650	0	2,650	0			
Municipal Fund	Cash and cash equivalents	2,729,152	0	2,729,152	0	Westpac	0.00%	At Call
Reserve Fund	Cash and cash equivalents	0	2,901,382	2,901,382	0	Westpac	0.01%	At Call
Trust Fund	Cash and cash equivalents	0	0	0	114,655	Westpac	0.00%	At Call
Term Deposits								
Municipal Term Deposit	Cash and cash equivalents	1,000,000	0	1,000,000	0	NAB	3.30%	03/2023
Reserve Term Deposit	Cash and cash equivalents	0	1,000,000	1,000,000	0	Macquarie	4.07%	06/2023
Reserve Term Deposit	Cash and cash equivalents	0	2,000,000	2,000,000	0	NAB	3.85%	04/2023
Reserve Term Deposit	Cash and cash equivalents	0	2,000,000	2,000,000	0	NAB	3.72%	03/2023
Reserve Term Deposit	Cash and cash equivalents	0	1,500,000	1,500,000	0	BankVic	4.15%	06/2023
Reserve Term Deposit	Cash and cash equivalents	0	2,000,000	2,000,000	0	NAB	4.00%	05/2023
Total		3,731,802	11,401,382	15,133,184	114,655			
Comprising								
Cash and cash equivalents		3,731,802	11,401,382	15,133,184	114,655			
		3,731,802	11,401,382	15,133,184	114,655			

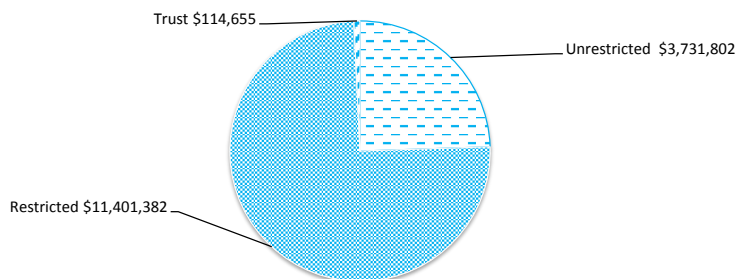
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**OPERATING ACTIVITIES
NOTE 3
RESERVE ACCOUNTS**

Reserve accounts

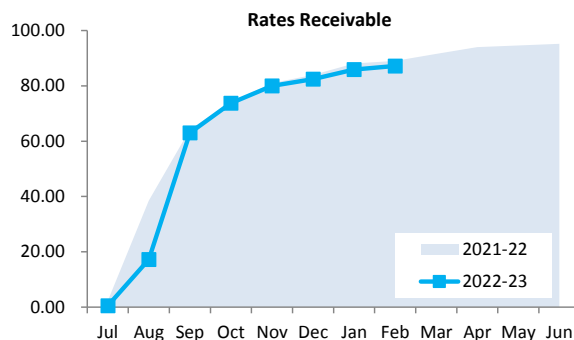
Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Legislation									
Marina Canal Reserve	464,554	8,000	5,210	57,000	0	0	0	529,554	469,764
Restricted by Council									
Leave Reserve	701,601	12,000	7,869	0	0	0	0	713,601	709,470
Aviation Reserve	1,125,461	20,000	12,623	0	0	0	0	1,145,461	1,138,084
Building Infrastructure Reserve	81,732	2,000	917	0	0	0	0	83,732	82,649
Community Development Reserve	1,125,029	21,000	12,618	0	0	(212,000)	0	934,029	1,137,647
Community Interest Free Reserve	279,018	6,000	3,129	0	0	(102,000)	0	183,018	282,147
Insurance/Natural Disaster Reserve	184,605	4,000	2,070	0	0	0	0	188,605	186,675
Land Acquisition Reserve	1,391,625	27,000	15,608	0	0	0	0	1,418,625	1,407,233
Marine Village Asset Replacement Reserve	33,557	0	376	0	0	0	0	33,557	33,933
Mosquito Management Reserve	10,196	0	114	0	0	0	0	10,196	10,310
Ningaloo Centre Reserve	295,057	6,000	3,309	337,000	0	(183,000)	0	455,057	298,366
Plant Reserve	460,599	8,000	5,166	530,000	0	(720,000)	0	278,599	465,765
Public Radio Infrastructure Reserve	5,203	0	58	0	0	0	0	5,203	5,261
Rehabilitation Reserve	254,305	4,000	2,852	0	0	0	0	258,305	257,157
Roads Reserve	904,289	16,000	10,142	0	0	(187,000)	0	733,289	914,431
Shire President COVID-19 Relief Fund	40,347	0	222	0	0	(40,000)	0	347	40,569
Shire Staff Housing Reserve	37,564	0	421	1,050,000	0	0	0	1,087,564	37,985
Swimming Pool Reserve	2,306,210	43,000	25,866	0	0	0	0	2,349,210	2,332,077
Tourism Development Reserve	355,048	6,000	3,982	0	0	0	0	361,048	359,030
Town Planning Scheme Reserve	22,045	0	247	0	0	0	0	22,045	22,292
Waste Management Reserve	822,091	17,000	9,220	200,000	0	(295,000)	0	744,091	831,311
Unspent Grants & Contributions Reserve	379,223	0	0	65,000	0	(364,000)	0	80,223	379,223
	11,279,359	200,000	122,022	2,239,000	0	(2,103,000)	0	11,615,359	11,401,382

KEY INFORMATION

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Purpose of the reserve
Leave Reserve	To be used for annual and long service leave requirements.
Aviation Reserve	To be used to fund aviation improvements.
Building Infrastructure Reserve	To be used for the development, preservation and maintenance of building infrastructure with the the Shire of Exmouth.
Community Development Reserve	To be used for major community development initiatives.
Community Interest Free Reserve	To be to fund major community development projects.
Insurance/Natural Disaster Reserve	To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/WANDRRA claims.
Land Acquisition Reserve	To be used to fund the acquisition and disposal of land and buildings and provide contributions for land development within the Shire of Exmouth.
Marina Canal Reserve (Specified Area Rates)	These funds are derived from levying specified area rate titles Marina Specified Area Rates.
Marina Village Asset Replacement Reserve	To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village.
Mosquito Management Reserve	To be used in years where mosquito-borne disease/nuisance is greater than normal.
Ningaloo Centre Reserve	To be used for the preservation and maintenance of the Ningaloo Centre.
Plant Reserve	To be used for the purchase of major plant and equipment.
Public Radio Infrastructure Reserve	To be used to maintain the rebroadcasting infrastructure.
Rehabilitation Reserve	To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth.
Roads Reserve	To be used for the preservation and maintenance of roads.
Shire President COVID-19 Relief Fund	To be used to support the community who are severely financially affected by COVID-19.
Shire Staff Housing Reserve	To be used to fund housing for staff.
Swimming Pool Reserve	To be used to fund swimming pool upgrades.
Tourism Development Reserve	To be used to fund the development and implementation of initiatives to achieve the strategic tourism and economic developments of the Shire of Exmouth.
Town Planning Scheme Reserve	To be used from the propose of funding a review of the future Town Planning Scheme.
Waste & Recycle Management Reserve	To be used to fund capital and operational costs of Refuse Site including implementation of post closure plan.

Rates receivable	30 June 2022	28 Feb 2023
	\$	\$
Opening arrears previous years	234,502	137,432
Levied this year	3,686,412	3,981,301
Less - collections to date	(3,733,456)	(3,592,350)
Gross rates collectable	137,432	480,849
Net rates collectable	137,432	480,849
% Collected	95.2%	87.2%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(104,185)	1,401,903	1,277,645	32,857	191,670	2,799,889
Percentage	(3.7%)	50.1%	45.6%	1.2%	6.8%	
Balance per trial balance						
Sundry receivable						2,799,889
GST receivable						94,882
Community Loans						(5,400)
Property Service Charges						88,057
Total receivables general outstanding						2,977,428

Amounts shown above include GST (where applicable)

KEY INFORMATION

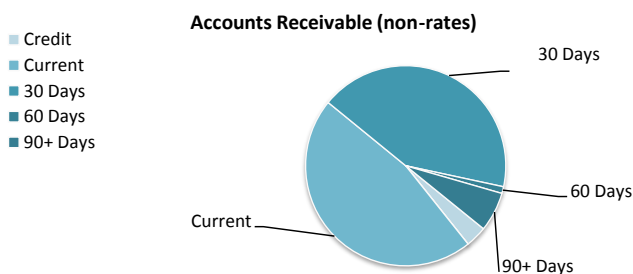
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.



Other current assets	Opening Balance 1 July 2022	Movement	Closing Balance 28 February 2023
	\$	\$	\$
Inventory			
Fuel and materials on hand	54,265	(2,889)	51,376
Stock - Visitor Centre Merchandise	113,920	0	113,920
Total other current assets	168,185	(2,889)	165,296
Amounts shown above include GST (where applicable)			

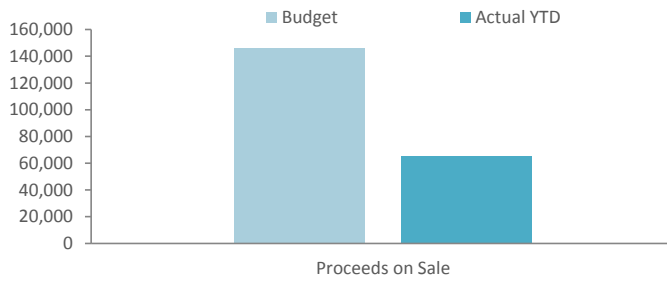
KEY INFORMATION

Inventory

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	Plant and equipment								
	Transport								
	Plant replacement	146,000	146,000	0	0	65,600	65,600	0	0
		146,000	146,000	0	0	65,600	65,600	0	0



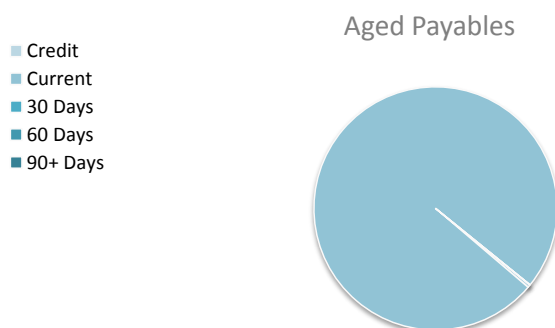
Account Description	Amended			Variance (Under)/Over	Timing		
	Budget	YTD Budget	YTD Actual		Start	Finish	Comments
	\$	\$	\$	\$			
Buildings - Non Specialised							
Property renewals	170,000	113,336	6,764	(106,572)	Q1	Q4	
Staff Housing	0	0	2,368	2,368	Q1	Q2	Carried over from 21/22.
Buildings - Specialised							
Depot Office Expansion	100,000	66,664	0	(66,664)	Q2	Q3	Carried over from 21/22.
Depot Workshop Door Renewal	13,000	8,664	12,718	4,054	Q2	Q4	
Qualing Scarp Fencing	50,000	33,328	9,900	(23,428)	Q2	Q4	
Aviation Screening Point Upgrade	0	0	9,077	9,077	Q2	Q4	
Mandu Kitchen Upgrade	365,000	243,328	135,048	(108,280)	Q2	Q4	
Plant and equipment							
Plant Replacement Program	720,000	479,808	5,812	(473,996)	Q3	Q4	
Waste Compactor	245,000	163,328	0	(163,328)	Q2	Q4	Carried over from 21/22.
Infrastructure - Roads							
Footpath Program	400,000	266,664	199,229	(67,435)	Q2	Q4	
Murat Road	643,000	428,664	21,373	(407,291)	Q2	Q2	
Yardie Creek Road	252,000	168,000	0	(168,000)	Q2	Q4	
Mildura Wreck Road	75,000	50,000	6,397	(43,603)	Q2	Q4	
Road Asphalt Overlays	150,000	100,000	0	(100,000)	Q2	Q4	
Tantabiddi Floodway Upgrade	95,000	63,328	0	(63,328)	Q2	Q4	
Disaster Recovery Works	2,000,000	933,328	7,273	(926,055)	Q2	Q4	
Infrastructure - Other							
Youth Precinct	140,000	93,328	1,500	(91,828)	Q2	Q3	Carried over from 21/22.
Bike Park	0	0	10,689	10,689	Q2	Q3	Carried over from 21/22.
Wastewater Irrigation Pond	50,000	33,328	11,162	(22,166)	Q2	Q3	
Septage Ponds	0	0	11,660	11,660	Q2	Q3	Carried over from 21/22.
Hallway Pier with Interactive Flooring	55,000	36,664	20,875	(15,789)	Q2	Q3	
Lagoon Aquarium	85,000	56,664	32,201	(24,463)	Q2	Q3	
Spray Park Renewal	40,000	26,664	0	(26,664)	Q2	Q3	
Recycling bins & bring it recycling centre	0	0	1,779	1,779	Q2	Q3	Carried over from 21/22.
Town Beach Upgrade Stage 1B	667,000	444,664	377,744	(66,920)	Q2	Q3	
Pool Painting & New Cover	0	0	9,931	9,931	Q2	Q3	
Installation and leasing 8 jetties	0	0	(8,908)	(8,908)	Q2	Q3	
Solar Eclipse - Dump Point	40,000	26,664	0	(26,664)	Q2	Q3	
Sentinel Chicken Pen Upgrades	15,000	10,000	1,450	(8,550)	Q4	Q4	Carried over from 21/22.
Illegal Camping Prevention	0	0	17,390	17,390	Q3	Q4	Carried over from 21/22.
Chlorine Storage	70,000	46,664	7,259	(39,405)	Q4	Q4	Carried over from 21/22.
Federation Park Power Upgrade	0	0	4,714	4,714	Q1	Q1	
Welch Str - Solar Eclipse Campground	1,650,000	700,000	81,367	(618,633)	Q1	Q1	
	8,090,000	4,593,080	996,774	(3,596,306)			

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	(2,094)	515,710	0	0	0	513,616
Percentage	-0.4%	100.4%	0%	0%	0%	
Balance per trial balance						
Sundry creditors						513,615
ATO liabilities						123,473
Bonds, retentions and advance bookings and ESL liability						267,621
BSL						7,698
BCITF						27,817
Accrued expense committed costs						0
Accrued interest						0
Prepaid Rates						42,971
Total payables general outstanding						983,196

Amounts shown above include GST (where applicable)

KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the period that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.



Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2022	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing										
Staff Dwellings	80	408,209	0	0	(49,957)	(76,000)	358,252	332,209	(12,187)	(18,000)
Staff Dwellings	83	489,417	0	0	(25,565)	(51,000)	463,852	438,417	(3,521)	(7,000)
Staff Dwellings	84	1,660,000	0	0	(70,395)	(142,000)	1,589,605	1,518,000	(28,197)	(55,000)
Recreation and culture										
Ningaloo Centre	82	719,956	0	0	(30,632)	(62,000)	689,324	657,956	(11,987)	(23,000)
Other property and services										
1 Bennett Street	76	175,374	0	0	(11,569)	(23,000)	163,805	152,374	(4,419)	(9,000)
Total		3,452,956	0	0	(188,118)	(354,000)	3,264,838	3,098,956	(60,312)	(112,000)
Current borrowings		165,916					0			
Non-current borrowings		3,098,922					3,264,838			
		3,264,838					3,264,838			

All debenture repayments were financed by general purpose revenue.

The Shire has no unspent debenture funds as at 30th June 2022, nor is it expected to have unspent funds as at 30th June 2023.

KEY INFORMATION

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Non-current borrowings fair values are based on discounted cash flows using a current borrowing rate.

Movement in carrying amounts

Information on leases Particulars	Lease No.	1 July 2022	New Leases		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Transport										
Aviation - RAAF Airport Lease		6,122	0	0	0	(6,000)	6,122	122	0	0
Total		6,122	0	0	0	-6,000	6,122	122	0	0
Current lease liabilities		6,122					6,122			
		6,122					6,122			

All lease repayments were financed by general purpose revenue.

KEY INFORMATION

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

	Note	Opening Balance 1 July 2022	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 28 February 2023
		\$		\$	\$	\$
Other current liabilities						
Other liabilities						
- Contract liabilities		354,092	0	0	0	354,092
Total other liabilities		354,092	0	0	0	354,092
Employee Related Provisions						
Annual leave		483,573	0	0	0	483,573
Long service leave		294,818	0	0	0	294,818
Total Employee Related Provisions		778,391	0	0	0	778,391
Total other current assets		1,132,483	0	0	0	1,132,483
Amounts shown above include GST (where applicable)						

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 12

KEY INFORMATION

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee Related Provisions

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as employee related provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Capital grant/contribution liabilities

Grants to acquire or construct recognisable non-financial assets to identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue					
	Liability	Increase in	Decrease in	Liability	Current	Amended	YTD	Annual	Budget	YTD	
	1 July 2022	Liability	Liability	28 Feb 2023	Liability	Budget	Budget	Variations	Expected	Revenue	
	\$	\$	(As revenue)	\$	\$	\$	\$	\$	\$	\$	
Operating grants and subsidies											
General purpose funding											
Grants Commission - General Purpose	0	0	0	0	0	1,200,000	338,129	1,200,000	0	1,200,000	338,129
DFES	0	0	0	0	0	4,000	2,664	0	4,000	4,000	4,000
Health											
Fight the Bite (DOH)	0	0	0	0	0	2,000	1,328	0	2,000	2,000	1,902
Community amenities											
DPLH - Coastal Hazard Risk Management and Adaption Plan & Heritage Inventory	0	0	0	0	0	45,000	30,000	65,000	(20,000)	45,000	0
Recreation and culture											
Various - Community Grant	0	0	0	0	0	72,000	48,000	60,000	12,000	72,000	(11,964)
Business Events Perth - Content Creation Program for Ningaloo Centre (MICE)	0	0	0	0	0	0	0	0	0	0	4,625
Transport											
Grants Commission - Untied Road Grant	0	0	0	0	0	425,000	83,926	425,000	0	425,000	83,926
DASCS - Domestic Airports Security Costs Support	0	0	0	0	0	680,000	453,328	600,000	80,000	680,000	0
Economic services											
JTSI - Financial Assistance Agreement Solar Eclipse	0	0	0	0	0	125,000	26,664	0	125,000	125,000	90,455
JTSI - Interactive Information Kiosks & App	0	0	0	0	0	70,000	70,000	0	70,000	70,000	70,000
LotteryWest - Solar Eclipse Dark Sky Festival	0	0	0	0	0	100,000	100,000	0	100,000	100,000	93,855
	0	0	0	0	0	2,723,000	1,154,038	2,350,000	373,000	2,723,000	674,927
Operating contributions											
Recreation and culture											
Various - Community Contributions & Donations	0	0	0	0	0	11,000	7,328	11,000	0	11,000	(500)
Other property and services											
ATO - Diesel Fuel Subsidy	0	0	0	0	0	15,000	10,000	20,000	(5,000)	15,000	10,383
Other	0	0	0	0	0	65,000	43,312	0	65,000	65,000	41,127
	0	0	0	0	0	91,000	60,640	31,000	60,000	91,000	51,010
TOTALS	0	0	0	0	0	2,814,000	1,214,678	2,381,000	433,000	2,814,000	725,937

Provider	Capital grant/contribution liabilities					Non operating grants, subsidies and contributions revenue					
	Liability	Increase in	Decrease in	Liability	Current	Amended	YTD	Annual	Budget	Expected	YTD
	1 July 2022	Liability	Liability	28 Feb 2023	Liability	Budget	Budget	Budget	Variations		Revenue
	\$	\$	\$	\$	\$	Revenue	\$	\$	\$	\$	Actual
Non-operating grants and subsidies											
Recreation and culture											
Town Beach Upgrade Stage 1B	0	0	0	0	0	455,000	303,328	470,000	(15,000)	455,000	217,025
JTSI - Mandu Kitchen Upgrade	0	0	0	0	0	182,000	121,328	0	182,000	182,000	88,161
Transport											
MRWA - Regional Road Group	0	0	0	0	0	285,000	189,920	285,000	0	285,000	114,157
Roads to Recovery Grant	0	0	0	0	0	267,000	177,928	267,000	0	267,000	0
Local Roads and Community Infrastructure	0	0	0	0	0	95,000	63,328	1,695,000	(1,600,000)	95,000	284,051
Disaster Recovery Funding	0	0	0	0	0	1,813,000	1,208,664	0	1,813,000	1,813,000	495,485
Economic services											
JTSI - Financial Assistance Agreement Solar Eclipse	0	0	0	0	0	1,650,000	1,100,000	0	1,650,000	1,650,000	424,337
	0	0	0	0	0	4,747,000	3,164,496	2,717,000	2,030,000	4,747,000	1,623,217

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**NOTE 14
TRUST FUND**

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Description	Opening Balance	Amount	Amount	Closing Balance
	1 July 2022	Received	Paid	28 Feb 2023
	\$	\$	\$	\$
Cash in Lieu POS	45,641	0	0	45,641
Bond Deed Exmouth Marina Holdings	18,186	0	0	18,186
Exmouth Volunteer Fire & Rescue	50,828	0	0	50,828
	114,655	0	0	114,655

CORPORATE SERVICES

MONTHLY LIST OF PAYMENTS - FEBRUARY 2023

Municipal Account:

Cheque	\$	286.65
Direct Debits and EFT Payments (EFT24348-EFT24525)	\$	1,084,780.30
Credit Card Purchases	\$	12,512.93
Total Municipal Account	\$	1,097,579.88

Trust Account:

Cheque ()	\$	-
EFT Payments ()	\$	-
Total Trust Account	\$	-

TOTAL PAYMENTS \$ 1,097,579.88

Reference	Date	Name	Description	Municipal Account	Trust Account
13819	10/02/2023	DEPARTMENT OF TRANSPORT	SPECIAL SERIES NUMBER PLATES - 214EX WORKPLACE MEDICAL SERVICES	\$ 200.00	
13820	13/02/2023	DEPARTMENT OF TRANSPORT	LEARMONTH JETTY RENEWAL FEE	\$ 86.65	
			TOTAL CHEQUES	\$ 286.65	\$ -
DD7963	09/02/2023	SIAM BETTER HEALTH CO.,LTD. (MS. KULJIRA LAOPRASERT)	REMAINING 60% OF NVC MERCHANDISE PURCHASE	\$ 8,756.00	
DD7984	08/02/2023	BEAM CONNECT	SUPERANNUATION PAYMENTS	\$ 43,418.14	
DD8039	23/02/2023	WESTERN AUSTRALIAN TREASURY CORP.	LOAN PAYMENTS	\$ 7,768.00	
DD8046	24/02/2023	BEAM CONNECT	SUPERANNUATION PAYMENTS	\$ 41,236.50	
DD8045		PIVOTEL	SATELLITE PHONE SPOT TRACKING NOVEMBER	\$ 31.00	
DD8045		MAIA FINANCIAL PTY LTD	ALLEASING RENTAL 1/10/22-31/12/22	\$ 19,241.20	
DD8045		HP FINANCIAL SERVICES	HPE EQUIPMENT LEASE 1/1/23-31/1/23	\$ 4,367.00	
DD8045		MESSAGE4U	MESSAGE MEDIA MONTHLY DEBIT	\$ 44.00	
DD8045		NAYAX	AIRPORT VENDING MACHINE SERVICE FEE	\$ 38.17	
DD8045		PAYMATE	FLECXI PAYMATE WATER DISPENSER EXPENSES	\$ 165.00	
DD8045		TELAIR	FIBRE INTERNET SERVICE - LEARMONTH AIRPORT	\$ 724.90	
DD8045		TELSTRA	TELSTRA MAIN ACCOUNT - COMMS EXPENSES	\$ 7,201.46	
DD8045		TELSTRA	TELSTRA MOBILE ACCOUNTS	\$ 813.60	
DD8045		TELSTRA	TELSTRA COUNCILLOR COMMS EXPENSES	\$ 174.95	
DD8045		TELSTRA	TELSTRA RERTIC LINE	\$ 69.95	
DD8045		WESTNET	SES DOMAIN CHARGES	\$ 69.99	
DD8045		WESTNET	INTERNET SERVICE AIRPORT	\$ 49.99	
DD8045		FINES ENFORCEMENT REGISTRY	FINES ENFORCEMENT LODGEMENT FEES	\$ 4,698.00	
			TOTAL DIRECT DEBIT PAYMENTS	\$ 138,867.85	
EFT24348	03/02/2023	ABCO PRODUCTS PTY LTD	CONSUMABLES	\$ 608.57	
EFT24349	03/02/2023	ATOM SUPPLY / GERALDTON INDUSTRIAL SUPPLIES	STAFF PPE	\$ 1,076.99	
EFT24350	03/02/2023	AUSTRALIAN TAX OFFICE (PAYG)	PAYROLL DEDUCTIONS/CONTRIBUTIONS	\$ 47,930.00	
EFT24351	03/02/2023	CHADSON ENGINEERING PTY LTD	CHLORINE TABLETS FOR SPRAY PARK	\$ 485.10	
EFT24352	03/02/2023	DEPARTMENT OF TRANSPORT - TRANSPORT CENTRE PERTH	DISCLOSURE OF INFORMATION FEES	\$ 24.60	
EFT24353	03/02/2023	EXMOUTH BUS CHARTERS	AIRPORT SHUTTLE SERVICE FEE FOR JANUARY 2023	\$ 6,000.00	
EFT24354	03/02/2023	EXMOUTH WHOLESALEERS	AIRPORT VENDING MACHINE STOCK	\$ 1,651.97	
EFT24355	03/02/2023	EXY PLUMBING & CONTRACTING	REPLACE FAILED BARREL UNION AND FITTINGS AT PATTERSON BORE	\$ 630.47	
EFT24356	03/02/2023	FUSION FABRICATION AND MARINE	REPAIR ALUMINUM FRAME ON PUBLIC POOL DIVING BOARD	\$ 462.00	
EFT24357	03/02/2023	HORIZON POWER - ACCOUNTS	ELECTRICITY CHARGES	\$ 5,547.92	
EFT24358	03/02/2023	IT VISION	STAFF TRAINING	\$ 288.20	
EFT24359	03/02/2023	LOCAL GOVT RACING & CEMETERIES EMP UNION	PAYROLL DEDUCTIONS/CONTRIBUTIONS	\$ 22.00	
EFT24360	03/02/2023	NETSIGHT CONSULTING PTY LTD ATF AM2 TRUST & FM2 TRUST	MYOSH MONTHLY SUBSCRIPTION	\$ 283.80	
EFT24361	03/02/2023	NETWORK POWER SOLUTIONS PTY LTD	REPLACE FAULTY AIRCON SHIRE HOUSING, VARIOUS MAINTENANCE	\$ 9,218.80	
EFT24362	03/02/2023	NINGALOO WATER & ICE	CONSUMABLES	\$ 335.80	
EFT24363	03/02/2023	NORCAPE HANDY HIRE STARGAZE INVESTMENT PTY LTD	HIRE OF VERTICAL RAMMER 10.01.23	\$ 150.00	
EFT24364	03/02/2023	PAYWISE PTY LTD	PAYROLL DEDUCTIONS/CONTRIBUTIONS	\$ 928.03	
EFT24365	03/02/2023	PERITUS TECHNOLOGY PTY LTD	AIRPORT PARKING SOFTWARE AND TRANSACTION FEES	\$ 145.35	

Reference	Date	Name	Description	Municipal Account	Trust Account
EFT24366	03/02/2023	SCENT AUSTRALIA PTY LTD	MONTHLY AMBIENT SCENTING FOR NVC	\$ 143.00	
EFT24367	03/02/2023	SEEK LIMITED	EMPLOYMENT AD FOR IRRIGATION TECHNICIAN	\$ 280.50	
EFT24368	03/02/2023	STARMART EXMOUTH	SUPPLY AND FIT TYRE	\$ 254.00	
EFT24369	03/02/2023	TANK STREAM DESIGN PTY LTD	NVC MERCHANDISE	\$ 4,660.22	
EFT24370	03/02/2023	TOLL TRANSPORT PTY LTD	FREIGHT CHARGES	\$ 207.77	
EFT24371	03/02/2023	TOURISM COUNCIL WESTERN AUSTRALIA	SMALL TOURISM TOWN NOMINATION	\$ 275.00	
EFT24372	03/02/2023	VERITAS ENGINEERING PTY LTD	ASIC FOR SHIRE EMPLOYEE	\$ 328.90	
EFT24373	03/02/2023	WESTERN IRRIGATION	RELIEF VALVE AND CONNECTORS	\$ 1,972.96	
EFT24374	10/02/2023	ALCOLIZER PTY LTD	ALCOLIZER MOUTHPIECES	\$ 654.50	
EFT24375	10/02/2023	AUSTRALIAN TAX OFFICE (PAYG)	PAYROLL DEDUCTIONS/CONTRIBUTIONS	\$ 48,876.00	
EFT24376	10/02/2023	BAY BEANS PTY LTD	COFFEE BEANS	\$ 300.86	
EFT24377	10/02/2023	BLACKWOODS (J.BLACKWOOD & SON PTY LTD)	EVACUATION SIGNS	\$ 128.13	
EFT24378	10/02/2023	CAPRICORN PEST CONTROL	PEST CONTROL SPRAY	\$ 4,664.00	
EFT24379	10/02/2023	CHADSON ENGINEERING PTY LTD	SPRAY PARK CONTROLLER PARTS	\$ 652.85	
EFT24380	10/02/2023	CORE SECURITY GROUP PTY LTD	STAFF TRAINING	\$ 13,231.89	
EFT24381	10/02/2023	DECOR8 PAINTING PERTH PTY LTD	BASE PAINTING FOR NADC FAIRY QUEEN EXHIBIT	\$ 528.00	
EFT24382	10/02/2023	EXMOUTH PHARMACY	WOUND GEL	\$ 163.81	
EFT24383	10/02/2023	EXMOUTH WHOLESALERS	TOILET ROLL DISPENSER	\$ 3,118.98	
EFT24384	10/02/2023	EXY PLUMBING & CONTRACTING	SERVICE LEAKING SHOWER TAPS AT SHIRE HOUSING	\$ 122.61	
EFT24385	10/02/2023	HORIZON POWER - ACCOUNTS	ELECTRICITY CHARGES	\$ 2,051.69	
EFT24386	10/02/2023	HTD SURVEYORS & PLANNERS	SURVEY LOT 10 - EXMOUTH AERODROME	\$ 1,133.00	
EFT24387	10/02/2023	LANDGATE	COPY OF CERTIFICATE OF TITLE	\$ 56.40	
EFT24388	10/02/2023	LOCAL GOVERNMENT PROFESSIONALS AUSTRALIA WA	CONTRACT MANAGEMENT WORKSHOP REGISTRATION - FEBRUARY 2023	\$ 1,070.00	
EFT24389	10/02/2023	LOCAL GOVT RACING & CEMETERIES EMP UNION	PAYROLL DEDUCTIONS/CONTRIBUTIONS	\$ 22.00	
EFT24390	10/02/2023	LOCALISE PTY LTD	FACILITATE A LIVE ONLINE FORUM ON THE DRAFT COMMUNITY STRATEGIC PLAN	\$ 1,650.00	
EFT24391	10/02/2023	NETWORK POWER SOLUTIONS PTY LTD	INSTALL NEW POOL PUMP CONTROL SAFETY SWITCH	\$ 1,538.00	
EFT24392	10/02/2023	OFFICEWORKS	STATIONARY ORDER	\$ 1,081.20	
EFT24393	10/02/2023	PAYWISE PTY LTD	PAYROLL DEDUCTIONS/CONTRIBUTIONS	\$ 924.04	
EFT24394	10/02/2023	POTSHOT HOTEL	REFRESHMENTS DEPOT CHRISTMAS	\$ 49.99	
EFT24395	10/02/2023	QUBE LOGISTICS (AUST) PTY LTD	CHLORINE GAS BOTTLES	\$ 5,950.23	
EFT24396	10/02/2023	RAY WHITE TRUST ACCOUNT	STORAGE UNIT	\$ 400.00	
EFT24397	10/02/2023	REEF TO AQUARIUM PTY LTD	NADC LAGOON TANK STOCK	\$ 665.50	
EFT24398	10/02/2023	REGIONAL AIRPORT MANAGEMENT SERVICES PTY LTD	AIRPORT MANAGEMENT SERVICES DECEMBER 2022	\$ 85,724.44	
EFT24399	10/02/2023	SMALL SPACE STAGING	ACCOMMODATION FOR ADDITIONAL LIFEGUARDS AT THE POOL FOR SOLAR ECLIPSE	\$ 3,750.00	
EFT24400	10/02/2023	THINKWATER GERALDTON	RAIN BIRD CONTROLLER	\$ 776.80	
EFT24401	10/02/2023	TNT EXPRESS AUSTRALIA - ACCOUNTS	FREIGHT CHARGES	\$ 150.28	
EFT24402	10/02/2023	TOLL TRANSPORT PTY LTD	FREIGHT CHARGES	\$ 147.30	
EFT24403	10/02/2023	TREVOR MESSENGER ASSOCIATES	CONTRACTED ENVIRONMENTAL HEALTH OFFICER SERVICES JANUARY	\$ 8,300.00	
EFT24404	10/02/2023	WALGA	PROCUREMENT IN LOCAL GOVERNMENT- THE BASICS ANNUAL SUBSCRIPTION	\$ 2,164.00	
EFT24405	10/02/2023	WORKWEAR GROUP PTY LTD	STAFF UNIFORMS	\$ 394.55	
EFT24406	14/02/2023	AQUATIC ADVENTURE EXMOUTH	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 1,275.00	
EFT24407	14/02/2023	CAPE IMMERSION TOURS	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 1,236.75	
EFT24408	14/02/2023	CORAL BAY CHARTERS & GLASS BOTTOM BOATS	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 748.00	
EFT24409	14/02/2023	CORAL BAY ECOTOURS	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 1,330.25	
EFT24410	14/02/2023	DEPARTMENT OF BIODIVERSITY, CONSERVATION AND ATTRACTIONS - EXMOUTH	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 5,529.25	
EFT24411	14/02/2023	DIVE NINGALOO	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 2,652.00	
EFT24412	14/02/2023	EXMOUTH ADVENTURE COMPANY	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 476.00	
EFT24413	14/02/2023	EXMOUTH BUS CHARTERS	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 119.00	
EFT24414	14/02/2023	NINGALOO AVIATION	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 467.50	
EFT24415	14/02/2023	NINGALOO CARAVAN AND HOLIDAY PARK (PHOBOS NOMINEES)	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 1,515.11	
EFT24416	14/02/2023	NINGALOO CORAL BAY - BAYVIEW	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 318.75	
EFT24417	14/02/2023	NINGALOO CORAL BAY BACKPACKERS	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 340.00	
EFT24418	14/02/2023	NINGALOO ECOLOGY CRUISES (NINGALOO GLASS BOTTOM BOAT)	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 6,154.00	

Reference	Date	Name	Description	Municipal Account	Trust Account
EFT24419	14/02/2023	NINGALOO REEF TO RANGE TOURS	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 1,585.25	
EFT24420	14/02/2023	SHIRE OF EXMOUTH	NVC OPERATOR PAYMENT COMMISSION JANUARY 2023	\$ 4,505.04	
EFT24421	14/02/2023	VIEW NINGALOO	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 1,454.35	
EFT24422	14/02/2023	YARDIE CREEK BOAT TOURS	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 38.25	
EFT24423	17/02/2023	ADDICTED2FISH	NADC FILTRATION EQUIPMENT	\$ 3,682.94	
EFT24424	17/02/2023	RATE PAYER	REFUND FOR OVERPAID RATES	\$ 3,491.69	
EFT24425	17/02/2023	ANALYTICAL REFERENCE LABORATORY	SAMPLING ANALYSIS	\$ 133.10	
EFT24426	17/02/2023	ATOM SUPPLY / GERALDTON INDUSTRIAL SUPPLIES	STAFF PPE	\$ 1,120.64	
EFT24427	17/02/2023	AXIENT PTY LTD	CYBER SECURITY TRAINING DECEMBER	\$ 543.40	
EFT24428	17/02/2023	BLACKWOODS (J.BLACKWOOD & SON PTY LTD)	STAFF UNIFORM	\$ 80.81	
EFT24429	17/02/2023	BOYA EQUIPMENT	PARTS FOR RIDE ON MOWER	\$ 1,498.81	
EFT24430	17/02/2023	CAPRICORN PEST CONTROL	PEST SPRAY SHIRE HOUSING	\$ 506.00	
EFT24431	17/02/2023	CONSTRUCTION TRAINING FUND	BCITF LEVY PAYMENT JULY 2022, DECEMBER 2022 & JANUARY 2023	\$ 11,330.73	
EFT24432	17/02/2023	CORAL COAST SHADE SAILS	RANGER VEHICLE SHADE COVERS FOR DOG CAGE	\$ 132.00	
EFT24433	17/02/2023	CAVALIERI UNIT TRUST T/A RID AUSTRALIA	INSECT REPELLANT	\$ 281.69	
EFT24434	17/02/2023	DOWN TO EARTH TRAINING AND ASSESSING	STAFF TRAINING	\$ 7,704.00	
EFT24435	17/02/2023	DRIFTWOOD JEWELLERS	NVC MERCHANDISE	\$ 4,531.70	
EFT24436	17/02/2023	DUSKY SOL	NVC MERCHANDISE	\$ 732.00	
EFT24437	17/02/2023	EXMOUTH AMATEUR SWIMMING CLUB	COMMUNITY AND SPORTING GRANT	\$ 1,000.00	
EFT24438	17/02/2023	EXMOUTH NEWSAGENCY & TOYWORLD	NEWSPAPERS FOR LIBRARY	\$ 208.79	
EFT24439	17/02/2023	EXMOUTH VET CLINIC	TURTLE VET EXPENSES	\$ 1,338.75	
EFT24440	17/02/2023	EXMOUTH WHOLESALERS	CLEANING SUPPLIES	\$ 149.71	
EFT24441	17/02/2023	EXY PLUMBING & CONTRACTING	SUPPLY AND INSTALL WATER METER AT DEPOT	\$ 3,360.80	
EFT24442	17/02/2023	GASCOYNE OFFICE EQUIPMENT	PHOTOCOPIER SERVICE DECEMBER 2022	\$ 1,659.79	
EFT24443	17/02/2023	GROENEVELD-BEKA PTY LTD	CONSUMABLES	\$ 117.74	
EFT24444	17/02/2023	HORIZON POWER - ACCOUNTS	ELECTRICITY CHARGES	\$ 13,957.06	
EFT24445	17/02/2023	JOHN MORRIS SCIENTIFIC PTY LTD	WATER SAMPLING TOOL AND HANDLE	\$ 851.40	
EFT24446	17/02/2023	KAREN MORTON ART & DESIGN	SOLAR ECLIPSE LOGO FOR MERCHANDISE AND TOURIST MAP	\$ 1,100.00	
EFT24447	17/02/2023	LIGNA CONSTRUCTION	EXMOUTH TOWN BEACH LANDSCAPING UPGRADE WORKS PROGRESS CLAIM 1	\$ 254,066.44	
EFT24448	17/02/2023	LOCAL GOVT RACING & CEMETERIES EMP UNION	PAYROLL DEDUCTION FOR PPE 25.12.22	\$ 22.00	
EFT24449	17/02/2023	MARK'S SIGNS	POOL SERVICE SHIRE HOUSING	\$ 644.89	
EFT24450	17/02/2023	MCLEODS BARRISTERS AND SOLICITORS	LEGAL FEES	\$ 1,019.15	
EFT24451	17/02/2023	NETWORK POWER SOLUTIONS PTY LTD	SUPPLY AND INSTALL SPLIT SYSTEM FOR COMMUNITY CENTRE, VARIOUS MAINTENANCE	\$ 7,961.80	
EFT24452	17/02/2023	NINGALOO CARAVAN AND HOLIDAY PARK (PHOBOS NOMINEES)	REIMBURSEMENT OF WATER USE AND SERVICE CHARGES	\$ 915.77	
EFT24453	17/02/2023	PATCHES PAEDIATRICS	REFUND OF BOND FOR COMMUNITY CENTRE HIRE	\$ 250.00	
EFT24454	17/02/2023	RAY WHITE EXMOUTH/EXMOUTH HOLIDAY HOMES (GETAWAY VILLAS)	REFUND FOR DUPLICATE PAYMENT	\$ 250.00	
EFT24455	17/02/2023	SAPIO PTY LTD	IT SUPPORT DECEMBER 2022	\$ 7,655.48	
EFT24456	17/02/2023	SHIRE OF EXMOUTH	BUILDING PERMIT FEES	\$ 320.15	
EFT24457	17/02/2023	THINKWATER GERALDTON	PARTS FOR WATER TRUCK	\$ 1,366.60	
EFT24458	17/02/2023	TOLL TRANSPORT PTY LTD	FREIGHT CHARGES	\$ 166.02	
EFT24459	17/02/2023	TOTALLY WORKWEAR MIDLAND	STAFF UNIFORM	\$ 89.91	
EFT24460	17/02/2023	WORMALD AUSTRALIA PTY LTD	SERVICE AND TEST FIRE PANEL PUMPS AND TANKS	\$ 968.00	
EFT24461	24/02/2023	AMPAC DEBT RECOVERY	DEBT COLLECTION EXPENSES	\$ 104.50	
EFT24462	24/02/2023	AUSTRALIA POST	MONTHLY POSTAGE COSTS	\$ 292.56	
EFT24463	24/02/2023	BAMBOO	CATERING FOR CLUB DEVELOPMENT WORKSHOPS 01.09.22	\$ 183.00	
EFT24464	24/02/2023	BRAECO SALES	VALVES AND FLOW METERS	\$ 3,703.92	
EFT24465	24/02/2023	CAPRICORN PEST CONTROL	PEST CONTROL TREATMENT SHIRE HOUSING	\$ 1,342.00	
EFT24466	24/02/2023	CELLARBRATIONS AT SAM'S CELLARS	REFRESHMENTS	\$ 134.00	
EFT24467	24/02/2023	COMMON GROUND TRAILS PTY LTD	CAPE RANGE CROSSING TRAIL PROGRESS CLAIM 6	\$ 10,692.44	
EFT24468	24/02/2023	CAVALIERI UNIT TRUST T/A RID AUSTRALIA	INSECT REPELLANT	\$ 1,638.98	
EFT24469	24/02/2023	DEPARTMENT OF MINES, INDUSTRY REGULATION AND SAFETY	BSL PAYMENTS JANUARY 2023	\$ 1,141.66	
EFT24470	24/02/2023	EXMOUTH DISTRICT HIGH SCHOOL PARENTS AND CITIZENS (P&C)	DONATION	\$ 500.00	
EFT24471	24/02/2023	EXMOUTH FUEL SUPPLIES	FUEL AND OIL PURCHASES JANUARY 2023	\$ 438.13	

Reference	Date	Name	Description	Municipal Account	Trust Account
EFT24472	24/02/2023	EXMOUTH HARDWARE & BUILDING SUPPLIES	CONSUMABLES	\$ 497.80	
EFT24473	24/02/2023	EXMOUTH VET CLINIC	TURTLE VET EXPENSES	\$ 214.65	
EFT24474	24/02/2023	EXMOUTH WHOLESALERS	TOILET ROLL DISPENSERS, CLEANING PRODUCTS AND VARIOUS CONSUMABLES	\$ 6,548.68	
EFT24475	24/02/2023	GROUND CONTROL AND GARDENS	CLEAN UP AND CUT BACK TREES AT TOWN BEACH	\$ 2,420.00	
EFT24476	24/02/2023	HT CLEANING SERVICES PTY LTD	SHIRE DEPOT CLEANING DECEMBER	\$ 2,223.94	
EFT24477	24/02/2023	LOCAL LARRIKIN	NVC MERCHANDISE	\$ 3,050.00	
EFT24478	24/02/2023	MUMBY'S AUTO ELECTRICAL AND AIR CONDITIONING	STARTER MOTOR AND GASKET FOR GRADER	\$ 1,342.00	
EFT24479	24/02/2023	NETWORK POWER SOLUTIONS PTY LTD	REPAIR POWER LOSS TO SNAPPER LOOP PLAYGROUND - RETICULATION	\$ 1,815.50	
EFT24480	24/02/2023	NEWBOOK PTY LTD	NEWBOOK FEES AND CHARGES	\$ 59.40	
EFT24481	24/02/2023	NINGALOO BAKEHOUSE	AUSTRALIA DAY 2023 BBQ CATERING	\$ 420.00	
EFT24482	24/02/2023	NINGALOO REEF WHALESHARKS (WESTCOAST VENTURES)	NINGALOO VISITOR CENTRE OPERATOR PAYMENTS JANUARY 2023	\$ 1,045.50	
EFT24483	24/02/2023	NINGALOO WATER & ICE	NINGALOO NECTAR	\$ 117.00	
EFT24484	24/02/2023	P & G BODY BUILDERS	SPRAY HEAD PARTS	\$ 862.40	
EFT24485	24/02/2023	ROYAL LIFE SAVING SOCIETY WA INC.	SUPPLY POOL STAFF FOR PERIOD OF NINGALOO ECLIPSE APRIL 2023	\$ 5,425.51	
EFT24486	24/02/2023	SCOPE BUSINESS IMAGING	PHOTOCOPIER SERVICE FEES	\$ 1,144.85	
EFT24487	24/02/2023	SHIRE OF EXMOUTH	BSL COMMISSION JANUARY 2023	\$ 20.00	
EFT24488	24/02/2023	SPARE PARTS PUPPET THEATRE INC	REIMBURSEMENT FOR ARTIST FLIGHTS FOR SOLAR ECLIPSE	\$ 10,057.02	
EFT24489	24/02/2023	STARMART EXMOUTH	CONSUMABLES	\$ 63.00	
EFT24490	24/02/2023	TACKLE WORLD EXMOUTH (BLUE WATER)	STAFF FAREWELL GIFT	\$ 191.89	
EFT24491	24/02/2023	THE LEISURE INSTITUTE OF WA AQUATICS INC	MEMBERSHIP FEES	\$ 132.00	
EFT24492	24/02/2023	TNT EXPRESS AUSTRALIA - ACCOUNTS	FREIGHT CHARGES	\$ 245.82	
EFT24493	24/02/2023	TOLL TRANSPORT PTY LTD	FREIGHT CHARGES	\$ 136.03	
EFT24494	24/02/2023	TONY HOWARD DESIGNS/ CREATIVE TONES	FAIRY QUEEN PANEL GRAPHICS	\$ 190.00	
EFT24495	24/02/2023	TOTAL EDEN PTY LTD	LAGOON PLUMBING PARTS	\$ 5,113.95	
EFT24496	24/02/2023	WESTRAC PTY LTD	PARTS FOR GRADER	\$ 199.05	
EFT24497	28/02/2023	ATOM SUPPLY / GERALDTON INDUSTRIAL SUPPLIES	LINE MARKING PAINT	\$ 2,151.93	
EFT24498	28/02/2023	AUSTRALIAN TAX OFFICE (PAYG)	PAYROLL DEDUCTIONS/CONTRIBUTIONS	\$ 50,097.55	
EFT24499	28/02/2023	AUSTRALIAN TAXATION OFFICE	BAS STATEMENT - JAN 2023	\$ 94,009.00	
EFT24500	28/02/2023	BUDGET SCREEN PRINTING	SOLAR ECLIPSE MERCHANDISE	\$ 31,627.75	
EFT24501	28/02/2023	CARNARVON MOTOR GROUP	VEHICLE FLOOR MAT	\$ 88.52	
EFT24502	28/02/2023	CJ LORD BUILDING AND RENOVATION WA PTY LTD	REPLACE LOCK BOX 24 MAIDSTONE	\$ 275.44	
EFT24503	28/02/2023	EXMOUTH HARDWARE & BUILDING SUPPLIES	NADC MONTHLY CONSUMABLES ACCOUNT	\$ 1,441.45	
EFT24504	28/02/2023	EXMOUTH WHOLESALERS	POOL KIOSK STOCK	\$ 668.90	
EFT24505	28/02/2023	EXY PLUMBING & CONTRACTING	VARIOUS PLUMBING WORKS	\$ 4,208.91	
EFT24506	28/02/2023	HT CLEANING SERVICES PTY LTD	CONTRACT CLEANING FEBRUARY 2023	\$ 14,368.19	
EFT24507	28/02/2023	ILLION TENDERLINK	TENDERLINK ADVERTISING FOR RFQS	\$ 1,089.00	
EFT24508	28/02/2023	IT VISION	ALTUS PAYROLL IMPLEMENTATION TRAVEL DECEMBER 2022	\$ 3,544.43	
EFT24509	28/02/2023	LANDGATE	COPIES OF CERTIFICATE OF TITLE	\$ 28.20	
EFT24510	28/02/2023	LOCAL GOVT RACING & CEMETERIES EMP UNION	PAYROLL DEDUCTIONS/CONTRIBUTIONS	\$ 22.00	
EFT24511	28/02/2023	MARKETFORCE	NEWSPAPER ADS	\$ 2,067.93	
EFT24512	28/02/2023	MOORE AUSTRALIA (WA) PTY LTD	ADDITIONAL RATES ACCOUNTING SUPPORT	\$ 1,833.69	
EFT24513	28/02/2023	MCLEODS BARRISTERS AND SOLICITORS	LEGAL ADVICE ON TEMPORARY CAMPSITE ON RESERVE	\$ 1,471.23	
EFT24514	28/02/2023	NETWORK POWER SOLUTIONS PTY LTD	ADDITIONAL WORKS SOLAR INSTALLATION AT SHIRE HOUSING	\$ 10,970.10	
EFT24515	28/02/2023	NGT GLOBAL PTY LTD T/AS VICTORY FREIGHTLINES	FREIGHT CHARGES	\$ 933.30	
EFT24516	28/02/2023	NINGALOO HARVEST IGA	STAFF FAREWELL	\$ 20.89	
EFT24517	28/02/2023	PAYWISE PTY LTD	PAYROLL DEDUCTIONS/CONTRIBUTIONS - PPE 19.02.2023	\$ 917.41	
EFT24518	28/02/2023	PEBBLE BEACH PRINTS NINGALOO	NVC MERCHANDISE	\$ 11,200.00	
EFT24519	28/02/2023	QUBE LOGISTICS (AUST) PTY LTD	TRANSPORT CHLORINE BOTTLES	\$ 5,950.23	
EFT24520	28/02/2023	RHYSE MAUGHAN PHOTOGRAPHY	NVC MERCHANDISE	\$ 1,429.95	
EFT24521	28/02/2023	EMPLOYEE	REIMBURSEMENT	\$ 446.24	
EFT24522	28/02/2023	TOLL TRANSPORT PTY LTD	FREIGHT CHARGES	\$ 252.31	
EFT24523	28/02/2023	TECHWEST	FAULT FIND NINGALOO CENTRE DOOR AND ALARM SYSTEM FUNCTION	\$ 165.00	
EFT24524	28/02/2023	WESFARMERS KLEENHEAT GAS PTY LTD	GAS BOTTLE SERVICE CHARGE	\$ 841.50	

Reference	Date	Name	Description	Municipal Account	Trust Account
EFT24525	28/02/2023	WESTRAC PTY LTD	PARTS FOR GRADER	\$ 776.96	
				\$ 945,912.45	\$ -
	30/01/2023	UPWORK	CONTENT CREATION APPLICATION	\$ 471.71	
	01/02/2023	QANTAS	RETURN FLIGHTS - STAFF TRAINING PERTH	\$ 751.93	
	01/02/2023	QUEST HOTEL MIDLAND	ACCOMMODATION - STAFF TRAINING	\$ 480.00	
	08/02/2023	AMAZON MARKETPLACE	CAMERA BATTERY CASE, MEMORY CARD AND LENSE	\$ 318.55	
	10/02/2023	SURVEY MONKEY CORE	ANNUAL SUBSCRIPTION	\$ 1,470.84	
	10/02/2023	QANTAS	RETURN FLIGHTS FROM PERTH - STAFF	\$ 904.48	
	10/02/2023	LOCAL GOVERNMENT MANA EAST PERTH	MEMBERSHIP FEES	\$ 265.51	
	11/02/2023	AMAZON MARKETPLACE	CAMERA EQUIPMENT	\$ 33.98	
	11/02/2023	COLES EXPRESS PARABURDOO	FUEL	\$ 130.00	
	11/02/2023	BP NEWMAN	FUEL	\$ 260.02	
	12/02/2023	COGNITO LLC	TSE VOLUNTEER FORM, STALLHOLDERS, PUBLIC QUESTIONS	\$ 12.83	
	13/02/2023	AMAZON MARKETPLACE	CAMERA BATTERY CHARGER, RECHARGABLE BATTERY PACK	\$ 128.99	
	12/02/2023	NANUTARRA ROADHOUSE	FUEL	\$ 262.61	
	14/02/2023	KOGAN	HDMI DVI DISPLAY PORT ADAPTOR CABLE CORD	\$ 14.95	
	14/02/2023	FACEBOOK	ADVERTISEMENT	\$ 30.90	
	15/02/2023	FACEBOOK	ADVERTISEMENT	\$ 15.53	
	15/02/2023	QANTAS	FLIGHTS - CONSULTANT	\$ 751.93	
	18/02/2023	FACEBOOK	ADVERTISEMENT	\$ 30.90	
	19/02/2023	FACEBOOK	ADVERTISEMENT	\$ 30.90	
	20/02/2023	FACEBOOK	ADVERTISEMENT	\$ 41.20	
	22/02/2023	ACM RURAL PRESS	ADVERTISING TSE	\$ 869.00	
	24/02/2023	ADOBE	MONTHLY SUBSCRIPTION	\$ 83.58	
	24/02/2023	FACEBOOK	ADVERTISEMENT	\$ 72.10	
	27/02/2023	MAILCHIMP	MONTHLY SUBSCRIPTION	\$ 228.85	
			TOTAL CREDIT CARD CEO	\$ 7,661.29	
	04/02/2023	COLES EXPRESS KARRATHA	FUEL	\$ 158.71	
	16/02/2023	PILBARA MOTOR GROUP KARRATHA	VEHICLE PARTS	\$ 216.83	
	17/02/2023	ENVIRONMENTAL HEALTH SHENTON	WASTE WATER APPLICATION	\$ 85.00	
	17/02/2023	ENVIRONMENTAL HEALTH SHENTON	WASTE WATER APPLICATION	\$ 85.00	
			TOTAL CREDIT CARD EMIS	\$ 545.54	
	28/01/2023	BP CARNARVON	FUEL	\$ 79.44	
	04/02/2023	APPLE.COM	MONTHLY MUSIC SUBSCRIPTION	\$ 19.99	
	04/02/2023	SHEIN.COM	NVC MERCHANDISE	\$ 123.72	
	08/02/2023	PET STATION	SENTINEL CHICKENS ELECTROLYTES	\$ 142.41	
	08/02/2023	HEROKU	NADC DIGITAL HOSTING SOFTWARE	\$ 14.92	
	09/02/2023	NEXTMEDIA	LIBRARY MAGAZINE SUBSCRIPTION	\$ 65.00	
	09/02/2023	MAGSHOP ONLINE	LIBRARY MAGAZINE SUBSCRIPTION	\$ 74.99	
	09/02/2023	NAT GEO MAGAZINE	LIBRARY MAGAZINE SUBSCRIPTION	\$ 71.07	
	10/02/2023	REZDY	MONTHLY NVC BOOKING AGENT SUBSCRIPTION	\$ 278.67	
	24/02/2023	NINGALOO CENTRE EXMOUTH	STAFF FAREWELL GIFT	\$ 58.55	
			TOTAL CREDIT CARD DCEO	\$ 928.76	
	03/02/2023	DEPUTY	ROSTERING SOFTWARE	\$ 71.50	
	13/02/2023	EBAY	SWITCH FOR HEADSET	\$ 20.95	
	16/02/2023	AMAZON MARKETPLACE	HEADSETS	\$ 78.98	
	17/02/2023	LOCAL GOVERNMENT MANA EAST PERTH	FINANCE PROFESSIONALS CONFERENCE 2023	\$ 1,600.00	
	17/02/2023	QANTAS	FLIGHTS FOR FINANCE PROFESSIONALS CONFERENCE 2023	\$ 751.93	
	21/02/2023	AMAZON MARKETPLACE	COFFEE MACHINE FOR STAFF KITCHEN INCLUDING SHIPPING	\$ 796.00	
	24/02/2023	ZOOM	MONTHLY SUBSCRIPTION	\$ 23.78	
	25/02/2023	EXMOUTH HARDWARE	WATER SOFTENER SALT 20KG	\$ 34.20	
			TOTAL CREDIT CARD EMCS	\$ 3,377.34	
			TOTAL CREDIT CARD PURCHASES	\$ 12,512.93	

Reference	Date	Name	Description	Municipal Account	Trust Account
			TOTAL PAYMENTS	\$ 1,097,579.88	\$ -



STATEMENT OF RATING OBJECTS AND REASONS

FOR THE 2023/24 FINANCIAL YEAR

In accordance with Section 6.36 of the *Local Government Act 1995* and the Notice of the Council's intention to Levy Differential Rates for the 2023/24 Financial Year on certain properties within the Shire, the Shire is required to publish its Objects and Reasons for implementing differential rates.

Overall Objective

The overall objective of the proposed rates and charges in the 2023/24 budget is to provide for the net funding requirement of Council's operational and capital activities after taking into account all other forms of revenue.

Property valuations are provided by the Valuer General of WA for two types of values; Gross Rental Value (GRV) which generally applies for urban areas; and Unimproved Value (UV) which generally applies for rural land.

GRV's for all properties are revalued as part of a five year cycle of revaluations, six yearly after the next valuation with the next valuation scheduled for 1 July 2024. For properties on UV, the values are set annually. Interim valuations are issued for properties where changes have occurred such as subdivisions, construction, additions etc.

These valuations are used as the basis for the calculation of rates each year.

Rating Provisions

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows: Section 6.32 (1) and 6.33 of the *Local Government Act 1995* States:

6.32 Rates and service charges

- (1) When adopting the annual budget, a local government —
 - (a) in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —
 - (i) uniformly; or
 - (ii) differentially;And
 - (b) may impose* on rateable land within its district —
 - (i) a specified area rate; or
 - (ii) a minimum payment;And
 - (c) may impose* a service charge on land within its district

*Absolute majority required

6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
 - (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the *Planning and Development Act 2005*; or
 - (b) a purpose for which the land is held or used as determined by the local government; or
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.
- (2) Regulations may —
 - (a) specify the characteristics under subsection (1) which a local government is to use; or

- (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.
- (5) A differential general rate that a local government purported to impose under this Act before the *Local Government Amendment Act 2009* section 39(1)(a) came into operation¹ is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

6.35. Minimum payment

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —
 - (a) 50% of the total number of separately rated properties in the district; or
 - (b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.
- (4) A minimum payment is not to be imposed on more than the prescribed percentage of —
 - (a) the number of separately rated properties in the district; or
 - (b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.
- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.
- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —
 - (a) to land rated on gross rental value; and
 - (b) to land rated on unimproved value; and
 - (c) to each differential rating category where a differential general rate is imposed.

2023/24 Rates Schedule

The Shire of Exmouth proposes to impose differential general rates based on the following categories for 2023/24 financial year:

Rate Category	Rate in Dollar \$	Minimum Payment \$
GRV General	0.0889	1075
GRV Marina Developed	0.1200	1075
GRV Holiday Homes	0.1232	1075
GRV Vacant Land	0.1776	845
UV Mining	0.1890	280
UV Rural	0.0946	845

The proposed 2023/24 differential rating categories, rate in the dollar amount and minimum payment amount continue to provide fairness and equity by ensuring that all properties pay a consistent minimum payment. These funds continue to deliver our community expectations and needs as outlined in our Strategic Community Plan and Corporate Business Plan.

Marina Specified Area Rate

Included in the 2023/24 Differential Rating proposal is a Specified Area Rate to be applied to properties zoned Marina that have canal frontage in the Exmouth Marina Precinct. As in previous years, these funds are used for environmental monitoring costs, periodic dredging, clearing and maintenance of the canal waterways.

Specified Area Rate	Basis of Valuation	Rate in \$	Minimum Payment
Marina Specified Area	GRV Marina Developed	0.0158	N/A

OBJECTS AND REASONS FOR PROPOSED DIFFERENTIAL AND MINIMUM RATES

Following are the objects and reasons for each of the differential rates for properties zoned and whether the land is vacant in accordance with Shire of Exmouth Town Planning Scheme No.4:

GROSS RENTAL VALUE

GRV General

This rating category consists of properties zoned as:

- Residential
- Urban Development
- Commercial
- Tourism
- Light Industry
- Service Commercial
- General Industry
- Industrial Development
- Rural Residential

The proposed rate in \$ is 0.0889 of GRV Value. Rates provided by this category, including minimum rates at \$1,075 are approximately 66% of the total rate requirements of Council. Revenue derived from this category assists funding to operate efficiently the service levels expected by the community as outlined in our Strategic Plan and Corporate Business Plan. The rate for this category is to be the base rate by which all other GRV rated properties are assessed.

It excludes all vacant land, Holiday Homes and properties developed in the Marina as these categories have a higher demand on Shire resources.

GRV Marina Developed

This rating category consists of developed properties zoned as:

- Marina

The proposed rate in \$ is 0.1200 of GRV Value. Rates provided by this category, including minimum rates at \$1,075 are approximately 12% of the total rate requirements of Council. The object of the rate for this category is to reflect the additional revenue required to fund the costs associated with the higher level of maintenance provided to these properties including maintaining the seawall to the north of the marina, maintain public jetties, canal footbridge, beach stabilisation, landscaping, road sweeping, and maintenance of street furniture, canal drainage and footbridge lighting. Also responsible for boat ramps and associated with cost within the area and maintenance of water way adjoining public open space.

GRV Holiday Homes

This rating category consists of residential properties that have received Town Planning approval to operate as short term holiday accommodation.

The proposed rate in \$ is 0.1232 of GRV Value. Rates provided by this category, including minimum rates at \$1,075 are approximately 8% of the total rate requirements of Council. This category is rated higher than the GRV General Rate to assist with contribution to tourism, marketing and related projects throughout the district. Additionally, it includes the development of tourist related services and infrastructure.

GRV Vacant Land

This rating category consists of all vacant land within Town site boundaries.

The proposed rate in \$ is 0.1776 of GRV Value. Rates provided by this category, including minimum rates at \$845 are approximately 12% of the total rate requirements of Council. The object of the rate for this category is to reflect the additional revenue required to fund the costs associated with the higher level of service provided to properties in this category, including but not limited to firebreaks maintenance, upgrade and renewal of the street network, roadside sweeping, CBD car parking, landscaping, dust control management, drainage, footbridge lighting, street furniture and other amenities.

UV Mining

This rating category consists of properties used for mining, exploration or prospecting purposes.

The proposed rate in \$ is 0.1890 of UV Value. Rates provided by this category, including minimum rates at \$280 are approximately 2% of the total rate requirements of Council. The object of the rate for this category is to raise revenue to fund additional costs to Council including, but not limited to frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.

UV Rural

This rating category consists of properties zoned Rural.

The proposed rate in \$ is 0.0946 of UV Value. Rates provided by this category, including minimum rates at \$845 are approximately 1% of the total rate requirements of Council. This rate is required to meet our community expectations and needs in our Strategic Community and Corporate Business Plans. The object of the rate for this category is to be the base rate by which all other UV rated properties are assessed. The reason is these properties are large extensive parcels of land with little commercial activity.

SPECIFIED AREA RATE

GRV Specified Area Rate

This Specified Area Rate applies to properties zoned Marina that have canal frontage in the Exmouth Marina Precinct.

The proposed rate in \$ is 0.0158 of GRV Value. Specified Rates provided by this category. The proceeds of these funds are applied in full on environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore & offshore, cost of clearing the sand traps, maintaining the main breakwaters including all breakwaters and groynes surrounding and protecting the outer harbour and other preservation works in accordance with the Exmouth Marina Village Agreement between the Minister for Transport, Landcorp & Shire of Exmouth.

SUBMISSIONS

All submissions are required to be made in writing to the Chief Executive Officer with respect to the proposed differential general rates, minimum payments and specified area rate within 21 days of the date of the notice of intent. Submissions must be received by the Shire of Exmouth no later than 4pm Thursday 25 May 2023.

Submissions may be:

- Mailed to PO Box 21, Exmouth WA 6707
- By email to: info@exmouth.wa.gov.au

BEN LEWIS
CHIEF EXECUTIVE OFFICER

Shire of Exmouth PUBLIC NOTICE

Notice of Intention to Levy Differential Rates

Pursuant to Section 6.36 of the *Local Government Act*, notice is hereby given of the intention of the Shire of Exmouth to levy differential rates for each rating category and minimum rates for the 2023/24 financial year.

GENERAL RATE	RATE IN THE DOLLAR	MINIMUM PAYMENTS
GROSS RENTAL RATE		
GRV General	\$0.0889	\$1075
GRV Marina Developed	\$0.1200	\$1075
GRV Holiday Homes	\$0.1232	\$1075
GRV Vacant Land	\$0.1776	\$845
UNIMPROVED VALUES (UV)		
UV Mining	\$0.1890	\$280
UV Rural	\$0.0946	\$845
SPECIFIED AREA RATE		
GRV Specified Area Rate	\$0.0158	N/A

If you require additional information regarding the proposed changes please contact the Shire office on 08 9949 3000 between the hours of 8:30am to 4:30pm Monday to Friday or email info@exmouth.wa.gov.au.

Electors and ratepayers may inspect the statement of objectives and reasons for the differential rates on Council's website.

Electors and ratepayers are invited to make written submissions on the proposed differential and minimum rates. All submissions are required to be made in writing to the Chief Executive Officer with respect to the proposed differential general rates, minimum payments and specified area rate within 21 days of the date of the notice of intent. Submissions must be received by the Shire of Exmouth no later than 4pm Thursday 25 May 2023. Submissions may be:

- Mailed to PO Box 21, Exmouth WA 6707
- Emailed to info@exmouth.wa.gov.au

Benjamin Lewis
CHIEF EXECUTIVE OFFICER