



WILLETTON BASKETBALL ASSOCIATION FACILITY EXPANSION FEASIBILITY STUDY

FINAL REPORT

MAY 2015



CONTENTS

1	EXECUTIVE SUMMARY	3
2	INTRODUCTION	7
3	BACKGROUND	7
4	DEMOGRAPHIC REVIEW	9
4.1	CITY OF CANNING DEMOGRAPHICS	9
4.2	POPULATION PROJECTIONS	10
5	FACILITY USAGE & EXISTING CAPACITY.....	12
6	BASKETBALL PARTICIPATION TRENDS	17
7	RECENT AND PLANNED BASKETBALL COURT CONSTRUCTION	18
8	ENVIRONMENTAL SCAN	19
8.1	INDOOR COURT AVAILABILITY IN THE SOUTH METROPOLITAN REGION.....	19
8.2	OTHER LGA FACILITY DEVELOPMENT PLANS	19
9	ADDITIONAL COURT REQUIREMENTS.....	22
9.1	ESTIMATE OF LATENT DEMAND.....	22
9.2	POPULATION FORECASTS	22
9.3	RATIO OF PLAYERS PER TEAM AND TEAMS PER COURT ACROSS A 12 MONTH PERIOD	23
9.4	COURT REQUIREMENTS FOR THE WILLETTON BASKETBALL ASSOCIATION.....	23
10	MANAGEMENT.....	25
10.1	MANAGEMENT OPTIONS	25
10.2	MANAGEMENT MODEL.....	25
10.3	TENURE ARRANGEMENTS	26
10.4	PREFERRED MANAGEMENT MODEL AND TENURE ARRANGEMENTS.....	27
11	FACILITY EXPANSION NEEDS ANALYSIS.....	29
11.1	EXISTING AND UNMET DEMAND FOR COURT SPACE.....	29
11.2	CONSULTATION	30
11.3	FACILITY DEVELOPMENT TRENDS.....	32
11.4	GROWTH OF WILLETTON BASKETBALL ASSOCIATION	33
11.5	FACILITY EXPANSION PLANS	34
11.6	DEVELOPMENT OPTIONS ANALYSIS.....	34
11.7	PROPOSED FACILITY DEVELOPMENT SUMMARY.....	40
11.8	PROPOSED FACILITY DEVELOPMENT COMPONENTS.....	41
12	CONCEPT PLAN	44
13	CONSTRUCTION COST ESTIMATES	45
13.1	COST PLAN SUMMARY	45
14	DRAFT MANAGEMENT PLAN	47
14.1	MANAGEMENT OPTIONS	47
14.2	STAFF COSTS	47
15	FORWARD PROJECTIONS	48
15.1	FINANCIAL SCENARIO 1 – REALISTIC USAGE.....	49
15.2	FINANCIAL SCENARIO 2 – CONSERVATIVE USAGE	50
15.3	FINANCIAL SCENARIO 3 – OPTIMISTIC USAGE	50
15.4	FINANCIAL SCENARIO SUMMARY	50

16	FUNDING	51
17	DEVELOPMENT OPTIONS.....	54
18	CONCLUSION	57
19	APPENDICES	58
19.1	APPENDIX 1 CONCEPT PLAN	58
19.2	APPENDIX 2 COST PLAN.....	61
19.3	APPENDIX 3 FINANCIAL SCENARIO 1 – REALISTIC USAGE	72
19.4	APPENDIX 4 FINANCIAL SCENARIO 2 – CONSERVATIVE USAGE	74
19.5	APPENDIX 5 FINANCIAL SCENARIO 3 – OPTIMISTIC USAGE	76
19.6	APPENDIX 6 WBA FINANCIAL ASSISTANCE LETTER	78



1 EXECUTIVE SUMMARY

A Balanced View Leisure Consultancy Services (ABV) was commissioned by the Willetton Basketball Association (WBA) to undertake a feasibility study for the proposed expansion of the Willetton Basketball Stadium and prepare a business plan to inform the final design and future operations of the proposed facilities.

The WBA is a successful basketball association that operates the Willetton Basketball Stadium under a lease arrangement with the City of Canning. The WBA is a successful basketball association that conducts basketball competitions and development pathways from junior age groups through to State League and is looking to further develop the sport of basketball. The demand for competition based placements and court space for training and development programs has outgrown the facility in its current form, resulting the in the WBA having to book external venues to operate their programs.

The Willetton Basketball Stadium comprises of four (4) indoor sports, change rooms, toilets, reception and administration office, kiosk and club function space. There are outdoor courts adjacent to the facility that are predominantly utilised by the Willetton Netball Club (WNC) and for some basketball training which will be impacted by any expansion of the indoor facilities.

Key Objectives of the Study

1. To investigate the proposed expansion of the existing Willetton stadium for feasibility and long term sustainability.
2. To provide an operating framework for the WBA and the City of Canning to plan and monitor the potential development and management of an expanded facility.

ANALYSIS OF NEED

ABV have undertaken a facility needs assessment based on

- Existing and Unmet Demand
- Consultation
- Facility Development Trends
- Growth of Willetton Basketball Association

Existing and Unmet Demand

The facility already has a high level of demand from the existing activities and programs that are operated. For times that are suitable to conduct training and competition (after school hours, evenings and weekends), there is no additional space available.

There is currently a waiting list of teams, players and officials wanting to participate in competitions conducted by the WBA, resulting in teams, players and officials unable to be accommodated in existing competitions due to current usage levels.

The WBA currently uses satellite facilities for Saturday competition and training venues and have exhausted available bookable space at satellite venues. Use of satellite venues for competitions requires additional coordination staff to be employed to conduct the competitions at different venues at the same time. Four (4) satellite courts are utilised all day on Saturdays for competition (a total of 42 hours) and 64.4 hours of additional court hire is booked for training.

The analysis of need undertaken by ABV has demonstrated that the Willetton Basketball Association is operating at full capacity, having exhausted all available options for court time at the existing stadium and satellite venues.

The implications of this analysis on unmet demand is:

- That shortage of available court space results in not all teams providing training as desired and developing skills through skills training sessions.
- Training is only offered to junior players with availability generally limited to teams under 16 years. There is no opportunity to offer or provide training for all domestic players and teams in the junior competitions, nor any teams in the Senior competitions.
- Current need (teams and players wanting to join competitions at the WBA) is not being met by the WBA due to competitions currently being at capacity.

Consultation

Consultation with the WBA, the City of Canning and the Willetton Netball Club was undertaken during the development of this study. Additionally, previous consultation undertaken by Hester Property Solutions Pty Ltd in 2013 during the development of the Burrendah Precinct 10 year master plan vision was reviewed.

Consultation with the WBA

The Willetton Basketball Association believe based on existing demand that an expansion is required, to include;

- Additional courts to accommodate existing demand, future demand and provide ongoing development opportunities.
- A court suitable for State Basketball League fixtures and major events. Must include suitable seating capacity and meet the standards required for SBL competition.
- Existing perceived facility issues identified were: accessibility to storage areas, enhanced kiosk, improved centre presentation and improved spectator seating. (These are further outlined below)
- Potential for commercial Café deemed not required as located in close proximity to shopping complex
- Increased/Enhanced administration facilities
- Opportunities for new business development opportunities for increased income generation.

Consultation with Willetton Netball Club

- The WNC would welcome the expansion of additional indoor courts to enable them access for training and development opportunities. Currently, the WNC only accesses the outdoor courts which they believe reduces their ability to develop the club to its potential.
- WNC believe that indoor court use for training would provide a more stable venue and safer venue for members.

Burrendah Precinct Study

The study involved a number of consultation sessions that included general community, politicians and sporting clubs. Three master plan options for the precinct were developed. The study identified a need for the expansion of the existing basketball stadium to include additional basketball/netball courts. Whilst the study did not specify the size of the expansion, the consultation results indicate that at least 3 – 4 netball courts be included.

Facility Development Trends

The following information provides an overview of facility development trends that have been obtained by the consultant through consultation with industry specialists.

In general;

- There is a greater community awareness of the benefits of physical activity and healthy lifestyle.



- People's expectation is to participate in activities of their choice, at times and locations convenient to their own individual lifestyle.
- People expect to participate in recreation and sport activities in high quality facilities offering high quality service.
- Increasingly participants are expected to contribute a greater proportion of the costs of their activity.
- There is an increased focus in providing opportunities to maximise revenue streams in addition to entry fees. This has included revenues associated with new business opportunities, sponsorships, etc.

Facility development specific:

- Positioning of facilities as multipurpose.
- Provision of wellness, allied health and leisure facilities.
- Provision of suitable child minding facilities.
- Local governments are increasingly considering co-location of community facilities as a more financially sustainable option.
- Enhancement of change room options (i.e. special needs, family, accommodation of female sports, outdoor etc.).
- Creation of a welcoming entrance.
- Appropriate provision of car-parking spaces.
- Maximisation of secondary spends
- Enhancement of core business areas
- Appropriate access control for different activities.
- Design that allows for the control of operational costs by opening up view lines.

Growth of Willetton Basketball Club

The Willetton Basketball Association has grown significantly in the past 10 years.

The number of junior teams playing in competitions has increased from 202 to 307 in that time, an increase of 52%. This increase has only been possible due to expansion of competitions through the use of external venues.

The number of senior teams has increased from 88 to 115 teams since 2005, an increase of 25%.

SUMMARY OF PROPOSED FACILITY DEVELOPMENT

Based on the Key Drivers, the major facility components proposed for the Willetton Basketball Stadium expansion are as follows:

- Development of an additional five (5) indoor courts
- A local community focus that is complimentary to, and that can be integrated with the existing facility.
- The inclusion of recommended facility expansion components can be achieved through a combination of new and refurbishment of existing facilities.
- Provision of additional change room and toilet amenities
- Function/meeting space that can be used to develop social aspect of club and be utilised by community and business.
- Upgraded kiosk facilities, administration and office space.
- Increased storage to accommodate additional equipment requirements
- Inclusion of commercial space within development.



As a result of the analysis undertaken for the proposed facility, concept plans for the proposed Willetton Basketball Association expansion were developed. Subsequently, an independent Quantity Surveyor reviewed the development plans and provided a cost plan. The estimated cost for the proposed facility was estimated at \$15,873,270 (exc. GST).

Three management options were considered to determine the most suitable method of operation of the expanded facility. These three options were;

- Management by the Willetton Basketball Association
- Management by Local Government (City of Canning)
- Management by a consortium of key users (Willetton Basketball Association and Willetton Netball Club)

Based on a pros, against and issues analysis, it is recommended that the facility be managed by the Willetton Basketball Association.

For the purpose of the Willetton Basketball Stadium and the ability of the management entity to operate efficiently and to create a successful commercial operation, a lease agreement would be deemed appropriate. The lease would require the ability for the WBA to commercially on lease the recommended facility components that are commercial viable for an external operator.

Financial models have been developed for operation of the facility on the basis of the ongoing management by the WBA. Forecasts were developed covering a ten year period utilising 'Conservative', 'Realistic' and 'Optimistic' use projections. The 'Realistic' projections are believed to provide the most accurate indication of the likely financial performance of the facility. The financial model identified that the facility is likely to operate at a net surplus of around \$231K to \$735K per annum over the 10 year period.

In conclusion, this report identifies a high level of community demand for access to indoor court facilities, predominantly basketball. It is therefore recommended that an expanded facility is warranted to meet the identified, noting that the ongoing operation of the facility is likely to result in an annual operational surplus into the foreseeable future.

2 INTRODUCTION

A Balanced View Leisure Consultancy Services (ABV) was commissioned by the Willetton Basketball Association (WBA) to undertake a feasibility study for the proposed expansion of the Willetton Basketball Stadium and prepare a business plan to inform the final design and future operations of the proposed facilities.

The WBA is a successful basketball association that operates the Willetton Basketball Stadium under a lease arrangement with the City of Canning. The WBA is a successful basketball association that conducts basketball competitions and development pathways from junior age groups through to State League and is looking to further develop the sport of basketball. The demand for competition based placements and court space for training and development programs has outgrown the facility in its current form.

The WBA wishes to be in a position to develop and manage the Willetton Basketball Stadium in a manner that is commensurate with current and future demand and operate under a suitable and sustainable model.

This report responds to the requirements as requested and provides recommendations on the development of the facility and operational framework necessary to meet the WBA's aspirations.

3 BACKGROUND

The Willetton Basketball Association (WBA) was formed in 1973 as a division of the Willetton Sports Club (WSC), with teams representing the club competing in the Canning Districts Basketball Association in Riverton.

Following strong growth in participation, four (4) outdoor courts were established at the current site on Burrendah Boulevard in Willetton and Willetton basketball teams relocated from Canning Districts Basketball Association to form its own domestic competition.

In 1979-80 the Willetton Basketball Division of WSC and the Melville Districts Basketball Association amalgamated to strengthen the associations and provide greater development pathways.

Following further growth the existing facility was expanded to eight outside courts including fencing and lighting, entirely financed by the Willetton Basketball Division of WSC.

In 1985, four indoor courts were constructed on the site.

The facility is a City of Canning Asset, which has been leased to the WBA since 1985. The WBA operates and maintains the facility under the lease agreement. The stadium is now known as the Willetton Basketball Stadium. The current lease is due for renewal in June 2015. The WBA has successfully managed the facility and operated a sustainable operation since the stadium was built with no operational financial cost to the City of Canning throughout the lease period.

In 2009 a refurbishment of the facility was completed which included an upgrade to the toilets and change rooms. The City of Canning contributed toward the 2009 refurbishment, as did the Department of Sport and Recreation (DSR) through the CSRFF program and WBA, who contributed the majority of funds to the refurbishment.



Since inception, the WBA has grown to be a very successful association and provides social competition, basketball development pathways, junior and senior domestic competition and elite competition in the form of teams in the West Australian Basketball League and State Basketball League. Currently the WBA has over 4,000 registered members and over 420 teams playing on a regular basis in competitions managed by WBA.

Continued growth in the membership base and participation numbers now requires the WBA to hire external satellite courts from schools, private venues and recreational centres in the general region around Willetton to accommodate the growing training and competition requirements. This has proved challenging in both the programming and staffing requirements to manage, however WBA has put controls into place to ensure the quality of programs conducted 'offsite' is maintained.

The WBA wishes to consider the opportunity for a facility expansion to accommodate the growth and consolidate the future development of basketball in the Willetton and surrounding areas.

Previously, a draft concept plan was developed to demonstrate the possibility of expansion on the existing site. This feasibility study explores the need and extent of proposed expansion and further develops the concept plan.

In 2013, Hester Property Solutions Pty Ltd was commissioned to create a 10 year master plan vision for Willetton/Burrendah commercial and community centre and interfacing areas. This study was undertaken as a result of a number of issues in the area, including the demand for recreation and community space. The report concluded that there was a requirement for an expansion of the existing Willetton Basketball Stadium to include additional indoor basketball and netball courts.

Key Objectives of the Study

1. To investigate the proposed expansion of the existing Willetton stadium for feasibility and long term sustainability.
2. To provide an operating framework for the WBA and the City of Canning to plan and monitor the potential development and management of an expanded facility.



4 DEMOGRAPHIC REVIEW

4.1 City of Canning Demographics

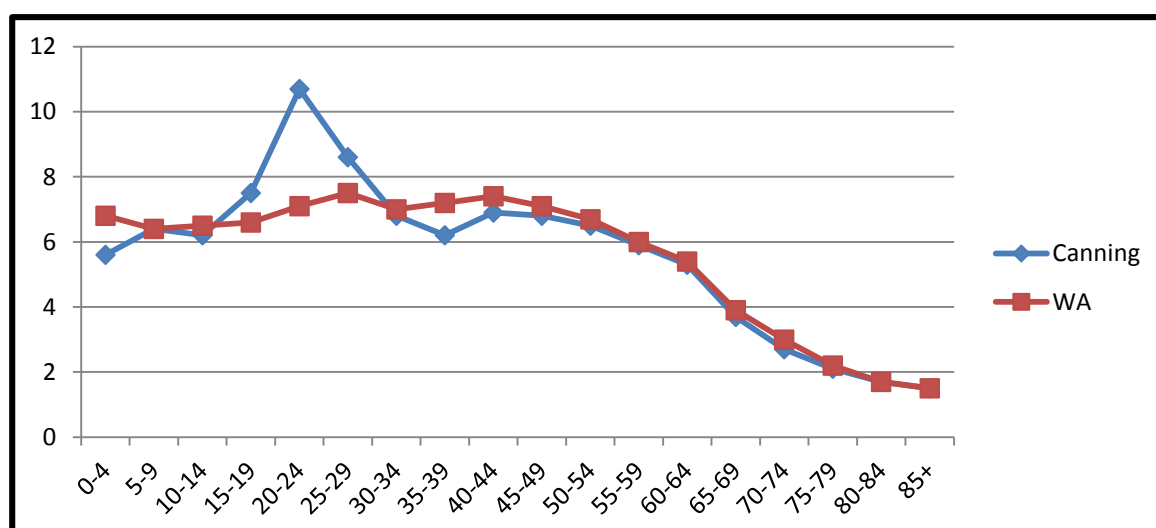
When comparing the City of Canning as a Local Government Authority to the State overall, the following key comparisons can be made:

City of Canning Demographic Overview

Category	City of Canning LGA	WA	Difference of Canning LGA from WA
Population (Estimated Resident Population 30 June 2013)	96,356	2,349,325	-
Median Age	34	36	-2yrs
Born in Australia	49.2%	62.9%	22% lower
Country of Birth – Malaysia, India & China	13.5%	3.1%	335% larger
University/Tertiary Education Students	26.4%	13.5%	96% higher
Median Weekly Household Income	\$1,423	\$1,415	Same
Single Parent Families	13.9%	14.5%	4% lower
Index of Relative Socio-Economic Advantage and Disadvantage*	86 th Percentile	-	-

* Compared to other West Australian LGA's, the City of Canning ranks in the 86th Percentile (1 being the lowest, 100 being the highest).

City of Canning Age Distribution Profile



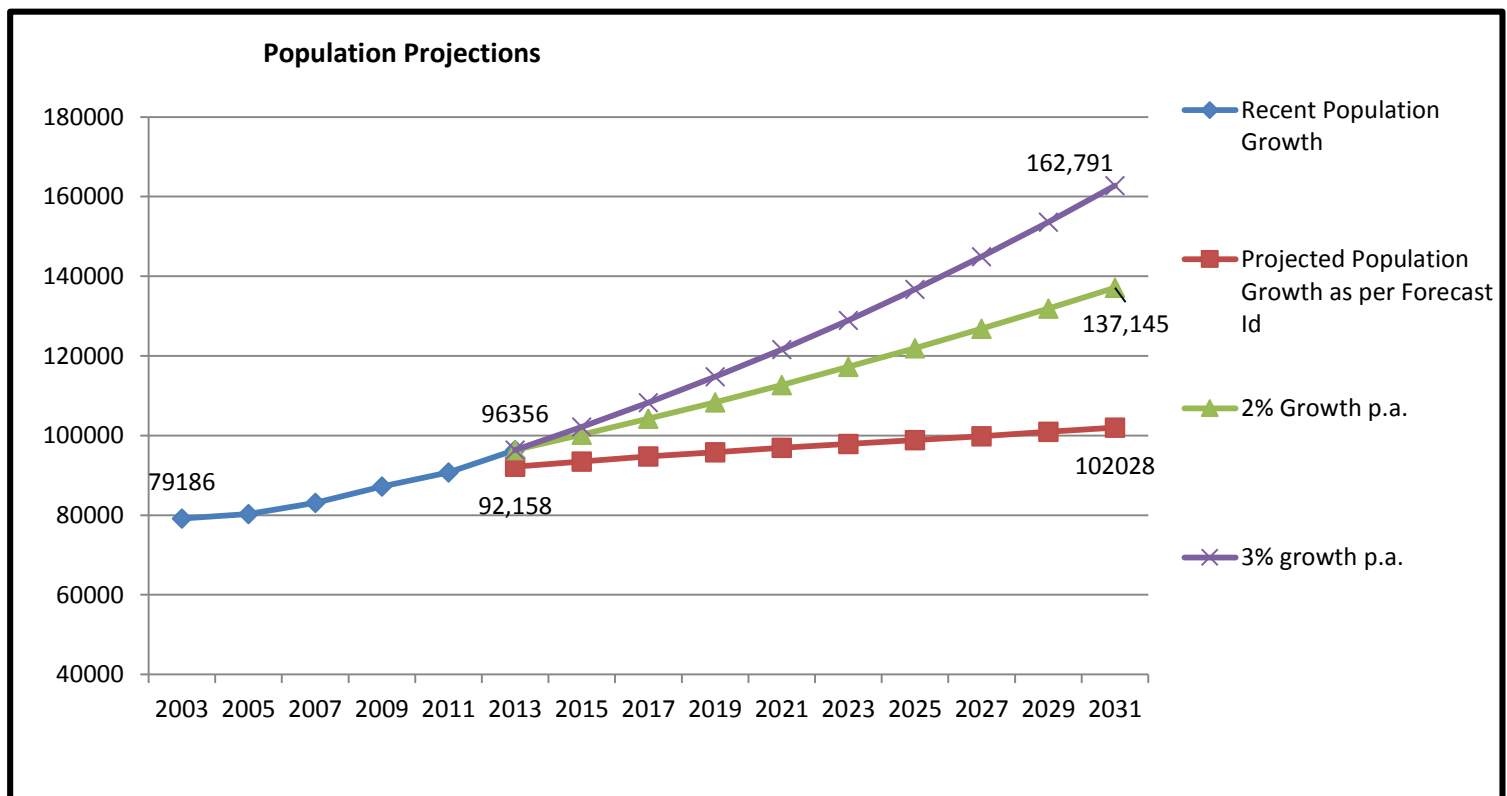
Source: Australian Bureau of Statistics, Census of Population and Housing, 2011.
Regional Population Growth Australia, 3218.0 ABS, 2014
2033.0.55.001 Socio-Economic Indexes for Areas (SEIFA), ABS, 2011

Key features of these demographic statistics are:

- The City of Canning has a substantially higher proportion of young adults aged 20-24 years and almost twice the average proportion of population that are attending university, which is to be expected given the City of Canning's close proximity to Murdoch University and Curtin University. This age group has the highest participation levels amongst senior sports players, therefore the City of Canning could expect to have higher than average participation in senior sports.
- The similar median weekly household income and the high ranking in the Socio Economic Index for Areas (SEIFA) ranking suggest that the community as a whole may have average – above average capacity and willingness to participate in sports and physical activity.
- The City of Canning has a lower than average proportion of the population born in Australia and over 3 times the proportion of persons born in Malaysia, China and India. This is also likely to be linked to the close proximity of two of Perth's largest universities which attract many foreign students. This significant proportion of non-English speaking background population may have a moderating impact on organised sports participation as these groups typically have lower participation rates, particularly in the traditional Australian sports of netball, cricket and Australian rules. Basketball participation may be less affected given its worldwide popularity.

4.2 Population Projections

During the decade from 2003 – 2013, the City of Canning's population grew by 17,170 persons (21.7%) or approximately 2-3% per year, with some acceleration occurring over the past 5 years.



Regional Population Growth Australia 2003 - 2013, 3218.0 ABS, 2014

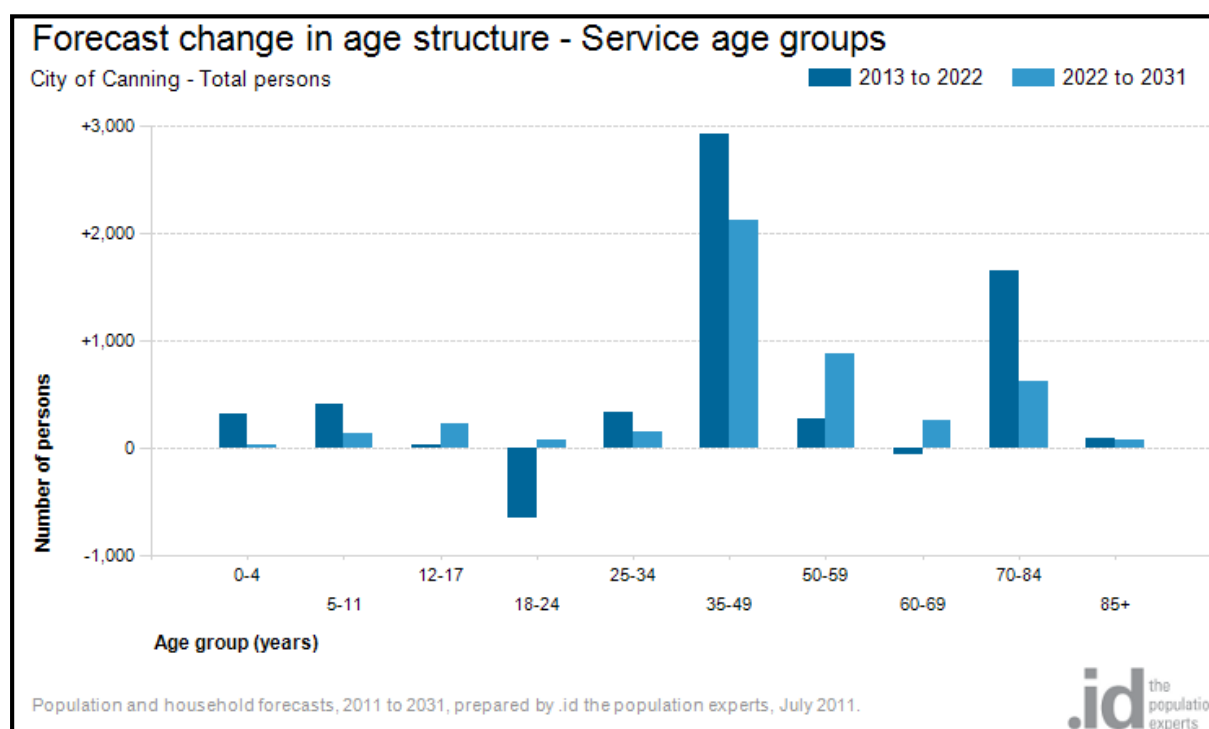
Forecast Id: <http://forecast.id.com.au/canning/population-age-structure>

In the future, it Forecast ID projections anticipate the population will continue to grow, but at nearly one quarter of the current growth rate (0.58% per year). Population forecasts undertaken for the City

of Canning by Forecast Id suggest that the City's population will increase to 102,028 by the year 2031. Interestingly, it is noted that the City's estimated resident population for 2013 is already at the Forecast ID project population level for 2020, and if it continues to grow at the current rate it will exceed the population forecast for 2031 by 2015/16. In 2012-2013 the City's population grew by 2,863 (3.1%), over six times greater than the increase of 443 estimated by Forecast Id.

In the South East Metropolitan Region, population growth has been occurring between 2-3% per annum over the past 5 years, as it has for the Perth Metropolitan region as a whole. Population growth lines have been added to the Population Projection graph that show 2% growth and 3% growth p.a. for comparison.

Forecast Id also projects the potential future age profile of the City and it reports the following changes from 2013 - 2031:



These statistics suggest little growth is anticipated in the key organised sports playing demographics of children and young adults over the next 15-20 years, and very strong growth in the 35-49 year age group that predominantly participates in passive recreation activities.

Overall, the population forecast statistics indicate that population growth may not be a driver of basketball participation growth in the future. Given that the City's actual population is already substantially ahead of the forecasts, it appears that these forecasts may be on the conservative side, and future population growth within the City of Canning could be a substantial driver of basketball participation growth in the coming years.

The implications of the population growth research is that there is a high degree of uncertainty as to how the population will grow into the future. Given recent trends across the Metropolitan region of LGA's growing substantially beyond their forecast rates over sustained periods of time, it would appear there is a significant possibility that the City of Canning and surrounding areas will continue to grow at 2-3% for some years to come resulting in corresponding growth in basketball participation demand. Over a 10 year period, this could result in 20-30% increased demand.

5 FACILITY USAGE & EXISTING CAPACITY

The Willetton Basketball Stadium is a well utilised facility:

Indoor Courts Usage

The following information is current as per the 2014/2015 Summer season.

The WBA utilises the existing four indoor courts to conduct its junior and senior domestic competitions Saturday through to Thursday each week

All four indoor courts are utilised from;

Saturdays: 8:00am - 7:00pm
Monday: 3:50pm – 10:30pm
Tuesday: 3:50pm – 10:30pm
Wednesday: 3:50pm – 10:30pm
Thursday: 3:50pm – 10:30pm

On Saturdays, two (2) additional satellite indoor courts are booked and utilised from 8:00am to 7:00pm (1 venue) with another 2 courts at a third venue utilised, one from 8:00am – 7:00pm and one from 8:00am – 5:00pm.

The abovementioned schedule also accommodates some skills development programs and junior training (at the 3:50pm timeslot) and accommodates 1 court on Tuesday evenings from 6:45pm – 9:00pm for the Men's State Basketball League (SBL) and 1 court on Thursday evenings from 7:30pm to 9:00pm for Women's SBL training.

Friday nights accommodates WABL training bookings and fixtured SBL games and junior training and skills programs. WABL games and general court bookings are held on Sundays.

The WBA also accommodates weekday court hire from badminton users, daytime ladies basketball competitions, mixed basketball competition and local high school court hire for their basketball scholarship programs.

External Satellite Courts Usage – Booked by WBA

Due to capacity issues and the existing courts predominantly utilised for competition, there is minimal space available for team training and development, resulting in the WBA booking additional court space at numerous external satellite facilities.

The additional court hire is to accommodate some space for competition (as outlined above), training for junior clubs, development programs and State Basketball League Men's and Women's team training.

The table below summarises the additional training venue bookings (in hours) by the WBA and shows that of the 126.7 hours per week that are utilised for training for teams, 64.4 are booked at external venues, unable to be accommodated at the Willetton Basketball Stadium.

	WBA	Venue 1	Venue 2	Venue 3	Venue 4	Venue 5	Venue 6	TOTAL HOURS
Monday	6.7	3.3	6.7	3.0	6.7	6.7	1.5	
Tuesday	11.7	7.5	6.7	3.3	2.7	6.7	1.5	
Wednesday	11.7	0.8	6.7	3.5	3.3	6.7	3.0	
Thursday	10.0	1.7	10.0	5.8	3.3	6.7	0.0	
Friday	22.3	6.7	6.7	3.0	0.0	1.7	0.0	
Saturday	0.0	0.0	0.0	1.0	0.0	0.0	0.0	
Total	62.3	20.0	36.7	19.7	16.0	28.3	6.0	126.7

The table highlights that a minimum of 64.4 hours are booked at alternative venues by teams at venues outside of the 62.3 hours utilised at the WBS for training.

The WBA advises that;

- They block book courts at facilities that are in relatively close proximity to the Willetton Basketball Stadium.
- They book as much space as is available in suitable times for competitions and training.
- Although there are additional requests for training venues, these are not able to be accommodated due to availability restrictions on external facility hire.
- If WBA become aware of an odd half court or half hour availability, this information is passed on directly to clubs to arrange if suitable.
- The WBA believes through ongoing requests and consultation that;
 - There is no additional availability of local venues in the evenings within a viable radius of the stadium.
 - The external commercial courts are accessible afternoons only (other, higher-value sports play in the evenings).
 - They have exhausted the capacity of surrounding local courts for junior training purposes.
- In some instances teams are training four to a court under an intensive coaching model but this is far from ideal and only suitable for younger age groups.
- WBA's general policy for any new clubs is that they are required to organise their own training opportunities outside of the WBA model as their training requirements are unable to be accommodated either at the Willetton Basketball Stadium or through satellite courts hired directly by WBA.
- To accommodate the court space issues, WBA have 37 competitions that currently have a bye.
- There are a number of children joining a waiting list for WBA competitions that cannot be accommodated due to court availability restrictions.

The table below summarises the number of children that have joined the waiting list from the commencement of the Winter season 2013 to the completion of the 2014 Winter season.

Year	Month	Total # Kids	Avg # kids / day
2013	Mar	23	1.00
	Apr	19	0.63
	May	46	1.48
	Jun	39	1.30
	Jul	46	1.48
	Aug	90	2.90
	Sep	75	2.50
	Oct	64	2.06
	Nov	46	1.53
	Dec	37	1.19
2014	Jan	42	1.35
	Feb	91	3.25
	Mar	70	2.26
	Apr	40	1.33
	May	55	1.77
	Jun	24	0.80
	Jul	46	1.48
	Aug	83	2.68
	Sep	74	2.47
	Oct	59	1.90
	Nov	44	1.47
	Dec	37	1.19
2015	Jan	47	1.52
	Feb	87	3.35
Grand Total		1284	1.78

External Satellite Courts Usage – Booked by individual clubs

There are some junior clubs that have confirmed use of satellite facility bookings that they would retain even if more space became available at the WBA as current space is more appropriately located for individual clubs.

There are at least an additional 6 hours per week of hired external space by individual clubs. ¹

Outdoor Court Usage

The outdoor courts are not booked via a formal booking system and are not utilised by the WBA for competition space, however the WBA is aware that at least 3 full hours are used by a junior club for training.

The outdoor courts are predominantly utilised by the Willetton Netball Club (WNC) for training purposes. The WNC fielded 26 teams in the 2014 season, comprising 12 Senior teams, 2 x 19 Under, 2 x 17 Under and 10 Junior teams.

WNC utilise the outdoor courts four nights per week (Monday through Thursday) 4.15pm through to 8.30pm on some of the nights, and 5.30 to 7.30 on other nights. Their use of the outdoor courts

¹ Information provided directly by Club contacts to Willetton Basketball Association



commences in February and concludes in September each year, with an approximate annual fee to the City of Canning of \$1600.

The WNC have commented² that their utilisation of outdoor courts is not ideal during Winter months as the weather conditions influence the ability to conduct sessions, resulting in some instances of training being cancelled due to inclement weather. The WNC support the development of an expanded facility and believe the opportunity to train indoors would assist in the development of the club, provide safer and more suitable training environment for their members.

Existing court capacity

It appears that there is limited capacity to conduct further competition based programs within the existing stadium at times that are suitable (afterschool, evenings and weekends).

Implications for this study:

- That shortage of available court space results in not all teams providing training as desired and developing skills through skills training sessions.
- Training is only offered to junior players with availability generally limited to teams under 16 years. There is no opportunity to offer or provide training for all domestic players and teams in the junior competitions, nor any teams in the Senior competitions.
- Current need (teams and players wanting to join competitions at the WBA) is not being met by the WBA due to competitions currently being at capacity.
- There are opportunities for the WBC to work with the WNC to develop seasonal usage of an expanded indoor facility, along with the potential for the WNC to conduct carnivals to raise their profile and generate income to support the club.

Court Capacity – Basketball in Metropolitan WA

Lack of court capacity is an issue that has spread to almost all basketball association venues in the Perth Metropolitan area.

Consultation with Basketball WA and other basketball associations' reveals that players, both children and adults, are being turned away from joining competitions at many of the venues across Perth and/or are unable to find court space to train – whether at the home facility or at a satellite venue (i.e. recreation centre or school) because all peak hours on indoor courts are being utilised, whether for basketball, netball or other indoor activities.

The lack of facilities is also an issue in the eastern states. Basketball Victoria's Strategic Plan 2013-2016 identifies that a lack of facilities is a major impediment to their future growth and is resulting in potential participants being turned away.

The overall lack of facilities is likely due in part to the lack of indoor court facilities built in the past decade. Latent demand, which is not easily quantified, is likely to be significant and growing – possibly ahead of population growth, due to recent developments such as Australians drafted into the USA's NBA draft receiving a lot of media attention, Australians featuring in recent NBA championships and the Perth Wildcats enjoying success and drawing capacity crowds at the new Perth Arena.

² WNC have notified of their existing situation in writing to the WBA



Another trend that will add to demand for indoor courts is the trend for netball competition to move indoors. Already netball social competitions are played extensively indoors; however, most associations in Perth and around Australia still have traditional association competition played outdoors on a weekend.

In addition to enabling play out of the weather, the sprung wooden floors are highly sought after, particularly amongst adult players as it places significantly less stress on the player's feet and knees. Anecdotal evidence suggests that if netball associations were to move indoors, many ex-players would consider playing again due to the more favourable playing conditions.

Facility Expansion Plans

A number of Perth Metropolitan venues that host association basketball are at various stages of planning for expansion including the Warwick Leisure Centre (+4cts), Joondalup Arena(+3-4cts), Ray Owen Sports Centre (+3-4 courts), Lakeside Recreation Centre (Cockburn) (+1 court), Mundaring Recreation Ground (+4 courts) and the Mandurah Recreation and Aquatic Centre (+2 courts).

Relatively few courts for association basketball appear to have been constructed over the past decade whilst Perth's population has increased significantly, thus it appears capacity has been reached in many association venues, leading to a point now where up to 19 courts are being considered in recreation planning to expand capacity primarily for association basketball.

6 BASKETBALL PARTICIPATION TRENDS

ABV has conducted extensive research into basketball participation trends, obtaining data from multiple sources to develop a picture of how organised basketball participation is changing and how it might impact local participation in the WBA catchment area in the coming years.

At first glance, organised basketball participation appears to be steady, leading to the assumption that future local participation change would largely be based on population growth/decline.

The Australian Bureau of Statistics reveals the following:

- Adult participation (15 years +) in organised and non-organised basketball has decreased very slightly from 2.1% in 2005-06 to 2.0% of the population in 2011-12. (Source: Participation in Sport and Physical Recreation, Australia, 2011-12, Australian Bureau of Statistics 4177.0)
- Boys' participation (5-14 years of age) in organised basketball has increased from 8.8% of the population in 2000 to 9.2% of the population in 2012.
- Girls' participation (5-14 years of age) in organised basketball has increased slightly from 6.3% of the population in 2000 to 6.5% of the population in 2012. (Source: Children's Participation in Cultural and Leisure Activities, ABS, 4901.0, 2000-2012.)

The Exercise, Recreation and Sport Survey (ERASS) conducted by the Standing Committee on Recreation and Sport from 2001 to 2010 for persons aged 15+ reveals similar stable participation rates for basketball. It reports an organised basketball participation rate of 2.4% of the population in 2001 declining marginally to 2.3% of the population in 2010.

In looking specifically at basketball association membership statistics, it is known that 1.1% of the Perth Metropolitan population are basketball association members (Source: Basketball WA), and within the City of Canning, approximately 1.4% of residents (1,300) are members of the Willetton Basketball Association.

Victoria is the only other State that is able to provide detailed basketball association statistics. Basketball Victoria reports that it is known that 2.0% of the metro population are members of a basketball association. This is 82% greater than the Perth metropolitan participation rate.

A severe lack of court space/time for basketball association usage is a major issue in both the Perth and Victorian metropolitan areas. Both States report significant latent demand building up for association membership, suggesting that participation rates could be significantly higher if additional capacity was provided. It has been the experience of the WBA that any expansion in capacity through use of satellite venues has resulted in rapid participation increases resulting in the additional capacity being fully utilised within a short period of time.

This information suggests that organised basketball participation within the WBA catchment area and across the metropolitan area is being held at steady levels due to capacity limitations, therefore participation could increase substantially above population growth rates should sufficient capacity be provided.



7 RECENT AND PLANNED BASKETBALL COURT CONSTRUCTION

In the Perth Metropolitan area there has been relatively few additional indoor courts constructed over the past 10 years, which is a time period in which Perth's population has grown very strongly. This view is supported by the Department of Sport and Recreation's Facilities department who have a high degree of involvement in most major sporting infrastructure developments.

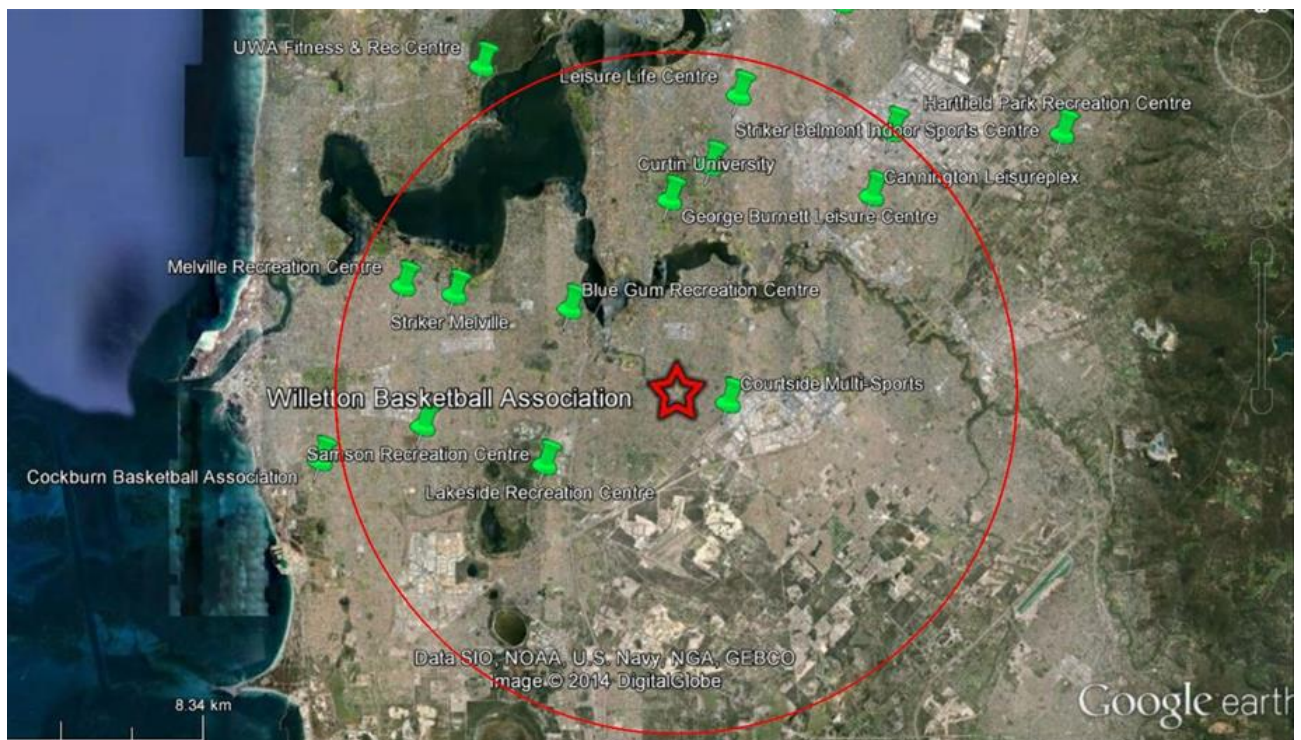
At the present time at least three of Perth's 10 metropolitan basketball associations are planning for expansion of their principal facilities. These include the WBA, Kalamunda and Districts Basketball Association and the Wanneroo Basketball Association. Also, the Warwick Leisure Centre, run by the Warwick Churches of Christ has commenced construction of 4 additional indoor courts in March 2015 to accommodate current demand and future growth in association basketball and other users.

It is ABV's view that given the lack of construction of new indoor courts over the past 10 years, there is now some catching up to do to meet current and short/medium term future demands.



8 ENVIRONMENTAL SCAN

8.1 Indoor Court Availability in the South Metropolitan Region



Indoor Sports Centres within 10km radius of WBA

The map highlights that within a 10km radius of the Willetton Basketball Stadium, there are a number of facilities with indoor courts to the North, however there is an uninterrupted catchment area to the South East of the stadium. Of the facilities that are within the 10km catchment, there is one other facility (Lakeside Recreation Centre) that operates basketball competitions affiliated with Basketball WA.

8.2 Other LGA Facility Development Plans

8.2.1 City of Mandurah

Craig Johnson, Manager Recreation Centres and Services

- The Mandurah Basketball Association (MBA) operates from the Mandurah Recreation and Aquatic Centre which includes a 4 court stadium.
- In general it is a satisfactory arrangement; however, the high level of MBA usage restricts the City's ability to offer alternative activities to the community.
- The City will consider in the future the potential for additional courts to be developed and modifications to the facility that will allow the courts to be 'separated' from the rest of the Centre on SBL nights and enable the MBA to run its own kiosk.
- Additional courts could potentially include a show court. Management arrangements could also potentially be altered in the future including a licence to MBA for the new facilities.

8.2.2 City of Gosnells

Brian Keating, Manager of City Facilities

- The City has three single court facilities, no multi-court facilities.
- The City has no plans to build additional indoor courts at this stage.

8.2.3 City of Swan

Brian Blechynden, Coordinator Facilities Planning

- The City of Swan two multi-court stadium – Altone Park Leisure Centre (3 Courts) and Swan Park Leisure Centre (3 Courts).
- The City organises the sports programs in each centre.
- The Midland Mustangs Basketball Association folded around the year 2000 and it is assumed many of the participants joined the Kalamunda & Districts Basketball Association.
- The City's existing courts are highly utilised.
- The City has been exploring the development of a 3 court stadium in Ellenbrook. Initial cost estimates have been excessively high, alternative options are being explored. It has a notional development date of 2017.

8.2.4 City of Melville

Todd Cahoon, Manager Health & Lifestyle

- The City was considering the feasibility of the venue in light of proposed LGA boundary changes. Given these are now not progressing, the City of Melville's interest in the facility is purely from a potential competitors basis.
- The City of Melville has recently seen the closure of Striker Indoor sports centre in Melville, reducing available indoor sports courts by five in the region.
- Currently the Leeming Recreation Centre has been leased out to private operators and offers 2 indoor sports courts available for competition and hire. The courts are reported to be very heavily utilised.
- The Melville Recreation Centre also offers 2 indoor sports courts that are very heavily utilised. Located in the far western corner of the City.

8.2.5 City of Cockburn

Adrian Lacquiere, Recreation Services Coordinator

- The City has two basketball association venues, both are four court stadiums (Lakeside Baptist Church run stadium and Wally Hagan Stadium run by the Cockburn Basketball Association).
- The Lakeside facility is well run by the church and has a successful basketball association. It has a land lease and is entirely responsible for the facilities it has developed. There is talk of adding another court in the future.
- The Wally Hagan Stadium is operated by the Cockburn Basketball Association (CBA) under a peppercorn lease in which it is supposed to undertake all building maintenance works and upgrades however the Council has had to assist on a number of occasions and forgive some debts.
- The City is concerned that the CBA may not be undertaking the necessary maintenance for the facility. In the future, the City may consider upgrading the facility with additional courts, a gym and dry recreation space and take over the management to operate it as a community recreation centre, with CBA as the primary sports court tenant.



- The City is in the detailed design planning phase for the new Cockburn Regional Physical Activity and Education Centre, a \$100 million facility that will include 6 indoor courts. This will replace the South Lakes Leisure Centre which has 2 courts, resulting in an additional four courts for the City. It is intended to be a multi-purpose facility catering for a wide range of user groups. Given that the City already has 2 association basketball venues it is not envisaged that it will be a major basketball venue.

9 ADDITIONAL COURT REQUIREMENTS

As demonstrated in Section 5 Facility Usage and Existing Capacity, the Willetton Basketball Association is operating at full capacity, having exhausted all available options for court time at satellite venues.

Calculating the future court requirements for the WBA requires the following pieces of information:

- An estimate of the latent demand that currently exists
- Population Forecasts
- An accepted ratio of number of players/teams per court

9.1 Estimate of Latent Demand

At best, estimating latent demand is an inexact science. Where statistics are kept in WA and Victoria, metropolitan associations are all at capacity, therefore it is unknown what the participation levels would be if court capacity was removed as a constraint. A conservative method is to use the Victorian metropolitan participation rate of 2.0% of the population as a guide for WBA's catchment. This is higher than the current rate of 1.4% for the City of Canning and 1.1% for the Perth metropolitan area. The use of the 2.0% figure for total participation demand could be considered conservative given that Victoria also has significant basketball capacity constraint issues, therefore their total participation rate including latent demand is likely to be even higher.

It is impossible to be precise in calculating potential latent demand, however, based on the comparison with Victorian participation rates and the rates of participation in the city of Canning and for the Perth Metropolitan region, WBA's membership could rise by 40-80% before meeting latent demand levels. This would equate to an additional 1,450 – 2,900 participants based on WBA's current 2013/14 membership of 3,630. Therefore, there could be as many 5,100 - 6,500 WBA existing and potential members should sufficient court capacity be provided in 2015/16.

9.2 Population Forecasts

Population forecasting is also an inexact science. The vast majority of Perth metropolitan LGA's and many in the South West have been significantly exceeding forecasts for a number of years now, with even the most recent forecasting underestimating the strong population growth that is continuing to occur. This is also true of the City of Canning and its neighbours when comparing actual growth to previous forecasts, as detailed in the Population Projections section of this report.

As noted previously, the implications of the population growth research is that there is a high degree of uncertainty as to how the population will grow into the future. Given recent trends across the Metropolitan region of LGA's growing substantially beyond their forecast rates over sustained periods of time, it would appear there is a significant possibility that the City of Canning and surrounding areas will continue to grow at 2-3% for some years to come resulting in corresponding growth in basketball participation demand. Over a 10 year period, this could result in 20-30% increased demand. This would result in an additional 20-30% potential participants for WBA on top of the identified 5,100 – 6,500 existing participants and latent demand.

Therefore, potential total participation in 2023/24 could be in the region of 6,100 to 8,400, should sufficient court capacity be provided.

9.3 Ratio of Players per Team and Teams per Court across a 12 Month Period

9.3.1 Players per Team

Basketball Associations run two seasons per year of domestic basketball competition. Discussions with competition organisers reveal most teams play across both seasons with many of the same players, although there are always a number of persons who will drop in/drop out at season change over. So whilst a team may have around 7 players in one season, across the two seasons it may have around 9 players in total that have participated. This number varies depending on the level of play and other factors, however an average of 9 players per team across 2 seasons is seen to be a relatively conservative number for estimating the number of teams that will be generated from future participation growth.

9.3.2 Teams per Court

ABV's examination of large basketball associations that have exclusive use of courts, in addition to knowledge of typical court usage characteristics and extensive consultation with Basketball WA and basketball association administrators reveals that a team/court ratio of a maximum of 50 teams per court will largely meet the requirements of a basketball association. It is based on the following assumptions:

- The courts are used for competition and training. If the courts were to be almost exclusively used for competitions, then 80+ teams could be accommodated on a court. Teams are then required to train at satellite venues. This is a common occurrence across many basketball associations, however the WBA has exhausted all training venue options in the region. Many junior and senior teams are simply missing out on the opportunity to train.
- The court is for the exclusive use of the association during all non-school hours.
- There will be a mix of teams that only play 1 game per week and do not train, some teams that train once per week and some that train twice per week.
- There are little or no satellite venue options available.
- The primary focus of the association is on maintaining a large domestic competition along with WABL and SBL teams.

It should be noted that at a ratio of 50 teams per court for competition and training, there would be little or no capacity for an association to conduct alternative basketball programs that may cater for under-represented sections of the community or accommodate other user groups during after school hours.

9.4 Court Requirements for the Willetton Basketball Association

The current and future court requirements for the WBA have been developed from the estimates of latent demand, population growth, players per team and teams per court as previously detailed. The estimated current and future court requirements for the WBA are as follows:

	Demand Players (existing + latent)		Demand Teams (9 players per team, existing + latent)		Courts Required (50 teams per court, no satellite venues)	
	Low	High	Low	High	Low	High
2013/14	5,100	6,500	567	722	11.34	14.44
2023/24	6,100	8,400	678	933	13.56	18.66

These figures show that by 2023/24, the WBA may require 14-19 courts to conduct all of its activities at its own venue. Clearly this is not possible due to a lack of space, therefore the likely scenario is the WBA will need to continue to utilise satellite venues wherever possible and there will continue to be unmet latent demand due to continued insufficient capacity at WBA. This unmet demand will require new courts for association basketball use to be developed off site.

10 MANAGEMENT

10.1 Management Options

The determined need for the expansion of the Willetton Basketball Stadium is based upon demand of existing users and consideration to utilisation of the proposed indoor facilities by the Willetton Netball Club.

The following major assumptions are relevant to the Willetton Basketball Stadium Development:

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

10.2 Management Model

Upon the review of industry trends, previous project experience and benchmarking analysis, three main options in relation to the overall management of the proposed development have been identified, these being:

- Management by the Willetton Basketball Association
- Management by Local Government (City of Canning)
- Management by a consortium of key users (Willetton Basketball Association and Willetton Netball Club)

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

Management Option	Fors	Against	Issues
Management by Willetton Basketball Association.	<ul style="list-style-type: none">• Club has successfully managed facility in its current form• Will have a good understanding of the facility issues.• Likely to maximise commercial benefit to club involved in management.• Potential to co-opt members with a strong commercial understanding.• Club could appoint professional manager to manage facility on their behalf.• Maximise individual club support for the facility.• Single communication point and decision maker.• Club has proven management experience• Club has management experience and structure in place	<ul style="list-style-type: none">• Could detract from viable usage by other users of the precinct.• Potential conflict of interest with other potential users and financial viability of the facility.• Could detract from non-basketball users of precinct.	<ul style="list-style-type: none">• Club is more likely to have self interest in managing facility.
Management by Local Government	<ul style="list-style-type: none">• Opportunity to maximise focus on recreational and community benefit, diversity	<ul style="list-style-type: none">• Could detract from the viability of the clubs using the facility.	<ul style="list-style-type: none">• May not be in a position to maximise commercial opportunities

	<ul style="list-style-type: none"> of usage and access to Facility. • Leverage other events and opportunities through the City of Canning. • City of Canning has experience in managing facilities of this size and nature, albeit aquatic and gym facilities. • City of Canning has existing resourcing in HR, Financial, risk, asset management policies and processes. 	<ul style="list-style-type: none"> • Would need to recruit resources for facility management role. • May lack the support of the existing management groups • Operation of commercial business is not a core competency of Council. • Complicated management structure making difficult to speak to the right person. 	<ul style="list-style-type: none"> • City of Canning willingness to underwrite the operation of the facility. • Potential to lose sporting volunteers.
Management by management board representing the key tenant club(s) or users (WBA and WNC).	<ul style="list-style-type: none"> • Consortium could appoint Professional manager/ management to manage facility on their behalf. • Opportunity to maximise commercial benefit to clubs involved in management. • Potential to co-opt members with a strong commercial understanding. • Potential that role of clubs is maintained. • Potential to create a democratic process whereby all groups have equal say. 	<ul style="list-style-type: none"> • Clubs may not have commercial expertise within clubs to manage facility. • Conflict of interest with other potential users and financial viability of the precinct. • Competing interests amongst clubs. • Not core club business. • Slow decision-making process. • Potential lack of responsibility/ownership of the facility. • The WNC do not operate their own domestic competition and would utilize the courts for training purposes only, thus competing with WBA court space to conduct competition. • Inequitable facility management expertise between the WBA and WNC. 	<ul style="list-style-type: none"> • Sports clubs are more likely to have self-interest in managing facility. • Limited ability to financially underwrite. • There would need to be a strong/binding Memorandum of Understanding between the tenant club/users.

10.3 Tenure Arrangements

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

Lease

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

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

Management License

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

Hire

Hire agreements are usually used for short-term or irregular one-off uses of a facility. Facility hire would be used for one off/short term bookings for the courts or other facilities within the WBS.

10.4 Preferred Management Model and Tenure Arrangements

The recommended management model for the precinct is:

- Management by key user (Willetton Basketball Association)

The recommended Tenure Arrangement is through a Lease Agreement with the Willetton Basketball Association for the Willetton Basketball Stadium (WBS).

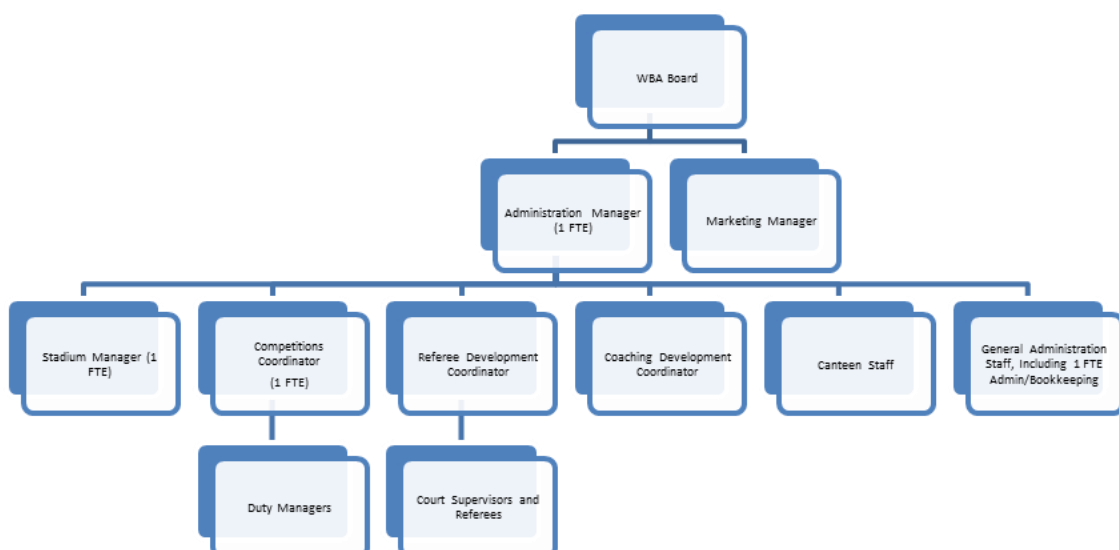
For the purpose of the Willetton Basketball Stadium and the ability of the management entity to operate efficiently and to create a successful commercial operation, a lease agreement would be deemed appropriate. The lease would require the ability for the WBA to commercially on lease the recommended facility components that are commercial viable for an external operator.

Management Structure:

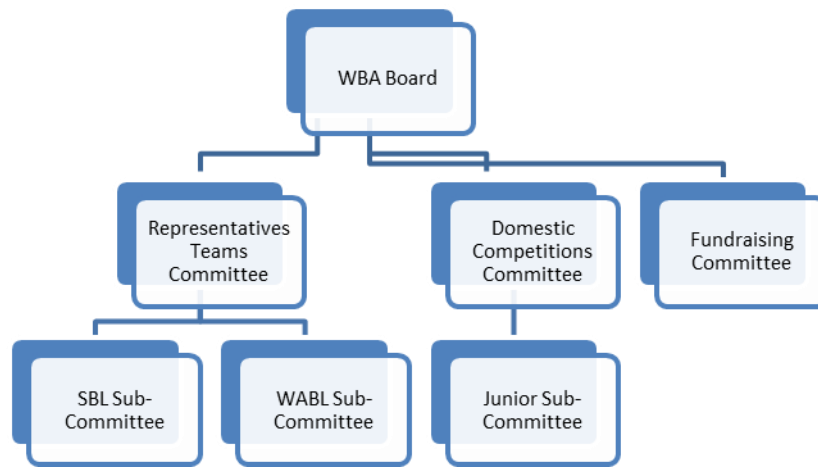
The consultant team reviewed the existing management structure that the Willetton Basketball Association operates within and is of the view that it is appropriate to continue with the same structure going forward. Additional staffing will be required within the existing structure to accommodate increased demand. It is not proposed to change the operations, but add on to existing model of operation to accommodate existing and future demand.

For the purposes of the budget preparation, the following structure has been used:

Operational Structure:



Committee Structure:



11 FACILITY EXPANSION NEEDS ANALYSIS

The following information provides a summary of the identified Facility demand based on the key demand drivers, being;

- Existing and Unmet Demand.
- Consultation
- Facility Development Trends
- Growth of Willetton Basketball Association

The Willetton Basketball Stadium comprises of four (4) indoor sports, change rooms, toilets, reception and administration office, kiosk and club function space.

11.1 Existing and Unmet Demand for Court Space

The facility already has a high level of demand from the existing activities and programs that are operated. For times that are suitable to conduct training and competition (after school hours, evenings and weekends), there is no additional space available.

The current facility also accommodates:

- Daytime usage (badminton, daytime ladies competition, mixed basketball competition and local school bookings)
- WABL games or training
- SBL games
- Holiday camps
- Internal Junior training and skills

The WBA currently uses satellite facilities for Saturday competition and training venues and have exhausted available bookable space at satellite venues. Use of satellite venues for competitions requires additional coordination staff to be employed to conduct the competitions at different venues at the same time. Four (4) satellite courts are utilised all day on Saturdays for competition³ (a total of 42 hours) and 64.4 hours of additional court hire is booked for training.

There is currently a waiting list of teams, players and officials wanting to participate in competitions conducted by the WBA, resulting in teams, players and officials unable to be accommodated in existing competitions due to current usage levels.

The table below summarises the number of children that have joined the waiting list from the commencement of the Winter season 2013 to the completion of the 2014 Winter season.

³ Detail outlined in section 5 Facility Usage and Existing Capacity

Year	Month	Total # Kids	Avg # kids / day
2013	Mar	23	1.00
	Apr	19	0.63
	May	46	1.48
	Jun	39	1.30
	Jul	46	1.48
	Aug	90	2.90
	Sep	75	2.50
	Oct	64	2.06
	Nov	46	1.53
	Dec	37	1.19
2014	Jan	42	1.35
	Feb	91	3.25
	Mar	70	2.26
	Apr	40	1.33
	May	55	1.77
	Jun	24	0.80
	Jul	46	1.48
	Aug	83	2.68
	Sep	74	2.47
	Oct	59	1.90
	Nov	44	1.47
	Dec	37	1.19
2015	Jan	47	1.52
	Feb	87	3.35
Grand Total		1284	1.78

The existing outdoor courts are used sparingly by the WBA clubs for training, however the outdoor courts are utilised through the months of February to September by the Willetton Netball Club. The WNC's preference is to utilise indoor courts rather than outdoor courts to:

- Provide certainly in inclement weather to conduct training and fitness activities
- Provide a safer environment for their existing players
- Develop their club and attract new members by being able to train on a court surface similar to those that they play on.

Given the comments from the clubs in relation to the existing deficit in accessible provision, there is a need to retain existing levels of courts in the area and indeed seek to increase provision.

11.2 Consultation

Targeted consultation was undertaken for this project;

Consultation with the WBA

The Willetton Basketball Association believe based on existing demand that an expansion is required, to include;

- Additional courts to accommodate existing demand, future demand and provide ongoing development opportunities.

- A court suitable for State Basketball League fixtures and major events. Must include suitable seating capacity and meet the standards required for SBL competition.
- Existing perceived facility issues identified were: accessibility to storage areas, enhanced kiosk, improved centre presentation and improved spectator seating. (These are further outlined below)
- Potential for commercial Café deemed not required as located in close proximity to shopping complex
- Increased/Enhanced administration facilities
- Opportunities for new business development opportunities for increased income generation.

New Business Opportunities

The opportunity to introduce new businesses and improve existing businesses was outlined, some of the new businesses that were suggested included;

- Kiosk – Although the Willetton Basketball Stadium has an existing kiosk facility, the opportunity to redevelop and or introduce new contemporary kiosk facilities was identified as a way to improve potential income generation by servicing a greater number of users at any given time in the expanded facility.
- Meeting and Function Facilities – Although the Willetton Basketball Stadium already have some function facilities that are predominantly used for basketball club functions, it was outlined that the new facility should include improved function facilities with the ability to cater to other sporting groups on the precinct, as well as attract corporate meetings and private community use.
- Increased Office and Administration Space – There is a perception that additional office and administration space will be required to accommodate the perceived increase in staff required to operate the facility.
- Additional Indoor Court Space (Multi-purpose Indoor Courts) – additional courts to be multipurpose in design to provide for the most optimal utilisation.
- New Competition - the WBA has been approached regarding a proposed new basketball competition for intellectually disabled people in the catchment area. An expansion will provide for increased capacity to accommodate events and competitions for disadvantaged people interested in organised sport.

Consultation with Willetton Netball Club

- The WNC would welcome the expansion of additional indoor courts to enable them access for training and development opportunities. Currently, the WNC only accesses the outdoor courts which they believe reduces their ability to develop the club to its potential.
- WNC believe that indoor court use for training would provide a more stable venue and safer venue for members.

Burrendah Precinct Study

In 2013, a Burrendah Precinct Study was completed for the City of Canning by Hester Property Solutions Pty Ltd to create a 10 year vision for the Willetton/Burrendah commercial and community centre and interfacing areas. The study area included the Willetton Basketball Stadium site. One of the objectives of the study was to facilitate the requirements of the recreation and community stakeholders within the Burrendah Precinct.

The study involved a number of consultation sessions that included general community, politicians and sporting clubs. Three master plan options for the precinct were developed. The study identified a



need for the expansion of the existing basketball stadium to include additional basketball/netball courts. Whilst the study did not specify the size of the expansion, the consultation results indicate that at least 3 – 4 netball courts be included.

11.3 Facility Development Trends

The following information provides an overview of facility development trends that have been obtained by the consultant through consultation with industry specialists.

In general;

- There is a greater community awareness of the benefits of physical activity and healthy lifestyle.
- People's expectation is to participate in activities of their choice, at times and locations convenient to their own individual lifestyle.
- People expect to participate in recreation and sport activities in high quality facilities offering high quality service.
- Increasingly participants are expected to contribute a greater proportion of the costs of their activity.
- There is an increased focus in providing opportunities to maximise revenue streams in addition to entry fees. This has included revenues associated with new business opportunities, sponsorships, etc.

Facility development specific:

- Positioning of facilities as multipurpose.
- Provision of wellness, allied health and leisure facilities.
- Provision of suitable child minding facilities.
- Local governments are increasingly considering co-location of community facilities as a more financially sustainable option.
- Enhancement of change room options (i.e. special needs, family, accommodation of female sports, outdoor etc.).
- Creation of a welcoming entrance.
- Appropriate provision of car-parking spaces.
- Maximisation of secondary spends
- Enhancement of core business areas
- Appropriate access control for different activities.
- Design that allows for the control of operational costs by opening up view lines.

Facility Development Trends Impacting on Facilities

Relevant trends in indoor sports facility design that have been observed by the consulting team include:

- The design and development of facilities that can be configured to meet the needs and uses.
- A growing community preference for indoor facility provision, at the expense of participating in outdoor sports.
- Co-locating leisure and sports facilities close to other community assets such as retail precincts, arts precincts, libraries and other facilities is an emerging trend, designed to maximise the visibility, traffic and through-put to these facilities.
- The design of facilities as joint-use facilities or multipurpose educational and community use at school and other educational facility locations allowing educational use during the off-peak daytime periods (weekdays) and community use during the peak evening and weekend periods.



- There is an emerging trend of public-private partnerships between developers, government and sports clubs to develop sports facilities.
- Opportunity to include commercial spaces to lease/operate to offset capital and operating costs. The following commercial opportunities have been identified as potential commercial opportunities within an expansion;
 1. Allied Health and Rehabilitation Facilities – Introduction of allied health business. This could be complimentary to the sports clubs. Development of health and wellness facilities that are complimentary to the existing uses could include:
 - Sports Medicine
 - Physiotherapy.
 - Podiatry.
 - Rehabilitation Facility.
 - Meditation/Yoga/Pilates.
 2. Commercial Gymnasium – potential for franchise low-cost gymnasium operating 24 hours a day, 7 days per week.

Strategic Facility Development Considerations

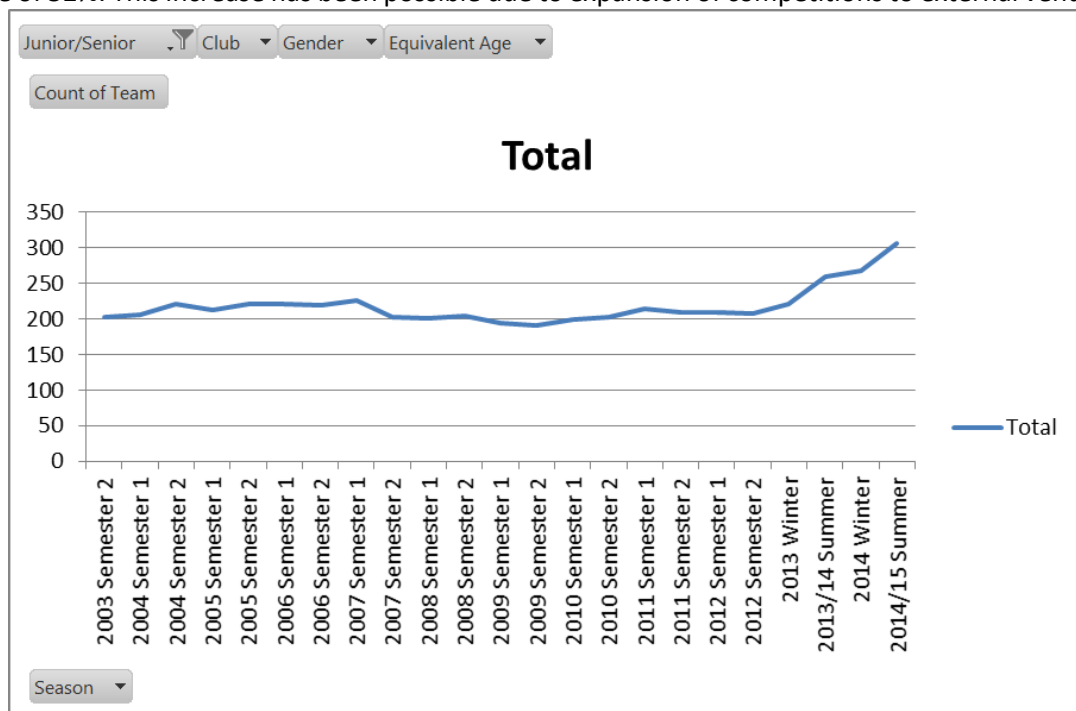
- The site is in a very good location with good access to public transport and in proximity to other facilities (shopping). It is also well known in the region.
- The development of the courts as multiuse to enable use by other sporting codes. This will increase opportunity for court utilisation during off-peak times.

11.4 Growth of Willetton Basketball Association

The Willetton Basketball Association has grown significantly in the past 10 years. The following tables highlight the growth in the number of teams playing in competitions operated by the WBA:

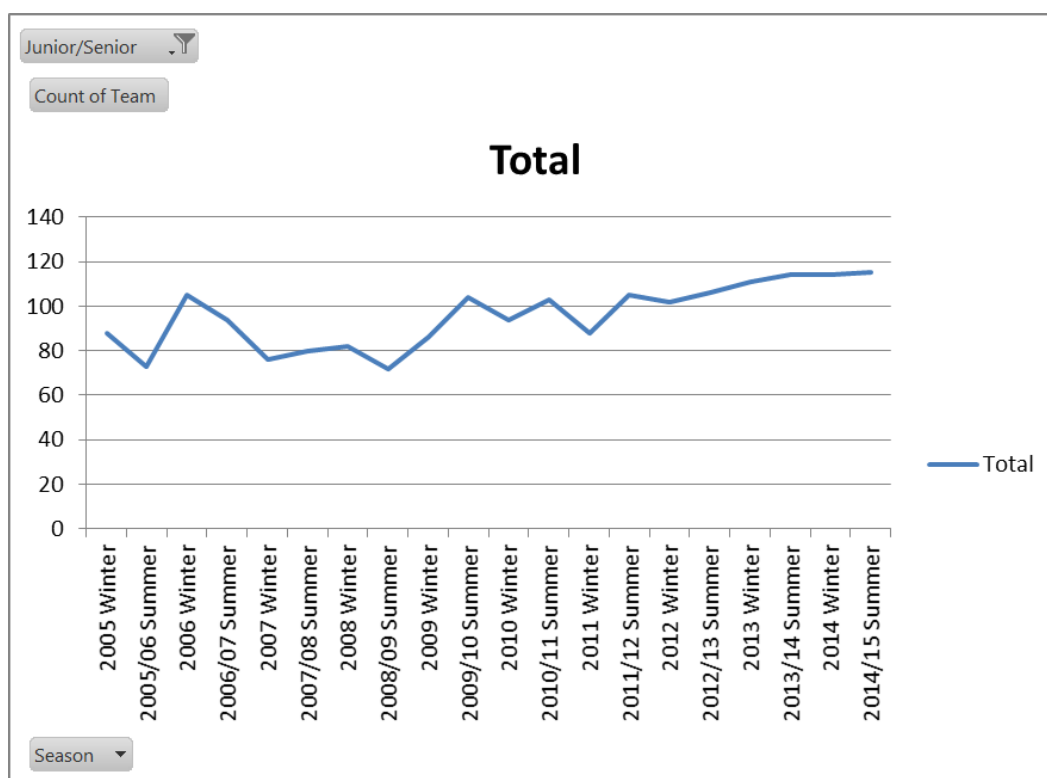
Junior Teams

Since 2003, the number of junior teams playing in competitions has increased from 202 to 307, an increase of 52%. This increase has been possible due to expansion of competitions to external venues.



Senior Teams

The number of senior teams has increased from 88 to 115 teams since 2005, an increase of 25%.



11.5 Facility Expansion Plans

A number of Perth Metropolitan venues that host association basketball are at various stages of planning for expansion including the Joondalup Arena(+3-4cts), Ray Owen Sports Centre (+3-4 courts), Lakeside Recreation Centre (Cockburn) (+1 court), Mundaring Recreation Ground (+4 courts) and the Mandurah Recreation and Aquatic Centre (+2 courts). The Warwick Leisure Centre has commenced construction of an additional 4 courts.

Relatively few courts for association basketball appear to have been constructed over the past decade whilst Perth's population has increased significantly, thus it appears capacity has been reached in many association venues, leading to a point now where up to 19 courts are being considered in recreation planning to expand capacity primarily for association basketball.

11.6 Development Options Analysis

Based on the Key Demand Drivers and the outcomes from the Consultation Process, the following information provides an assessment of the critical decision making associated with the proposed facility development.

The following section contains an analysis and considers the key facility development opportunities and options that arose from the consultation undertaken, an assessment of demand for facilities and industry trends.

1. Additional Indoor Courts

Financial	<p>Associated revenue of additional courts is likely to be significantly greater than the operational costs resulting in a strong operating financial position. Will reduce external satellite court hire costs currently being expended.</p> <p>High capital outlay.</p> <p>Current usage and demand indicates additional courts are sustainable, particularly with the option for WNC to use indoor courts during their season.</p> <p>Reduction in external court hire costs by accommodating all competition and training at the one venue.</p> <p>More efficiency in staff operations as competitions can be held at the one venue.</p>
Social	<p>Eliminate need for external court hire and use of other facilities</p> <p>Will provide participation opportunities for those currently unable to participate due to space availability</p> <p>Will allow for the development of the sport of basketball in the region</p> <p>Will allow for the development of netball club currently utilising outdoor courts</p>
Sport Development	<p>Provides for the growth of junior and senior basketball in the Region.</p> <p>Development of show court will provide greater amenity for State Basketball League games and provide opportunity for other major sporting events.</p> <p>Provides for opportunity for growth of Willetton Netball Club with the provision of greater amenity. Will need to obtain regular access.</p> <p>If courts are multipurpose, developed to the maximum size to accommodate netball and designed in a way that it is possible for other sports to be conducted, there is opportunity for other sports to hire facilities.</p> <p>Development of club culture with the existing teams playing in the WBA competitions to train at the same venue they play at.</p>



Need/Justification	<p>The WBA has experienced strong growth in participation numbers.</p> <p>There is excess demand for participation in existing competitions and programs offered by the WBA.</p> <p>The WBA has successfully operated the Willetton Basketball Stadium for the past 20 years and developed the sport of basketball in the region.</p> <p>Currently for sports other than basketball, limited indoor space available to develop sports and activities.</p> <p>WNC have preference for indoor courts for training.</p> <p>The WNC use the existing outdoor courts four nights per week from February through to September. Moving to indoor courts will enable, in addition to use by WBA, sustainability of the facility.</p> <p>Capital cost will be high with the addition of 2, 4 or 5 courts.</p> <p>An additional four (4) courts will accommodate existing demand. That is: 8 courts on a Saturday + an additional 65 hours (approximately) of training courts booked at external venues + 11 hours of court hire booked individually by clubs external of the WBA bookings. With the addition of netball utilising 2 – 3 courts 4 nights per week from March to September, there is justification for the addition of 5 courts to the facility. This allows for continued growth for the Willetton Basketball Association and development of the Willetton Netball Club.</p>
Recommendation	<p>Provide an extension of five (5) indoor sports courts.</p>

2. To include a new show court for State Basketball League fixtures and major events with Spectator Seating

Financial	<p>SBL games attract additional spectators and provides an opportunity for income generation</p> <p>Provides opportunities for other sports and events to be conducted.</p>
Social	<p>Provides opportunity for community to access elite level sports at a local level</p>
Sport Development	<p>SBL is the elite level of the sport of basketball available and managed through the associations. It allows a development pathway for participants and sets a level to achieve within the association's capacity.</p>



Need/Justification	<p>To conduct SBL, the facility is required to meet the standards applied by basketball regulating bodies.</p> <p>Spectator seating capacity will be required to conduct SBL games and other events.</p> <p>The provision of spectator seating provides opportunities for ticket sales to events.</p> <p>Existing show court has seating capacity of 500 and is often fully utilised during SBL games.</p>
Recommendation	Include one court suitable to conduct SBL games with appropriate spectator seating.

3. Provision of new or Upgrade reception and administration area and provision of entrance lobby and reception

Financial	<p>Financial benefits will be derived from retention of staff and productivity improvements by providing appropriate office accommodation on site.</p> <p>Provide a welcoming approach to facility which would be attractive to new and existing site users.</p>
Social	<p>Provides a central point from which activities and sports can be marketed. Provides general meeting area for socialisation, particularly if linked to kiosk area</p> <p>Opportunity to be utilised for marshalling area for school groups, national championships etc.</p>
Sport Development	Provides a central point from which sports can be operated.
Need/Justification	One common entrance assists in site security and potentially reduces staffing costs.
Recommendation	Develop a facility entrance that is welcoming to all visitors.

4. Crèche

Financial	<p>Provides additional programming opportunities particularly during day on weekdays.</p> <p>Full childcare facility would have to meet Childcare Regulations</p> <p>Crèches in general are not strong income generating components. Requires flexible staffing to accommodate number of children and different age groups.</p>
Social	Will provide participation opportunities for those currently unable to participate



Sport Development	Nil
Need/Justification	Not justified
Recommendation	Not include a crèche or child minding facilities in the expansion project

5. Kiosk Upgrade/Expansion

Financial	Associated increased revenue of additional programs and participation generated by court expansion likely to encourage greater spend in from kiosk facilities. Potential to maximise returns due to exposure to all users
Social	Play and Stay. Provides an opportunity for players to stay and socialise with other team members and other teams.
Sport Development	Nil
Need/Justification	Existing kiosk outdated and required for income generation opportunity
Recommendation	Include updated kiosk facilities in project

6. Meeting Room/Function Space

Financial	Opportunity to increase revenue stream if meeting/function space available Increased opportunity for Corporate Sponsorship
Social	Development of strong club culture if social facilities are included within the facilities. Wider community use possible
Sport Development	Development of club house. Club/Associations can display club memorabilia
Need/Justification	Provides for club development through social avenues. Provides opportunity to derive additional income. Limited staff requirements to operate. Opportunity to attract corporate sponsorship.
Recommendation	Include new/upgrade function room in facility in proximity to kiosk.



7. Improved Change Room and Toilet Facilities

Financial	Additional capital outlay
Social	Quality amenities will need to be provided.
Sport Development	Nil
Need/Justification	Increased number of courts and follow on utilisation increases will require additional change facilities and toilet amenities to: <ol style="list-style-type: none"> 1. Meet Building Code Requirements 2. Meet increased demand
Recommendation	Increase/upgrade toilet and change room amenities

8. Car Parking

Financial	High capital cost to project however project unlikely to proceed if parking inadequate
Social	Nil
Sport Development	Nil
Need/Justification	Provision of car parking to service the needs of the users of the new facility
Recommendation	Include additional car parking as required

9. Commercial Space (Complimentary Facilities)

Financial	Has the potential to provide additional revenue to the centre. Commercial opportunity.
Social	Has the potential to provide additional opportunity for existing users and other community members access to services currently not provided or under serviced within the community.
Sport Development	Has potential to provide services relevant to the support of players.
Need/Justification	Provides opportunity for further information generation and service opportunities to community. Has the potential to provide significant additional revenue to the centre. Commercial opportunity.
Recommendation	Include commercial space within the facility expansion.



10. Storage

Financial	Additional capital outlay
Social	Nil
Sport Development	
Need/Justification	Storage is a major requirement of all facility developments of this type. The ability to store all equipment required to accommodate a range of activities, programs and events will allow promotion and acceptance of a range of opportunities.
Recommendation	Include additional storage in development

11. Retail Outlet (Pro Shop)

Financial	Has the potential to provide additional revenue to the centre.
Social	Nil
Sport Development	Nil
Need/Justification	Being predominantly basketball based, unlikely to generate enough income from basketball related products. Requires additional staffing. Minor items can be sold through reception.
Recommendation	Do not include retail outlet in facility development

11.7 Proposed Facility Development Summary

Based on the Key Drivers, the major facility components proposed for the Willetton Basketball Stadium expansion are as follows:

- Development of an additional five (5) indoor courts
- A local community focus that is complimentary to, and that can be integrated with the existing facility.
- The inclusion of recommended facility expansion components can be achieved through a combination of new and refurbishment of existing facilities.
- Provision of additional change room and toilet amenities
- Function/meeting space that can be used to develop social aspect of club and be utilised by community and business.
- Upgraded kiosk facilities, administration and office space.
- Increased storage to accommodate additional equipment requirements
- Inclusion of commercial space within development.



11.8 Proposed Facility Development Components

The following section provides a discussion of the core facility components that may be required to satisfy known and anticipated future community demand. Following is a copy of the Willetton Basketball Stadium spatial allocation summary issued to the appointed architect to develop the initial facility expansion Concept Plan.

The original demand identified for an expanded indoor stadium was based on demand for access to indoor courts for competition and training purposes, particularly basketball. The research and consultation undertaken as part of this project has confirmed that the WBA are having to utilise facilities beyond their existing facility to accommodate current demand for both training and competition. Therefore the primary purpose of the proposed expanded facility will predominantly be to cater for WBA demand for access to indoor courts for competition and training purposes (basketball).

Aside from basketball, it is anticipated that the facility will be used by a range of other sports and community activities. The establishment of competitions by these groups in addition to training venues may be appropriate and adequate facilities will be provided to accommodate such use, particularly facility components that cater for broad community use such as access to local meeting room/activity space (Meeting Room) and storage facilities. Overall the brief for the proposed facility expansion is as follows;



Willetton Basketball Stadium		
Area	Number	Unit
CHANGE ROOMS, PUBLIC TOILETS		
Changeroom, shower and toilet 1	45	m ²
Changeroom, shower and toilet 2	45	m ²
Changeroom, shower and toilet 3	45	m ²
Changeroom, shower and toilet 4	45	m ²
Umpires room	12	m ²
First aid room	12	m ²
Stores	5	m ²
Public toilets	26	m ²
	235	m²
INDOOR COURTS		
Show Court	924	
Permanent spectator seating	488	
Sponsors Boxes	76	
4 additional court playing area	2,857	m ²
store 1 (events equipment chairs etc)	200	m ²
store 2 (Sports Equipment)	50	
store 3 (general purpose)	40	m ²
Tournament Office	20	m ²
Total	3,167	m²
COMMERCIAL SPACE		
Floor Area	500	m ²
Total	500	m²
CENTRE BUILDING (MANAGEMENT)		
Entry lobby	50	m ²
Reception customer space	20	m ²
Reception work area	15	m ²
Administration offices	96	m ²
Manager's Office	15	m ²
Operation Manager Office	15	m ²
Administration storage areas	12	m ²
Staff room	15	m ²
Utilities room	9	m ²
Public toilets	24	m ²
Total	271	m²

FUNCTION AND MEETING ROOMS		
Function (Divide into 2)	190	m ²
Servery area	32	m ²
Storage	40	m ²
Function room toilets	24	m ²
Total	286	m²
KIOSK and RETAIL		
Kiosk Prep Area	35	m ²
Kiosk coolroom	5	m ²
Kiosk dry store	3	m ²
Kiosk seating area	50	m ²
Kiosk servery area	15	m ²
Total	108	m²
UTILITIES SPACES		
Distribution boards	8	m ²
Communications boards	8	m ²
Fire panels	8	m ²
Mechanical services plantroom	45	m ²
Adequate Service, circulation and entry		
Bin Store	30	
External Plant access	50	
Loading Bay	60	
Total	210	m²
TOTAL AREA REQUIRED	4,776	m²

12 CONCEPT PLAN

The proposed Willetton Basketball Stadium expansion concept development plans can be viewed in Appendix 1.

13 CONSTRUCTION COST ESTIMATES

An independent Quantity Surveyor Neil Butler Quantity Surveying Services, has provided a detailed cost plan based on the concept plan. The information below provides a summary of this review with the complete report attached in Appendix 2.

The cost estimates were further refined by George Hampel, Director of significant building company Cooper Oxley. George has an excellent understanding of the WBA stadium having been responsible for many of the building upgrades over its lifespan.

13.1 Cost Plan Summary

Cost Plan Summary – Neil Butler Quantity Surveying Services

Description	Total
Construction – New Build	\$10,903,980
External Works	\$332,875
External Services	\$335,000
Demolition	\$95,800
Preliminaries	\$1,166,765
Total Construction	\$12,834,420
Design Contingency	\$641,719
Construction Contingency	\$673,803
Authority Fees	\$60,282
Furniture and Fittings	\$225,500
Professional Fees	\$1,437,543
Total Estimated Cost (excluding GST)	\$15,873,270

Exclusions

- Car parking modifications (By Council)
- Landscaping (By Council)
- Work outside boundary to footpaths and roadways
- Grey water treatment
- ESD initiatives
- Stormwater Harvesting
- Gymnasium Equipment
- Bar equipment
- Computers, printers etc
- City of Canning Internal Recovery Costs
- Holding and Finance charges
- Land costs
- Legal costs
- Project management fee
- Tanks and pumps to fire service
- Public Art
- Sundry internal decorations and upgrades to existing areas (yet to be finalised)
- Entry Statement
- Escalation beyond March 2015

Cost Plan Summary – George Hampel Director Cooper Oxley

Description	Total
Preliminaries	\$1,190,000
Contingency	\$250,000
Consultant fees	\$950,000
Substructure	\$885,000
Roof	\$2,380,000
External walls	\$3,250,000
Doors/windows	\$210,000
Floors	\$2,390,000
Walls	\$250,000
Ceilings	\$390,000
Hydraulics	\$680,000
Electrical	\$1,020,000
Mechanical	\$425,000
Lifts/stairs	\$245,000
External services	\$80,000
Painting	\$355,000
Total Estimated Cost (excluding GST)	\$14,950,000

Exclusions

- In addition to the exclusions listed for the Quantity Surveyor estimates, the above builder estimate also excludes;
 - Design Contingency
 - Loose Furniture and fit out costs
 - Authority Fees

14 DRAFT MANAGEMENT PLAN

14.1 Management Options

The management options and recommended management structure are outlined in section 10.

14.2 Staff Costs

Staff costs are based on similar rates to existing rates, with increases throughout the financial scenarios based on a percentage increase.

\$66,950 per season for casual Competition Coordination assistance, Duty Managers and Supervisors. There is an increase in 0.5 permanent staff member for Competitions Coordination.

An additional 0.5 FTE for Permanent Competitions Coordinator is recommended and included. Permanent staff are recommended as follows:

Administration Staff				
		Base	On-Costs	Total
1 FTE	Stadium Administration Manager	79000	15%	\$ 90,850.00
1 FTE	Stadium Operations Manager	63000	15%	\$ 72,450.00
1 FTE	Competitions Coordinator	60000	15%	\$ 69,000.00
1 FTE	Administration/Book Keeping	40000	15%	\$ 46,000.00

Additional casual administration staff will be required to operate the Kiosk and General Administration duties,

Casual Admin - Additional to existing							
Reception		Time (hrs)	Staff	Days	Cost/hr	weeks	Total
Domestic Comps	Mon - Thurs	7.5	1	4	20	50	\$ 30,000.00
	Saturdays	10	1	1	20	50	\$ 10,000.00
	Others	10	1	1	20	50	\$ 10,000.00
	WABL	10	1	10	20	0	\$ 2,000.00
Kiosk	Mon - Thurs	7.5	1	4	20	50	30000
	Saturdays	10	1	1	20	50	10000
	Others	10	1	1	20	50	10000
	WABL	10	1	10	20		2000

15 FORWARD PROJECTIONS

The following information provides an overview of the assumptions associated with the operational financial projections for the proposed expansion of the Willetton Basketball Stadium.

Three financial operational scenarios have been completed for the potential WBA expansion, based on the facility development recommendations detailed in Section 11.8

The scenarios are:

- Scenario 1 – Realistic Scenario.
- Scenario 2 – Conservative Scenario.
- Scenario 3 – Optimistic Scenario.

The projected operational financial performance for the proposed expanded Willetton Basketball Stadium is summarised below in section 16.4, with the detailed 10 Year Financial Projection for each scenario, Realistic, Conservative and Optimistic attached in Appendix 3, 4 and 5.

The key findings of each scenario are summarised below.

The following key business assumptions have been developed for the operation of the whole facility and is relevant to all three (3) scenarios presented:

- It is assumed that the facility will open for operation in 2017.
- It is assumed that there will be limited expansion of existing programs until the expanded facility is constructed as the programs are at/near capacity.
- The management model outlined in this section is adopted as the preferred model.
- Usage projections have been based upon information provided by the WBA.
- The facility will be commercially managed (i.e. management will adopt a user pays philosophy to facility use, via the implementation of appropriate hire fees and entry fees where appropriate).
- Facility Management will predominantly run basketball competitions and programs and promote the general use of hire court space when competitions are not operating.
- The commercial revenue elements of the facility include:
 - Commercial Space - will be operated by a private operator. The private operator will pay a lease fee of \$130 per square metre.
 - Domestic Competition
 - Function/Meeting Rooms - The function/meeting rooms, will be hired as a room hire fee
 - Kiosk - The kiosk will be managed in-house by the WBA who will retain all revenue and cover all costs of goods
 - Court Hire - The hire of courts when not in use by the WBA will be managed through the WBA administration and all costs will be retained by the WBA.
- The following facility elements will not derive any revenue:
 - Change rooms, circulation, plant and equipment areas.
 - Building miscellaneous and external landscape works.
 - Store rooms



- Insurance will be obtainable at approximately \$6.40 per square metre per annum.⁴
- Repairs and maintenance are based on \$7.20 per square metre per annum.⁵ This is inclusive of 6.90 per square metre for the standard repairs and maintenance and 0.30 per square metre for specialist servicing if the lift and dumbwaiter.
- Cleaning cost based on \$14.5 per square metre per annum.⁶
- The court lights will be switched off when the courts are not in use.
- External building and grounds maintenance is assumed to be a Council responsibility.
- Salaries and wages is based on existing information provided by the WBA with the proposed increases of 1.5 Full time staff. Casual staff will be based on the number of games and competitions indicated.
- Referees Wage rates are modelled on information provided by the WBA.
- Gas and electricity expenditure are at current day levels for the base cost.
- Start-up costs, fixtures, furniture and equipment costs have not been included in the analysis (they are considered part of the initial capital cost of the building).
- Pricing will conform with the following schedule:
 - Court hire rate of \$30.00 per hour, per court for non-basketball activities. This level of pricing is comparable with hire fees for other indoor facilities in the region.
 - Meeting room hire rate of \$20 per room per hour
 - The change rooms and public toilets provided for public Seasonal outdoor sporting groups (utilising the adjacent sports oval) will be managed by the City of Canning. No cost have been factored in to the operational costs. Alternatively, the WBA may wish to negotiate with the City of Canning to manage the use and upkeep of the facilities with the external groups paying an annual seasonal fee directly to the WBA for access.
 - WBA continues to seek and obtain a similar level of volunteer support to operate the programs.

15.1 Financial Scenario 1 – Realistic Usage

Scenario 1 is based on what are considered realistic levels of usage of the proposed expanded facility.

This scenario is based on existing figures with an increase of 15% growth in junior participants and 7% growth in senior participants applied to the growth in the first 5 years from opening the expanded facilities. The following 3 years (years 6 – 8) 3% growth has been applied, and 2.5% growth has been applied to years 9 and 10.

The resultant financial outcome demonstrates a surplus each year, ranging from approximately \$231,000 to \$735,000 over a ten-year period (see Appendix 3 for full assessment). Based on the initial demand expressed via the consultation process, the levels of usage identified in this financial projection are likely to be achievable.

⁴ Rawlinsons Australian Construction Handbook 2014 – Operating Costs

⁵ Rawlinsons Australian Construction Handbook 2014 – Operating Costs

⁶ Rawlinsons Australian Construction Handbook 2014 – Operating Costs



15.2 Financial Scenario 2 – Conservative Usage

Scenario 2 is based on what are considered realistic levels of anticipated usage.

The scenario is based on the level of use remaining at the same rate as originally expressed as the base rate (existing) with 8% growth in junior participation for the first 3 years and 5% growth in senior competition in the first 3 years with no further growth, however inflation of 2.5% occurring over time.

The resultant financial outcome demonstrates a surplus each year, ranging from approximately \$211,000 to \$347,000 over a ten-year period (see Appendix 4).

As the name implies, this is a conservative estimate, it is likely that actual usage will exceed the levels used in this financial scenario.

15.3 Financial Scenario 3 – Optimistic Usage

Scenario 3 is based on what are considered optimistic levels of anticipated usage.

The scenario is based on the level of use commencing at the rate as expressed throughout the consultation process and building to near peak capacity over the initial ten years with junior competition growth at 15% over the first five years and 7% for the following three years, and 5% growth for the remainder of the 10 year period. This is based on recent growth patterns experienced by the WBA. Senior competition growth as at a more conservative growth range of 7% for the first 5 years, 3% for the following three years and 2.5% for the remainder of the 10 year period.

The resultant financial outcome demonstrates a surplus each year, ranging from approximately \$231,000 to \$910,000 over a ten-year period (See Appendix 5).

It is foreseeable that growth may not continue to be at the same level throughout the 10 year period and may not reach the levels indicated.

15.4 Financial Scenario Summary

The net projected performance under the three scenarios for the proposed facility development is outlined below.

Year	Cash Position		
	Realistic Scenario	Conservative Scenario	Optimistic Scenario
Year 1 - 2017	\$ 231,319	\$ 211,721	\$ 231,319
Year 2 - 2018	\$ 319,120	\$ 251,944	\$ 319,120
Year 3 - 2019	\$ 409,439	\$ 291,982	\$ 409,439
Year 4 - 2020	\$ 513,430	\$ 299,282	\$ 513,430
Year 5 - 2021	\$ 633,084	\$ 306,764	\$ 633,084
Year 6 - 2022	\$ 654,800	\$ 314,433	\$ 689,182
Year 7 - 2023	\$ 677,236	\$ 322,293	\$ 749,438
Year 8 - 2024	\$ 700,416	\$ 330,351	\$ 814,147
Year 9 - 2025	\$ 717,926	\$ 338,610	\$ 860,825
Year 10 - 2026	\$ 735,874	\$ 347,075	\$ 909,986

16 FUNDING

A number of possible funding sources exist for the Willetton Basketball Association to finance the capital cost of the proposed facility. These sources include:

- City of Canning
- State Government Funding (CSRFF)
- National Government Funding (National Stronger Regions Fund)
- Commercial Investment
- Willetton Basketball Contribution through capital funding/loan servicing.

These sources are considered the most realistic, in terms of affordability, opportunity and timing. Ideally, a combination of the above funding sources should be arranged.

Local Government

City of Canning

Despite the opportunities identified below, it is highly likely that there will be a requirement for some of the capital funding to be provided by the City of Canning, however each of the following opportunities should be fully explored prior to determining a final financial development plan for construction of the proposed facilities.

State Government Grants

Department of Sport and Recreation – CSRFF Forward Planning Grants

The Western Australian Government's Community Sporting and Recreation Facilities Fund (CSRFF) is the main State Government funding source for the proposed stadium development. Applications for funding through this fund are made through Local Government.

The CSRFF forward planning grants have one round each year. The grants are advertised and open in June and successful applicants are notified in February of the following year.

The timeline for this grant application as provided by the Department of Sports and recreation is as follows:

- Applications lodged at LGA by the last working day in August, or sooner if required by your LGA
- September
- Applications are assessed by LGA staff and recommendations prepared
- Applications presented at LGA council meeting
- Applications lodged at the Department's offices by 4pm on the last working day in September
- Successful/unsuccessful applicants notified in December/January

Between \$166,667–\$3,000,000 may be allocated to large scale projects where the total project cost exceeds \$500,000 and may require an implementation period of between one and three years. Grants given in this category may be allocated in one or a combination of the years in the triennium.

The maximum standard CSRFF grant approved will be no greater than one-third of the total estimated cost (excluding GST) of the applicant's project. The State Government's contribution must be at least matched by the applicant's own cash contribution, with the balance of funds required being sourced by the applicant.

It is important to note that the CSRFF program operates on a reimbursement system. Grantees are required to demonstrate that they have expended the funds equivalent to the full cost of project before CSRFF grants can be paid in full. CSRFF grants are paid to the grantee only. Applicants will need

to ensure they are able to carry the full cost of the project for the period between project completion and CSRFF grant payment.

The proposed expansion of the Willetton Basketball Stadium as depicted in this study fits within the examples provided for this funding, being;

- multipurpose leisure/recreation centre
- swimming pool – new or major upgrade including heating to allow increased use
- construction of large synthetic fields
- playing field construction
- clubroom – new or major upgrade
- large ablution block/change rooms.

The CSRFF Fund usually receives more applications than can be funded.

It is recommended that WBA continue to pursue formal discussions with the City of Canning and the Department of Sport and Recreation to discuss the expansion project.

Federal Funding

National Stronger Regions Fund

This programme will provide funding of \$1 billion over 5 years, commencing in 2015-16, to fund priority infrastructure in regional communities.

Grants must be between \$20,000 and \$10 million.

Local government and incorporated not-for-profit organisations are eligible to apply. Grant funding must be matched in cash on at least a dollar for dollar basis. Funding will be provided for capital projects which involve construction of new infrastructure, or the upgrade, extension or enhancement of existing infrastructure.

The project must deliver an economic benefit to the region beyond the period of construction.

Projects should support disadvantaged regions or areas of disadvantage within a region. The NSRF funded part of the project must be completed on or before 31 December 2019.

Round Two of NSRF will open on 1 May 2015 and close on 31 July 2015.

The NSRF is a competitive programme, with decisions on projects to be funded based on, amongst other things, information provided in the application and supporting documents.

The objective of the NSRF is to fund investment ready projects which support economic growth and sustainability of regions across Australia, particularly disadvantaged regions, by supporting investment in priority infrastructure.

The desired outcomes of the programme are:

- improved level of economic activity in regions;
- increased productivity in the regions;
- increased employment and a more skilled workforce in regions;
- increased capacity and improved capability of regions to deliver major projects, and to secure and manage investment funding;
- improved partnerships between local, state and territory governments, the private sector and community groups; and more stable and viable communities, where people choose to live.



Commercial Investment

WBA may consider entering into a partnership with a commercial investor for the commercial component of the proposed expansion. There are precedents around Australia where facility management companies/commercial operators have contributed to the capital cost of sport and leisure facility development, in return for long-term management and/or occupancy rights to the facility (i.e. more than 10 years).

Willetton Basketball Association Contribution

To confirm a commitment by the WBA Board to an expansion of the facility, the Board established an equity account in July 2013.

As of February 2015, the Board Restricted Funds account is showing a balance of \$570,000.

WBA is committed and capable of contributing to the expansion in both a financial and operational capacity. (See Appendix 6 WBA Financial Submission Expansion Letter)



17 DEVELOPMENT OPTIONS

The core facility components suggested (Section 11) in this report to accommodate known and anticipated future community demands is recommended as the preferred facility development.

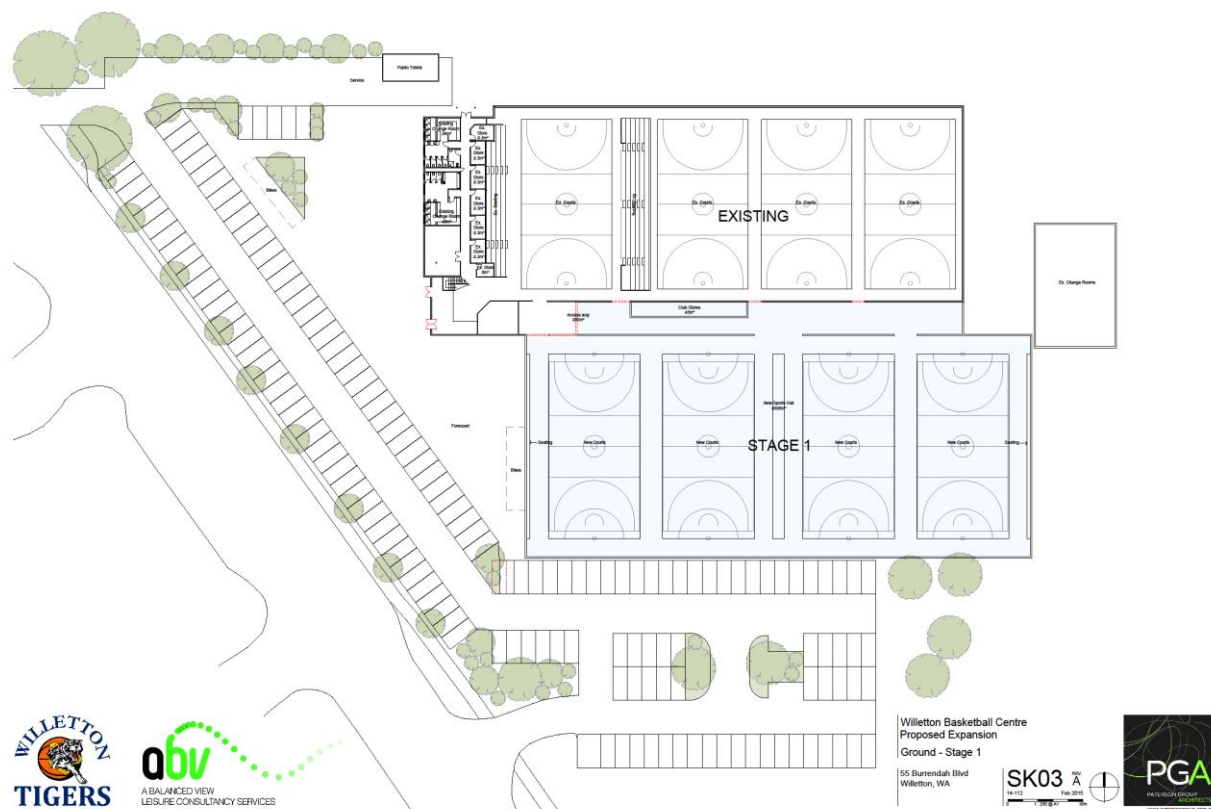
The most cost effective solution for this development is to construct all components in one stage, however this would require all funding to be in place prior to a construction contract being let.

The Willetton Basketball Association is not in a position to fund the development in its entirety without additional funding support. As such, an option that provides for staging of components has also been developed that provides for the highest need areas early in the staging. The staging option may provide opportunity to secure funding on a gradual basis.

17.1 Stage 1

Construction of four (4) additional courts.

Estimated Capital Cost: \$7,026,878.46



17.2 Stage 2

Construction of fifth court, new change rooms, store room, change rooms and public toilets to oval.
Estimated Capital Cost: \$2,978,267.36



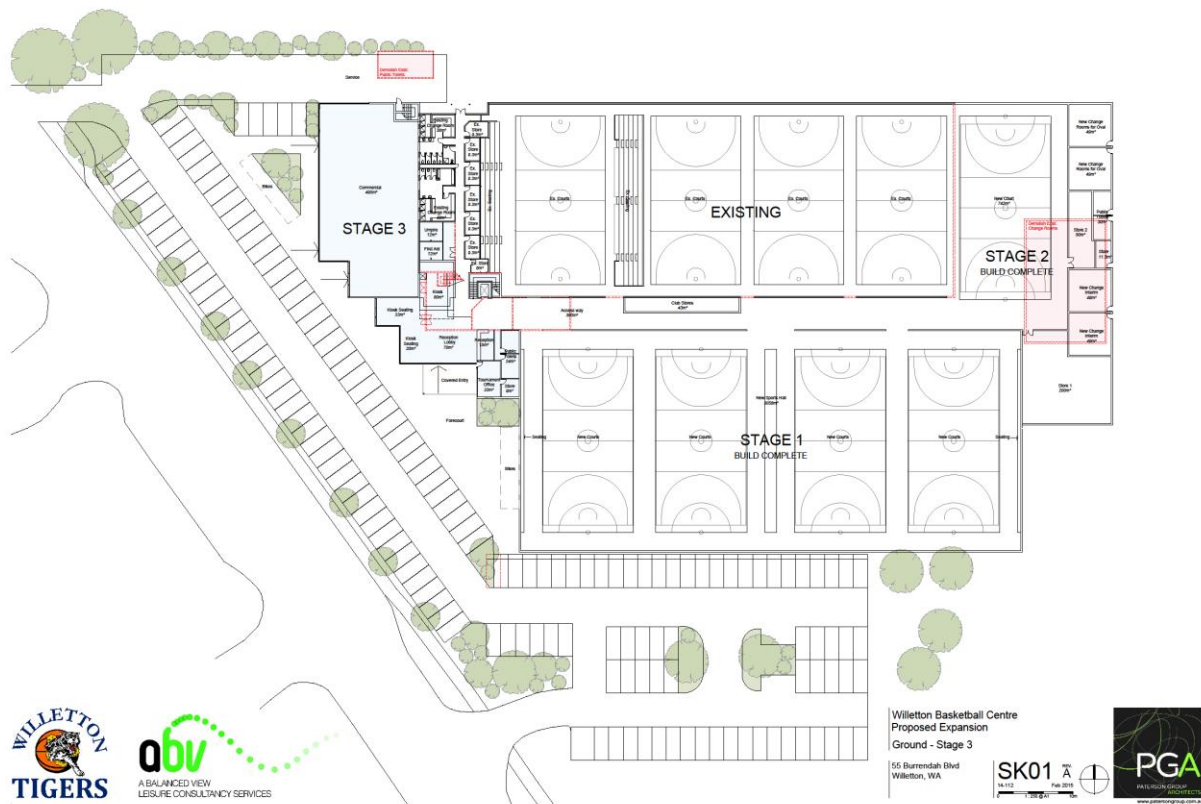
17.3 Stage 3

Ground Level: Construction of commercial space, kiosk and reception, umpires and first aid, public toilets and ground level office space.

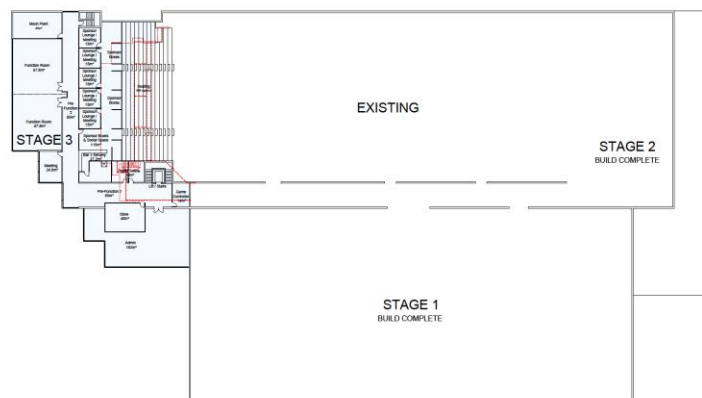
First Floor: Construction of Function space, sponsors area, store and administration space. Inclusion of lift/stairs.

Estimated Capital Cost: \$5,868,124.20

Ground Floor Plan



First Floor Plan



18 CONCLUSION

The research and consultation undertaken as part of this project has confirmed that there is considerable demand for the expansion of the Willetton Basketball Stadium.

Section 5 highlighted that there is existing demand for access to over 106.4 hours of court time per week from the Willetton Basketball Association. Additionally, consultation with the Willetton Netball Association highlights there is unmet demand for indoor court hire use. Demand has been expressed primarily for access to courts for domestic competition and club training purposes.

The consultation and demand assessment revealed justifiable demand for the development of a minimum five court expansion to the facility.

An initial facility design brief was developed for the WBA's appointed architects to develop a Concept Plan for the proposed expanded facility. A copy of the Concept Plan is included as Appendix 1.

Quantity surveyor cost estimates for construction of the resulting facility provided an indicative total project cost of approximately \$12.8M (excluding GST). Consultant fees, cost escalation and contract contingency account for approximately \$3M (excluding GST). A number of possible funding sources have been identified to assist with capital costs (discussed in section 17).

An option to Stage the construction of the facility components has been considered to provide an alternative funding strategy to be developed in the event full funding for the project cannot be secured in the first instance.

A number of potential management models have been explored for the management of the facility and these have been discussed in section 10, however it is recommended that the Willetton Basketball Association should continue to manage the facility should the expansion proceed as the Association has successfully managed the facility since 1985 and have developed the sport of basketball in the region to the extent that the expanded facility is now warranted.

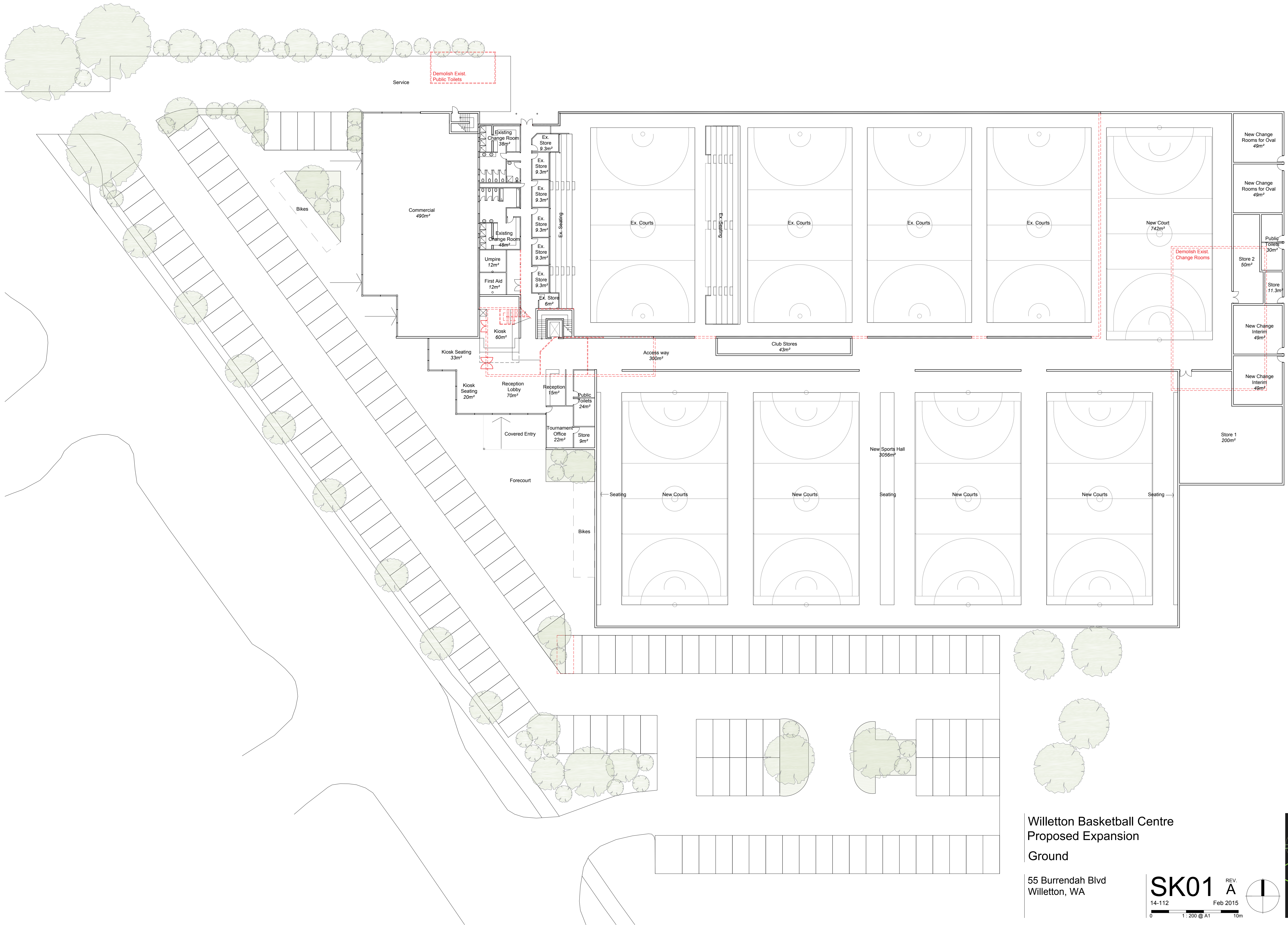
Financial models have been developed for operation of the facility on the basis of the ongoing management by the WBA. Forecasts were developed covering a ten year period utilising 'Conservative', 'Realistic' and 'Optimistic' use projections. The 'Realistic' projections are believed to provide the most accurate indication of the likely financial performance of the facility. The financial model identified that the facility is likely to operate at a net surplus of around \$231K to \$735K per annum over the 10 year period.

In conclusion, this report identifies a high level of community demand for access to indoor court facilities, predominantly basketball. It is therefore recommended that an expanded facility is warranted to meet the identified, noting that the ongoing operation of the facility is likely to result in an annual operational surplus into the foreseeable future.



19 APPENDICES

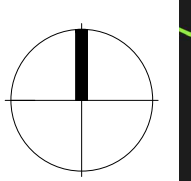
19.1 APPENDIX 1 CONCEPT PLAN

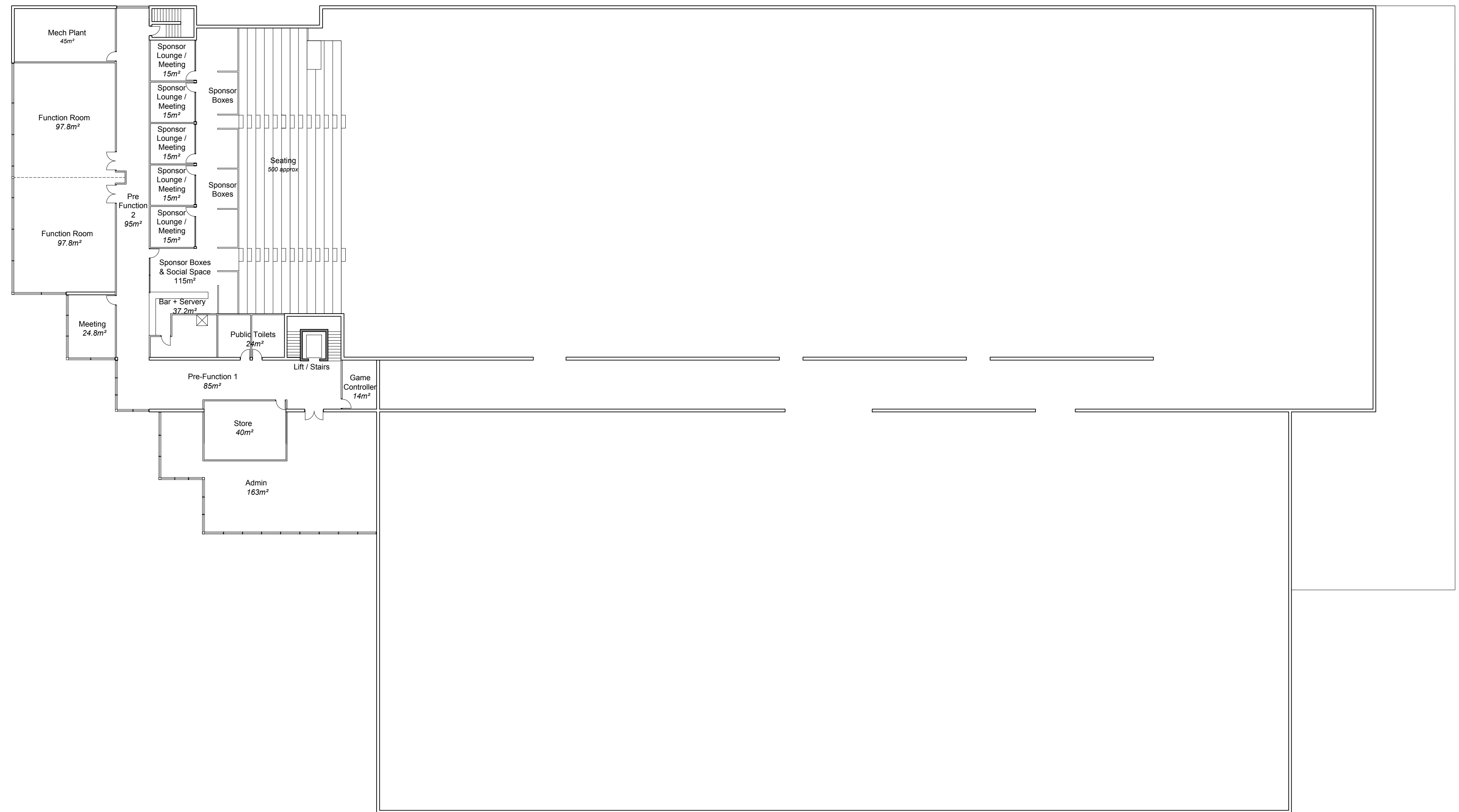


Willetton Basketball Centre
Proposed Expansion
Ground

55 Burrendah Blvd
Willetton, WA

SK01 REV. A
14-112 Feb 2015
0 1: 200 @ A1 10m

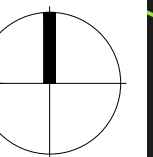




Willetton Basketball Centre
Proposed Expansion
Level 1

55 Burrendah Blvd
Willetton, WA

SK02 REV. A
14-112 Feb 2015
0 1:250 @ A1 10m



19.2 APPENDIX 2 COST PLAN





Willetton Basketball Centre
55 Burrendah Boulevard
Willetton, WA

Concept Cost Indication
Staged Construction

DRAFT - Excluding Carpark and Landscaping

16 March 2015
(Revision -)

Architects: Paterson Group Architects

Leisure Consultants: ABV - A Balanced View Leisure Consultancy Services

Neil Butler Quantity Surveying Services
T: 08 9349 7853
M: 0457 977 407
ABN: 730 320 19210

DRAWINGS:

This Concept Cost Indication has been based on following Paterson Group Architects Concepts Drawings:-

SK03 - Ground Stage 1 (1:250)
SK04 - Ground Stage 2 (1:250)
SK01 - Ground Stage 3 (1:250)
SK06 - Level 1 Stage 3 (1:250)

EXCLUSIONS:

The following costs are specifically excluded from this Concept Cost Plan:-

Carparking modifications (By Council)
Landscaping (By Council)
Work outside boundary to footpaths and roadways
Grey water treatment
ESD initiatives
Stormwater Harvesting
Gymnasium Equipment
Bar equipment
Computers, printers etc
City of Canning Internal Recovery Costs
Holding and Finance charges
Land costs
Legal costs
Project management fee
Tanks and pumps to fire service
Public Art
Sundry internal decorations and upgrades to existing areas (yet to be finalised)
Entry Statement
Escalation beyond March 2015

NOTES:

Please note that this information is for indicative budgeting purposes only and should not be used as the basis for making a financial commitment

Prior to making a financial commitment a detailed budget should be prepared based on input from the architect and the relevant consultants

SUMMARY

	Stage 1		Stage 2		Stage 3		TOTAL	
	m2	3356	m2	1229	m2	1671	m2	6256
	\$/m2	Cost	\$/m2	Cost	\$/m2	Cost	\$/m2	Cost
Building Costs								
New Sports Hall	\$ 1,473.18	\$ 4,944,000.00			\$ -		\$ 790.28	\$ 4,944,000.00
New Court and Changerooms		\$ -	\$ 1,676.48	\$ 2,060,400.00			\$ 329.35	\$ 2,060,400.00
Centre Management		\$ -			\$ 367.43	\$ 613,980.00	\$ 98.14	\$ 613,980.00
Commercial Space		\$ -			\$ 527.83	\$ 882,000.00	\$ 140.98	\$ 882,000.00
Lift and stairs		\$ -			\$ 91.56	\$ 153,000.00	\$ 24.46	\$ 153,000.00
Level 1		\$ -			\$ 1,346.86	\$ 2,250,600.00	\$ 359.75	\$ 2,250,600.00
Existing Areas	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -
External Works	\$ 18.07	\$ 60,650.00	\$ 31.39	\$ 38,575.00	\$ 139.83	\$ 233,650.00	\$ 53.21	\$ 332,875.00
External Services	\$ 46.19	\$ 155,000.00	\$ 69.16	\$ 85,000.00	\$ 56.85	\$ 95,000.00	\$ 53.55	\$ 335,000.00
Demolitions	\$ 7.45	\$ 25,000.00	\$ 22.46	\$ 27,600.00	\$ 25.85	\$ 43,200.00	\$ 15.31	\$ 95,800.00
Builders Preliminaries	\$ 154.49	\$ 518,465.00	\$ 179.95	\$ 221,157.50	\$ 255.62	\$ 427,143.00	\$ 186.50	\$ 1,166,765.50
Total Construction Costs	\$ 1,699.38	\$ 5,703,115.00	\$ 1,979.44	\$ 2,432,732.50	\$ 2,811.83	\$ 4,698,573.00		\$ 12,834,420.50
Design Contingency	\$ 84.97	\$ 285,155.25	\$ 98.97	\$ 121,636.13	\$ 140.59	\$ 234,928.15		\$ 641,719.53
Contract Contingency	\$ 89.22	\$ 299,412.46	\$ 103.92	\$ 127,717.38	\$ 147.62	\$ 246,674.01		\$ 673,803.85
Authority Fees	\$ 7.34	\$ 24,627.72	\$ 11.57	\$ 14,223.00	\$ 12.83	\$ 21,431.77		\$ 60,282.48
Furniture and Fittings	\$ 23.24	\$ 78,000.00	\$ 10.17	\$ 12,500.00	\$ 80.79	\$ 135,000.00		\$ 225,500.00
Professional Fees	\$ 189.68	\$ 636,568.03	\$ 219.25	\$ 269,458.36	\$ 318.08	\$ 531,517.28		\$ 1,437,543.67
Public Art	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Escalation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
TOTAL ESTIMATED COMMITMENT	\$ 2,093.83	\$ 7,026,878.46	\$ 2,423.33	\$ 2,978,267.36	\$ 3,511.74	\$ 5,868,124.20		\$ 15,873,270.03
Goods & Services Tax (10%)	\$ 209.38	\$ 702,687.85	\$ 242.33	\$ 297,826.74	\$ 351.17	\$ 586,812.42		\$ 1,587,327.00
TOTAL ESTIMATED COMMITMENT (Including GST)	\$ 2,303.21	\$ 7,729,566.31	\$ 2,665.66	\$ 3,276,094.10	\$ 3,862.92	\$ 6,454,936.62		\$ 17,460,597.03

STAGE 1

Item	Description	Unit	Quantity	Rate	Amount
1.0	BUILDING COSTS				
1.1	<u>New Sports Hall</u>				
1.1.1	Sports Hall	m2	3056	\$ 1,500.00	\$ 4,584,000.00
1.1.2	Access Way	m2	300	\$ 1,200.00	\$ 360,000.00
	<u>Sub-total New Sports Hall</u>	m2	3356	\$ 1,473.18	\$ 4,944,000.00
1.3	<u>Demolitions</u>				
1.3.1	Allowance for sundry internal demolitions and alterations at ground level	Item			\$ 25,000.00
	<u>Sub-total Demolitions</u>				\$ 25,000.00
<u>Sub-total for New Sports Hall</u>			3356	\$ 1,480.63	\$ 4,969,000.00
2.00	<u>External Works</u>				
2.01	Allowance for modifications to carparking layout	Item			By Council
2.02	Forecourt Paving	Item			Stage 3
2.03	Clear site including removal of existing courts, carpark s etc	m2	4410	\$ 5.00	\$ 22,050.00
2.04	Filling under building	m3	1544	\$ 25.00	\$ 38,600.00
2.05	Allowance for landscaping & reticulation	Item			By Council
2.06	Allowance for site furniture - bins, seats, bike racks	Item			Stage 3
2.07	Allowance for external signage	Item			Stage 3
2.08	Allowance for Entry Canopy	Item			Stage 3
2.09	Allowance for Entry Statement	Item			Stage 3
<u>Sub-total for External Works</u>					\$ 60,650.00
3.00	<u>External Services</u>				
3.01	Allowance for stormwater drainage - (on-site)	Item			\$ 40,000.00
3.02	Allowance for sewer services including grease trap	Item			Stage 3
3.03	Allowance for water services	Item			\$ -
3.04	Allowance for fire service	Item			\$ 15,000.00
3.05	Allowance for tanks and pumps to fire service	Item			Excluded
3.06	Allowance for electrical services upgrade	Item			\$ 100,000.00
3.07	Allowance for communications upgrade to building	Item			Stage 3
3.08	Allowance for Water Corporation Headwork's Charges	Item			Stage 3
<u>Sub-total for External Services</u>					\$ 155,000.00

STAGE 1

Item	Description	Unit	Quantity	Rate	Amount
4.0	<u>Builder's Preliminaries</u>				
4.01	Builder's Preliminaries	Item			\$ 518,465.00
Sub-total for Builder's Preliminaries					\$ 518,465.00
Total Construction Costs					\$ 5,703,115.00
5.0	CONTINGENCIES				
5.01	Allowance for ESD initiatives	Item		5%	Excluded
5.02	Allowance for design contingencies	Item		5%	\$ 285,155.25
5.03	Allowance for contract contingencies	Item		5%	\$ 299,412.46
Sub-total for Contingencies					\$ 584,567.71
6.0	AUTHORITIES FEES				
6.01	Development Application Fees	Item			\$ 13,849.23
6.02	Building Licence & BCITF	Item			\$ 10,778.49
Sub-total for Fees					\$ 24,627.72
7.0	FURNITURE AND FITTINGS				
7.01	Allowance for seating	Item			\$ 28,000.00
7.02	Allowance for sports equipment	Item			\$ 40,000.00
7.03	Allowance for electronic scoreboards	Item			\$ 10,000.00
Sub-total for Furniture and Fittings					\$ 78,000.00
8.0	PROFESSIONAL FEES				
8.01	Allowance for professional fees	Item		10%	\$ 636,568.03
8.02	Allowance for project management fee	Item		3%	Excluded
Sub-total for Professional Fees					\$ 636,568.03
9.0	PUBLIC ART				
9.01	Allowance for Public Art	Item		1%	Excluded
Sub-total for Public Art					\$ -
10.0	ESCALATION				
10.01	No allowance for escalation in costs been included	Item			Excluded
Sub-total for Escalation					\$ -
TOTAL ESTIMATED COMMITMENT					\$ 7,026,878.47
Goods & Services Tax (10%)					\$ 702,687.85
TOTAL ESTIMATED COMMITMENT (Including GST)					\$ 7,729,566.32

STAGE 2

Item	Description	Unit	Quantity	Rate	Amount
1.0	BUILDING COSTS				
1.1	<u>New Court and Changerooms</u>				
1.1.1	New court	m2	742	\$ 1,500.00	\$ 1,113,000.00
1.1.2	New Changerooms 1	m2	49	\$ 2,700.00	\$ 132,300.00
1.1.3	New Changerooms 2	m2	49	\$ 2,700.00	\$ 132,300.00
1.1.5	New Changerooms 3	m2	49	\$ 2,700.00	\$ 132,300.00
1.1.6	New Changerooms 4	m2	49	\$ 2,700.00	\$ 132,300.00
1.1.4	Male and Female Public Toilets	m2	30	\$ 3,500.00	\$ 105,000.00
1.1.7	Store 1	m2	200	\$ 1,200.00	\$ 240,000.00
1.1.8	Store 2	m2	50	\$ 1,200.00	\$ 60,000.00
1.1.9	Store 3	m2	11	\$ 1,200.00	\$ 13,200.00
<u>Sub-total New Court and Changerooms</u>		m2	1229	\$ 1,676.48	\$ 2,060,400.00
1.2	<u>Demolitions</u>				
1.2.1	Demolish Existing Changerooms and Toilet Block	Item			\$ 17,600.00
1.2.2	Demolish existing Public Toilet Block	Item			Stage 3
1.2.3	Allowance for sundry internal demolitions and alterations at ground level	Item			\$ 10,000.00
<u>Sub-total Demolitions</u>					\$ 27,600.00
<u>Sub-total for New Sports Hall</u>			1229	\$ 1,698.94	\$ 2,088,000.00
2.00	<u>External Works</u>				
2.01	Allowance for modifications to carparking layout	Item			by Council
2.02	Forecourt Paving	Item			Stage 3
2.03	Clear site including removal of existing courts, carpark s etc	m2	1950	\$ 5.00	\$ 9,750.00
2.04	Filling under building	m3	553	\$ 25.00	\$ 13,825.00
2.05	Allowance for landscaping & reticulation	Item			\$ 10,000.00
2.06	Allowance for site furniture - bins, seats, bike racks	Item			\$ -
2.07	Allowance for external signage	Item			\$ 5,000.00
2.08	Allowance for Entry Canopy	Item			Stage 3
2.09	Allowance for Entry Statement	Item			Excluded
<u>Sub-total for External Works</u>					\$ 38,575.00
3.00	<u>External Services</u>				
3.01	Allowance for stormwater drainage - (on-site)	Item			\$ 20,000.00
3.02	Allowance for sewer services including grease trap	Item			\$ 20,000.00
3.03	Allowance for water services	Item			\$ 10,000.00
3.04	Allowance for fire service	Item			\$ 10,000.00
3.05	Allowance for tanks and pumps to fire service	Item			Excluded
3.06	Allowance for electrical services upgrade	Item			Stage 1
3.07	Allowance for communications upgrade to building	Item			Stage 3
3.08	Allowance for Water Corporation Headwork's Charges	Item			\$ 25,000.00
<u>Sub-total for External Services</u>					\$ 85,000.00

STAGE 2

Item	Description	Unit	Quantity	Rate	Amount
4.0	<u>Builder's Preliminaries</u>				
4.01	Builder's Preliminaries	Item			\$ 221,157.50
Sub-total for Builder's Preliminaries					\$ 221,157.50
Total Construction Costs					\$ 2,432,732.50
5.0	CONTINGENCIES				
5.01	Allowance for ESD initiatives	Item		5%	Excluded
5.02	Allowance for design contingencies	Item		5%	\$ 121,636.13
5.03	Allowance for contract contingencies	Item		5%	\$ 127,717.38
Sub-total for Contingencies					\$ 249,353.51
6.0	AUTHORITIES FEES				
6.01	Development Application Fees	Item			\$ 9,625.53
6.02	Building Licence & BCITF	Item			\$ 4,597.46
Sub-total for Fees					\$ 14,223.00
7.0	FURNITURE AND FITTINGS				
7.01	Allowance for sports equipment	Item			\$ 10,000.00
7.02	Allowance for electronic scoreboards	Item			\$ 2,500.00
Sub-total for Furniture and Fittings					\$ 12,500.00
8.0	PROFESSIONAL FEES				
8.01	Allowance for professional fees	Item		10%	\$ 269,458.36
8.02	Allowance for project management fee	Item		3%	\$ -
Sub-total for Professional Fees					\$ 269,458.36
9.0	PUBLIC ART				
9.01	Allowance for Public Art	Item		1%	Excluded
Sub-total for Public Art					\$ -
10.0	ESCALATION				
10.01	No allowance for escalation in costs been included	Item			Excluded
Sub-total for Escalation					\$ -
TOTAL ESTIMATED COMMITMENT					\$ 2,978,267.37
Goods & Services Tax (10%)					\$ 297,826.74
TOTAL ESTIMATED COMMITMENT (Including GST)					\$ 3,276,094.11

STAGE 3

Item	Description	Unit	Quantity	Rate	Amount
1.0	BUILDING COSTS				
1.1	<u>Centre Management</u>				
1.1.1	Reception	m2	15	\$ 2,400.00	\$ 36,000.00
1.1.2	Reception lobby	m2	70	\$ 2,000.00	\$ 140,000.00
1.1.3	Kiosk	m2	50	\$ 3,000.00	\$ 150,000.00
1.1.4	Kiosk Seating	m2	53	\$ 2,000.00	\$ 106,000.00
1.1.5	Tournament Office	m2	22	\$ 2,400.00	\$ 52,800.00
1.1.6	Public Toilets	m2	24	\$ 3,500.00	\$ 84,000.00
1.1.7	Store	m2	9	\$ 1,500.00	\$ 13,500.00
1.1.8	Umpires Room	m2	12	\$ 1,320.00	\$ 15,840.00
1.1.9	First Aid Room	m2	12	\$ 1,320.00	\$ 15,840.00
	<u>Sub-total Centre Management</u>	m2	267	\$ 2,299.55	\$ 613,980.00
1.2	<u>Lift and Stairs</u>				
1.2.1	New lift serving two stops	Item			\$ 75,000.00
1.2.2	Lift walls and lift pit	Item			\$ 50,000.00
1.2.3	New staircase	m rise	8	\$ 3,500.00	\$ 28,000.00
	<u>Sub-total Lift and Stairs</u>				\$ 153,000.00
1.4	<u>Level 1</u>				
1.4.1	Function Room 1	m2	98	\$ 2,700.00	\$ 264,600.00
1.4.2	Function Room 2	m2	98	\$ 2,700.00	\$ 264,600.00
1.4.3	Sliding stacking doors	Item			\$ 20,400.00
1.4.4	Pre-function Area 1	m2	85	\$ 2,500.00	\$ 212,500.00
1.4.5	Pre-function Area 2	m2	95	\$ 2,500.00	\$ 237,500.00
1.4.6	Meeting Room	m2	25	\$ 2,400.00	\$ 60,000.00
1.4.7	Sponsor Lounge/Meeting (No. 5)	m2	75	\$ 2,400.00	\$ 180,000.00
1.4.8	Sponsor Boxes & Social Space	m2	115	\$ 2,200.00	\$ 253,000.00
1.4.9	Bar and Servery	m2	37	\$ 3,000.00	\$ 111,000.00
1.4.10	Game Controller	m2	14	\$ 2,200.00	\$ 30,800.00
1.4.11	Administration	m2	163	\$ 2,400.00	\$ 391,200.00
1.4.12	Store	m2	40	\$ 1,500.00	\$ 60,000.00
1.4.13	Public Toilets	m2	24	\$ 3,500.00	\$ 84,000.00
1.4.14	Plantroom	m2	45	\$ 1,800.00	\$ 81,000.00
	<u>Sub-total Level 1</u>	m2	914	\$ 2,462.36	\$ 2,250,600.00
1.5	<u>Demolitions</u>				
1.5.1	Allowance for sundry internal demolitions and alterations at ground level	Item			\$ 15,000.00
1.5.2	Allowance for sundry internal demolitions and alterations at Level 1	Item			\$ 25,000.00
1.5.3	Demolish existing Public Toilet Block	Item			\$ 3,200.00
	<u>Sub-total Demolitions</u>				\$ 43,200.00
1.6	<u>Commercial Space</u>				
1.6.1	Commercial Space	m2	490	\$ 1,800.00	\$ 882,000.00
	<u>Sub-total Commercial Space</u>	m2	490	\$ 1,800.00	\$ 882,000.00

STAGE 3

Item	Description	Unit	Quantity	Rate	Amount
1.7	<u>Existing Areas</u>				
7.7.1	Allowance for sundry internal decorations and upgrades to existing areas (yet to be finalised)	Item			Excluded
	<u>Sub-total Existing Areas</u>				\$ -
<u>Sub-total for Centre Management</u>			1671	\$ 2,359.53	\$ 3,942,780.00
2.00	<u>External Works</u>				
2.01	Allowance for modifications to carparking layout	Item			By Council
2.02	Forecourt Paving	Item			\$ 150,000.00
2.03	Clear site including removal of existing courts, carparks etc	m2	5716	\$ 5.00	\$ 28,580.00
2.04	Filling under building	m3	303	\$ 25.00	\$ 7,570.00
2.05	Allowance for landscaping & reticulation	Item			By Council
2.06	Allowance for site furniture - bins, seats, bike racks	Item			\$ 20,000.00
2.07	Allowance for external signage	Item			\$ 5,000.00
2.08	Allowance for Entry Canopy	Item			\$ 22,500.00
2.09	Allowance for Entry Statement	Item			Excluded
<u>Sub-total for External Works</u>					\$ 233,650.00
3.00	<u>External Services</u>				
3.01	Allowance for stormwater drainage - (on-site)	Item			\$ 15,000.00
3.02	Allowance for sewer services including grease trap	Item			\$ 30,000.00
3.03	Allowance for water services	Item			\$ 10,000.00
3.04	Allowance for fire service	Item			\$ 5,000.00
3.05	Allowance for tanks and pumps to fire service	Item			Excluded
3.06	Allowance for electrical services upgrade	Item			Stage 1
3.07	Allowance for communications upgrade to building	Item			\$ 10,000.00
3.08	Allowance for Water Corporation Headwork's Charges	Item			\$ 25,000.00
<u>Sub-total for External Services</u>					\$ 95,000.00
4.0	<u>Builder's Preliminaries</u>				
4.01	Builder's Preliminaries	Item			\$ 427,143.00
<u>Sub-total for Builder's Preliminaries</u>					\$ 427,143.00
<u>Total Construction Costs</u>					\$ 4,698,573.00
5.0	<u>CONTINGENCIES</u>				
5.01	Allowance for ESD initiatives	Item		5%	Excluded
5.02	Allowance for design contingencies	Item		5%	\$ 234,928.15
5.03	Allowance for contract contingencies	Item		5%	\$ 246,674.01
<u>Sub-total for Contingencies</u>					\$ 481,602.16

STAGE 3

Item	Description	Unit	Quantity	Rate	Amount
6.0	AUTHORITIES FEES				
6.0	Development Application Fees	Item			\$ 12,551.87
6.0	Building Licence & BCITF	Item			\$ 8,879.90
Sub-total for Fees					\$ 21,431.77
7.0	FURNITURE AND FITTINGS				
7.01	Allowance for seating	Item			\$ 75,000.00
7.02	Allowance for Bar Equipment	Item			Excluded
7.03	Allowance for office, sponsor boxes, function rooms and meeting room furniture	Item			\$ 90,000.00
7.04	Allowance for Office and reception furniture	Item			\$ 15,000.00
7.05	Allowance for furniture to kiosk seating	Item			Excluded
7.06	Gymnasium Equipment	Item			Excluded
7.07	Allowance for Kiosk Equipment	Item			\$ 30,000.00
Sub-total for Furniture and Fittings					\$ 135,000.00
8.0	PROFESSIONAL FEES				
8.01	Allowance for professional fees	Item		10%	\$ 531,517.28
8.02	Allowance for project management fee	Item		3%	Excluded
Sub-total for Professional Fees					\$ 531,517.28
9.0	PUBLIC ART				
9.01	Allowance for Public Art	Item		1%	Excluded
Sub-total for Public Art					\$ -
10.0	ESCALATION				
10.01	No allowance for escalation in costs been included	Item			Excluded
Sub-total for Escalation					\$ -
TOTAL ESTIMATED COMMITMENT					\$ 5,868,124.21
Goods & Services Tax (10%)					\$ 586,812.42
TOTAL ESTIMATED COMMITMENT (Including GST)					\$ 6,454,936.63

19.3 APPENDIX 3 FINANCIAL SCENARIO 1 – REALISTIC USAGE

Willetton Basketball Stadium Expansion Project
Realistic Projections

(Base Level)		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Estimated Operating Income		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Domestic Junior Competition	\$ 544,000	\$ 625,600	\$ 719,440	\$ 827,356	\$ 951,459	\$ 1,094,178	\$ 1,127,004	\$ 1,160,814	\$ 1,195,638	\$ 1,225,529	\$ 1,256,167
Domestic Senior Competition	\$ 326,092	\$ 348,918	\$ 373,343	\$ 399,477	\$ 427,440.05	\$ 457,361	\$ 471,081.68	\$ 485,214	\$ 499,770.56	\$ 512,265	\$ 525,071.44
SBL/WABL Income	\$ 54,000	\$ 64,800	\$ 66,420	\$ 68,081	\$ 69,783	\$ 71,527	\$ 73,315	\$ 75,148	\$ 77,027	\$ 78,953	\$ 80,926
Training Fees	\$ 43,000	\$ 51,600	\$ 52,890	\$ 54,212	\$ 55,568	\$ 56,957	\$ 58,381	\$ 59,840	\$ 61,336	\$ 62,870	\$ 64,441
Camps and Courses Income	\$ 147,841	\$ 151,537	\$ 155,325	\$ 159,209	\$ 163,189	\$ 167,269	\$ 171,450	\$ 175,736	\$ 180,130	\$ 184,633	\$ 189,249
Other Court Hire	\$ 125,000	\$ 128,125	\$ 131,328	\$ 134,611	\$ 137,977	\$ 141,426	\$ 144,962	\$ 148,586	\$ 152,300	\$ 156,108	\$ 160,011
Badminton Income	\$ 19,692	\$ 25,600	\$ 26,240	\$ 26,896	\$ 27,568	\$ 28,257	\$ 28,964	\$ 29,688	\$ 30,430	\$ 31,191	\$ 31,970
Function/Meeting Room Hire	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Sponsorship and Fundraising Income	\$ 43,000	\$ 44,075	\$ 45,177	\$ 46,306	\$ 47,464	\$ 48,651	\$ 49,867	\$ 51,113	\$ 52,391	\$ 53,701	\$ 55,044
Events	\$ 10,000	\$ 10,250	\$ 10,506	\$ 12,082	\$ 13,895	\$ 15,979	\$ 16,458	\$ 16,952	\$ 17,460	\$ 17,897	\$ 18,344
Merchandise	\$ 72,000	\$ 86,400	\$ 99,360	\$ 101,844	\$ 104,390	\$ 107,000	\$ 109,675	\$ 112,417	\$ 115,227	\$ 118,108	\$ 121,061
Kiosk and Bar Sales Income	\$ 140,000	\$ 143,500	\$ 147,088	\$ 150,765	\$ 154,534	\$ 158,397	\$ 162,357	\$ 166,416	\$ 170,576	\$ 174,841	\$ 179,212
Other	\$ 28,640	\$ 29,356	\$ 30,089.90	\$ 30,842	\$ 31,613	\$ 32,404	\$ 33,214	\$ 34,044	\$ 34,895	\$ 35,767	\$ 36,662
Commercial Centre Income	\$ 65,000	\$ 66,625	\$ 68,291	\$ 69,998	\$ 71,748	\$ 73,542	\$ 75,380	\$ 77,265	\$ 79,196	\$ 81,176	\$ 83,205
Total Operating Income Forecast	\$ 1,626,265	\$ 1,784,586	\$ 1,933,902	\$ 2,090,293	\$ 2,265,457	\$ 2,461,997	\$ 2,531,385	\$ 2,602,742	\$ 2,676,126	\$ 2,743,029	\$ 2,811,604
Estimated Operating Expenditure		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Functions / Entertainment	\$ 1,200	\$ 1,230	\$ 1,261	\$ 1,292	\$ 1,325	\$ 1,358	\$ 1,392	\$ 1,426	\$ 1,462	\$ 1,499	\$ 1,536
Membership & licenses	\$ 2,500	\$ 2,563	\$ 2,627	\$ 2,692	\$ 2,760	\$ 2,829	\$ 2,899	\$ 2,972	\$ 3,046	\$ 3,122	\$ 3,200
Jnr Referees	\$ 124,600	\$ 143,290	\$ 164,784	\$ 189,501	\$ 217,926	\$ 250,615	\$ 258,134	\$ 265,877.57	\$ 273,854	\$ 280,700	\$ 287,718
Snr Referees	\$ 99,100	\$ 106,037	\$ 113,459.59	\$ 121,402	\$ 129,900	\$ 138,993	\$ 143,163	\$ 147,458	\$ 151,881	\$ 155,678	\$ 159,570
Equipment (Snrs and Jnrs)	\$ 4,800	\$ 4,920	\$ 5,043	\$ 5,169	\$ 5,298	\$ 5,431	\$ 5,567	\$ 5,706	\$ 5,848	\$ 5,995	\$ 6,144
Courses / Training	\$ 9,000	\$ 9,225	\$ 9,456	\$ 9,692	\$ 9,934	\$ 10,183	\$ 10,437	\$ 10,698	\$ 10,966	\$ 11,240	\$ 11,521
Camp Expenses	\$ 50,000	\$ 51,250	\$ 52,531	\$ 53,845	\$ 55,191	\$ 56,570	\$ 57,985	\$ 59,434	\$ 60,920	\$ 62,443	\$ 64,004
Jnr prizes	\$ 15,000	\$ 17,250	\$ 17,681	\$ 18,123	\$ 18,576	\$ 19,041	\$ 19,517	\$ 20,005	\$ 20,505	\$ 21,017	\$ 21,543
Snr prizes	\$ 5,500	\$ 5,885	\$ 6,032	\$ 6,183	\$ 6,338	\$ 6,496	\$ 6,658	\$ 6,825	\$ 6,995	\$ 7,170	\$ 7,350
Uniforms	\$ 12,000	\$ 12,300	\$ 12,608	\$ 12,923	\$ 13,246	\$ 13,577	\$ 13,916	\$ 14,264	\$ 14,621	\$ 14,986	\$ 15,361
Competition Staff (Snrs and Jnrs)	\$ 133,900	\$ 153,985	\$ 157,835	\$ 161,780	\$ 165,825	\$ 169,971	\$ 174,220	\$ 178,575	\$ 183,040	\$ 187,616	\$ 192,306
SBL/WABL Expenses	\$ 94,792	\$ 113,750	\$ 116,594	\$ 119,509	\$ 122,497	\$ 125,559	\$ 128,698	\$ 131,916	\$ 135,213	\$ 138,594	\$ 142,059
Administration Salaries and Wages	\$ 382,300	\$ 391,858	\$ 401,654	\$ 411,695	\$ 421,988	\$ 432,537	\$ 443,351	\$ 454,435	\$ 465,795	\$ 477,440	\$ 489,376
Advertising	\$ 1,500	\$ 1,538	\$ 1,576	\$ 1,615	\$ 1,656	\$ 1,697	\$ 1,740	\$ 1,783	\$ 1,828	\$ 1,873	\$ 1,920
Kiosk purchases	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 113,141	\$ 115,969	\$ 118,869	\$ 121,840	\$ 124,886	\$ 128,008
Utilities	\$ 58,000	\$ 59,450	\$ 60,936	\$ 62,460	\$ 64,021	\$ 65,622	\$ 67,262	\$ 68,944	\$ 70,667	\$ 72,434	\$ 74,245
Cleaning	\$ 138,449	\$ 141,910	\$ 145,458	\$ 149,094	\$ 152,822	\$ 156,642	\$ 160,558	\$ 164,572	\$ 168,687	\$ 172,904	\$ 177,226
Repairs and Maintenance	\$ 68,747	\$ 70,466	\$ 72,227	\$ 74,033	\$ 75,884	\$ 77,781	\$ 79,725	\$ 81,719	\$ 83,762	\$ 85,856	\$ 88,002
Security	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Insurance	\$ 61,108	\$ 62,636	\$ 64,202	\$ 65,807	\$ 67,452	\$ 69,139	\$ 70,867	\$ 72,639	\$ 74,455	\$ 76,316	\$ 78,224
Audit Fees	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Bank Fees and Charges	\$ 5,000	\$ 5,125	\$ 5,253	\$ 5,384	\$ 5,519	\$ 5,657	\$ 5,798	\$ 5,943	\$ 6,092	\$ 6,244	\$ 6,400
Bad and Doubtful debt	\$ 3,000	\$ 3,075	\$ 3,152	\$ 3,231	\$ 3,311	\$ 3,394	\$ 3,479	\$ 3,566	\$ 3,655	\$ 3,747	\$ 3,840
Postage	\$ 2,500	\$ 2,563	\$ 2,627	\$ 2,692	\$ 2,760	\$ 2,829	\$ 2,899	\$ 2,972	\$ 3,046	\$ 3,122	\$ 3,200
Stationery and Printing	\$ 7,000	\$ 7,175	\$ 7,354	\$ 7,538	\$ 7,727	\$ 7,920	\$ 8,118	\$ 8,321	\$ 8,529	\$ 8,742	\$ 8,961
Telephone	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Court Hire Expense for training and competition	\$ 125,000	\$ 10,000	\$ 10,250	\$ 10,506	\$ 10,769	\$ 11,038	\$ 11,314	\$ 11,597	\$ 11,887	\$ 12,184	\$ 12,489
Computer Expenses	\$ 12,000	\$ 12,300	\$ 12,608	\$ 12,923	\$ 13,246	\$ 13,577	\$ 13,916	\$ 14,264	\$ 14,621	\$ 14,986	\$ 15,361
Legal Fees	\$ 500	\$ 513	\$ 525	\$ 538	\$ 552	\$ 566	\$ 580	\$ 594	\$ 609	\$ 624	\$ 640
Depreciation	\$ 30,000	\$ 30,750	\$ 31,519	\$ 32,307	\$ 33,114	\$ 33,942	\$ 34,791	\$ 35,661	\$ 36,552	\$ 37,466	\$ 38,403
Sundry	\$ 5,000	\$ 5,125	\$ 5,253	\$ 5,384	\$ 5,519	\$ 5,657	\$ 5,798	\$ 5,943	\$ 6,092	\$ 6,244	\$ 6,400
Total Operating Expense Forecast	\$ 1,576,496	\$ 1,553,267	\$ 1,614,782	\$ 1,680,855	\$ 1,752,027	\$ 1,828,914	\$ 1,876,585	\$ 1,925,506	\$ 1,975,710	\$ 2,025,103	\$ 2,075,730
Total Cash Position	\$ 49,769	\$ 231,319	\$ 319,120	\$ 409,439	\$ 513,430	\$ 633,084	\$ 654,800	\$ 677,236	\$ 700,416	\$ 717,926	\$ 735,874

Escalation - Income										
					% Growth					
Domestic Junior Comp	15	15	15	15	15	3	3	3	2.5	2.5
Domestic Senior Comp	7	7	7	7	7	3	3	3	2.5	2.5
Other Income	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Escalation - Expenditure										
					% Growth					
Escalation costs	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Building (m²) 9548.2 Note: this does not include the commercial space, external change rooms and public toilets

19.4 APPENDIX 4 FINANCIAL SCENARIO 2 – CONSERVATIVE USAGE

Willetton Basketball Stadium Expansion Project
Conservative Projections

(Base Level)		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Operating Income											
Domestic Junior Competition	\$ 544,000	\$ 587,520	\$ 634,522	\$ 685,283	\$ 702,415	\$ 719,976	\$ 737,975	\$ 756,425	\$ 775,335	\$ 794,719	\$ 814,587
Domestic Senior Competition	\$ 326,092	\$ 342,397	\$ 359,516.40	\$ 377,492	\$ 386,930	\$ 396,603	\$ 406,518	\$ 416,681	\$ 427,098	\$ 437,775	\$ 448,720
SBL/WABL Income	\$ 54,000	\$ 58,320	\$ 59,778	\$ 61,272	\$ 62,804	\$ 64,374	\$ 65,984	\$ 67,633	\$ 69,324	\$ 71,057	\$ 72,834
Training Fees	\$ 43,000	\$ 46,440	\$ 47,601	\$ 48,791	\$ 50,011	\$ 51,261	\$ 52,543	\$ 53,856	\$ 55,203	\$ 56,583	\$ 57,997
Camps and Courses Income	\$ 147,841	\$ 159,668	\$ 163,659.99	\$ 167,751	\$ 171,945	\$ 176,244	\$ 180,650	\$ 185,166	\$ 189,795	\$ 194,540	\$ 199,404
Other Court Hire	\$ 125,000	\$ 128,125	\$ 131,328	\$ 134,611	\$ 137,977	\$ 141,426	\$ 144,962	\$ 148,586	\$ 152,300	\$ 156,108	\$ 160,011
Badminton Income	\$ 19,692	\$ 20,184	\$ 20,689	\$ 21,206	\$ 21,736	\$ 22,280	\$ 22,837	\$ 23,408	\$ 23,993	\$ 24,593	\$ 25,207
Function/Meeting Room Hire	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Sponsorship and Fundraising Income	\$ 43,000	\$ 44,075	\$ 45,177	\$ 46,306	\$ 47,464	\$ 48,651	\$ 49,867	\$ 51,113	\$ 52,391	\$ 53,701	\$ 55,044
Events	\$ 10,000	\$ 10,250	\$ 10,506	\$ 11,347	\$ 11,630	\$ 11,921	\$ 12,219	\$ 12,525	\$ 12,838	\$ 13,159	\$ 13,488
Merchandise	\$ 72,000	\$ 73,800	\$ 79,704	\$ 81,697	\$ 83,739	\$ 85,832	\$ 87,978	\$ 90,178	\$ 92,432	\$ 94,743	\$ 97,112
Kiosk and Bar Sales Income	\$ 140,000	\$ 143,500	\$ 147,088	\$ 150,765	\$ 154,534	\$ 158,397	\$ 162,357	\$ 166,416	\$ 170,576	\$ 174,841	\$ 179,212
Other	\$ 28,640	\$ 29,356	\$ 30,090	\$ 30,842	\$ 31,613	\$ 32,404	\$ 33,214	\$ 34,044	\$ 34,895	\$ 35,767	\$ 36,662
Commercial Centre Income	\$ 65,000	\$ 66,625	\$ 68,291	\$ 69,998	\$ 71,748	\$ 73,542	\$ 75,380	\$ 77,265	\$ 79,196	\$ 81,176	\$ 83,205
Total Operating Income Forecast	\$ 1,626,265	\$ 1,718,460	\$ 1,806,354	\$ 1,895,977	\$ 1,943,377	\$ 1,991,961	\$ 2,041,760	\$ 2,092,804	\$ 2,145,124	\$ 2,198,753	\$ 2,253,721
Estimated Operating Expenditure											
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Functions / Entertainment	\$ 1,200	\$ 1,230	\$ 1,261	\$ 1,292	\$ 1,325	\$ 1,358	\$ 1,392	\$ 1,426	\$ 1,462	\$ 1,499	\$ 1,536
Membership & licenses	\$ 2,500	\$ 2,563	\$ 2,627	\$ 2,692	\$ 2,760	\$ 2,829	\$ 2,899	\$ 2,972	\$ 3,046	\$ 3,122	\$ 3,200
Jnr Referees	\$ 124,600	\$ 134,568	\$ 145,333	\$ 156,960	\$ 160,884	\$ 164,906	\$ 169,029	\$ 173,255	\$ 177,586	\$ 182,026	\$ 186,576
Snr Referees	\$ 99,100	\$ 104,055	\$ 109,258	\$ 114,721	\$ 117,589	\$ 120,528	\$ 123,542	\$ 126,630	\$ 129,796	\$ 133,041	\$ 136,367
Equipment (Snrs and Jnrs)	\$ 4,800	\$ 4,920	\$ 5,043	\$ 5,169	\$ 5,298	\$ 5,431	\$ 5,567	\$ 5,706	\$ 5,848	\$ 5,995	\$ 6,144
Courses / Training	\$ 9,000	\$ 9,225	\$ 9,456	\$ 9,692	\$ 9,934	\$ 10,183	\$ 10,437	\$ 10,698	\$ 10,966	\$ 11,240	\$ 11,521
Camp Expenses	\$ 50,000	\$ 51,250	\$ 52,531	\$ 53,845	\$ 55,191	\$ 56,570	\$ 57,985	\$ 59,434	\$ 60,920	\$ 62,443	\$ 64,004
Jnr prizes	\$ 15,000	\$ 15,000	\$ 15,375	\$ 15,759	\$ 16,153	\$ 16,557	\$ 16,971	\$ 17,395	\$ 17,830	\$ 18,276	\$ 18,733
Snr prizes	\$ 5,500	\$ 5,638	\$ 5,778	\$ 5,923	\$ 6,071	\$ 6,223	\$ 6,378	\$ 6,538	\$ 6,701	\$ 6,869	\$ 7,040
Uniforms	\$ 12,000	\$ 12,300	\$ 12,608	\$ 12,923	\$ 13,246	\$ 13,577	\$ 13,916	\$ 14,264	\$ 14,621	\$ 14,986	\$ 15,361
Competition Staff (Snrs and Jnrs)	\$ 133,900	\$ 137,248	\$ 140,679	\$ 144,196	\$ 147,801	\$ 151,496	\$ 155,283	\$ 159,165	\$ 163,144	\$ 167,223	\$ 171,403
SBL/WABL Expenses	\$ 94,792	\$ 97,162	\$ 99,591	\$ 102,081	\$ 104,633	\$ 107,248	\$ 109,930	\$ 112,678	\$ 115,495	\$ 118,382	\$ 121,342
Administration Salaries and Wages	\$ 382,300	\$ 391,858	\$ 401,654	\$ 411,695	\$ 421,988	\$ 432,537	\$ 443,351	\$ 454,435	\$ 465,795	\$ 477,440	\$ 489,376
Advertising	\$ 1,500	\$ 1,538	\$ 1,576	\$ 1,615	\$ 1,656	\$ 1,697	\$ 1,740	\$ 1,783	\$ 1,828	\$ 1,873	\$ 1,920
Kiosk purchases	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 113,141	\$ 115,969	\$ 118,869	\$ 121,840	\$ 124,886	\$ 128,008
Utilities	\$ 58,000	\$ 59,450	\$ 60,936	\$ 62,460	\$ 64,021	\$ 65,622	\$ 67,262	\$ 68,944	\$ 70,667	\$ 72,434	\$ 74,245
Cleaning	\$ 138,449	\$ 141,910	\$ 145,458	\$ 149,094	\$ 152,822	\$ 156,642	\$ 160,558	\$ 164,572	\$ 168,687	\$ 172,904	\$ 177,226
Repairs and Maintenance	\$ 68,747	\$ 70,466	\$ 72,227	\$ 74,033	\$ 75,884	\$ 77,781	\$ 79,725	\$ 81,719	\$ 83,762	\$ 85,856	\$ 88,002
Security	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Insurance	\$ 61,108	\$ 62,636	\$ 64,202	\$ 65,807	\$ 67,452	\$ 69,139	\$ 70,867	\$ 72,639	\$ 74,455	\$ 76,316	\$ 78,224
Audit Fees	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Bank Fees and Charges	\$ 5,000	\$ 5,125	\$ 5,253	\$ 5,384	\$ 5,519	\$ 5,657	\$ 5,798	\$ 5,943	\$ 6,092	\$ 6,244	\$ 6,400
Bad and Doubtful debt	\$ 3,000	\$ 3,075	\$ 3,152	\$ 3,231	\$ 3,311	\$ 3,394	\$ 3,479	\$ 3,566	\$ 3,655	\$ 3,747	\$ 3,840
Postage	\$ 2,500	\$ 2,563	\$ 2,627	\$ 2,692	\$ 2,760	\$ 2,829	\$ 2,899	\$ 2,972	\$ 3,046	\$ 3,122	\$ 3,200
Stationery and Printing	\$ 7,000	\$ 7,175	\$ 7,354	\$ 7,538	\$ 7,727	\$ 7,920	\$ 8,118	\$ 8,321	\$ 8,529	\$ 8,742	\$ 8,961
Telephone	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Court Hire Expense for training and competition	\$ 125,000	\$ 10,000	\$ 10,250	\$ 10,506	\$ 10,769	\$ 11,038	\$ 11,314	\$ 11,597	\$ 11,887	\$ 12,184	\$ 12,489
Computer Expenses	\$ 12,000	\$ 12,300	\$ 12,608	\$ 12,923	\$ 13,246	\$ 13,577	\$ 13,916	\$ 14,264	\$ 14,621	\$ 14,986	\$ 15,361
Legal Fees	\$ 500	\$ 513	\$ 525	\$ 538	\$ 552	\$ 566	\$ 580	\$ 594	\$ 609	\$ 624	\$ 640
Depreciation	\$ 30,000	\$ 30,750	\$ 31,519	\$ 32,307	\$ 33,114	\$ 33,942	\$ 34,791	\$ 35,661	\$ 36,552	\$ 37,466	\$ 38,403
Sundry	\$ 5,000	\$ 5,125	\$ 5,253	\$ 5,384	\$ 5,519	\$ 5,657	\$ 5,798	\$ 5,943	\$ 6,092	\$ 6,244	\$ 6,400
Total Operating Expense Forecast	\$ 1,576,496	\$ 1,506,739	\$ 1,554,410	\$ 1,603,995	\$ 1,644,095	\$ 1,685,198	\$ 1,727,328	\$ 1,770,511	\$ 1,814,774	\$ 1,860,143	\$ 1,906,647
Total Cash Position	\$ 49,769	\$ 211,721	\$ 251,944	\$ 291,982	\$ 299,282	\$ 306,764	\$ 314,433	\$ 322,293	\$ 330,351	\$ 338,610	\$ 347,075
Escalation - Income											
Domestic Junior Comp	8	8	8	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Domestic Senior Comp	5	5	5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Other Income	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Escalation - Expenditure											
Escalation costs	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Building (m²)

9548.2

Note: this does not include the commercial space, external change rooms and public toilets

19.5 APPENDIX 5 FINANCIAL SCENARIO 3 – OPTIMISTIC USAGE

Willetton Basketball Stadium Expansion Project
Optimistic Projections

	(Base Level)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Estimated Operating Income		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Domestic Junior Competition	\$ 544,000	\$ 625,600	\$ 719,440	\$ 827,356	\$ 951,459	\$ 1,094,178	\$ 1,170,771	\$ 1,252,725	\$ 1,340,415	\$ 1,407,436	\$ 1,477,808
Domestic Senior Competition	\$ 326,092	\$ 348,918	\$ 373,343	\$ 399,477	\$ 427,440	\$ 457,360.86	\$ 471,082	\$ 485,214.13	\$ 499,771	\$ 512,264.82	\$ 525,071
SBL/WABL Income	\$ 54,000	\$ 64,800	\$ 66,420	\$ 68,081	\$ 69,783	\$ 71,527	\$ 73,315	\$ 75,148	\$ 77,027	\$ 78,953	\$ 80,926
Training Fees	\$ 43,000	\$ 51,600	\$ 52,890	\$ 54,212	\$ 55,568	\$ 56,957	\$ 58,381	\$ 59,840	\$ 61,336	\$ 62,870	\$ 64,441
Camps and Courses Income	\$ 147,841	\$ 151,537	\$ 155,325	\$ 159,209	\$ 163,189	\$ 167,269	\$ 171,450	\$ 175,736	\$ 180,130	\$ 184,633	\$ 189,249
Other Court Hire	\$ 125,000	\$ 128,125	\$ 131,328	\$ 134,611	\$ 137,977	\$ 141,426	\$ 144,962	\$ 148,586	\$ 152,300	\$ 156,108	\$ 160,011
Badminton Income	\$ 19,692	\$ 25,600	\$ 26,239.59	\$ 26,896	\$ 27,568	\$ 28,257	\$ 28,964	\$ 29,688	\$ 30,430	\$ 31,191	\$ 31,970
Function/Meeting Room Hire	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615.13	\$ 8,830.50	\$ 9,051.27	\$ 9,277.55	\$ 9,509.49	\$ 9,747.22	\$ 9,990.90	\$ 10,240.68
Sponsorship and Fundraising Income	\$ 43,000	\$ 44,075	\$ 45,177	\$ 46,306	\$ 47,464	\$ 48,651	\$ 49,867	\$ 51,113	\$ 52,391	\$ 53,701	\$ 55,044
Events	\$ 10,000	\$ 10,250	\$ 10,506	\$ 12,082	\$ 13,895	\$ 15,979	\$ 17,097	\$ 18,294	\$ 19,575	\$ 20,553	\$ 21,581
Merchandise	\$ 72,000	\$ 86,400	\$ 99,360	\$ 101,844	\$ 104,390	\$ 107,000	\$ 109,675	\$ 112,417	\$ 115,227	\$ 118,108	\$ 121,061
Kiosk and Bar Sales Income	\$ 140,000	\$ 143,500	\$ 147,088	\$ 150,765	\$ 154,534	\$ 158,397	\$ 162,357	\$ 166,416	\$ 170,576	\$ 174,841	\$ 179,212
Other	\$ 28,640	\$ 29,356	\$ 30,089.90	\$ 30,842	\$ 31,613	\$ 32,404	\$ 33,214	\$ 34,044	\$ 34,895	\$ 35,767	\$ 36,662
Commercial Centre Income	\$ 65,000	\$ 66,625	\$ 68,291	\$ 69,998	\$ 71,748	\$ 73,542	\$ 75,380	\$ 77,265	\$ 79,196	\$ 81,176	\$ 83,205
Total Operating Income Forecast	\$ 1,626,265	\$ 1,784,586	\$ 1,933,902	\$ 2,090,293	\$ 2,265,457	\$ 2,461,997	\$ 2,575,791	\$ 2,695,995	\$ 2,823,017	\$ 2,927,592	\$ 3,036,482
Estimated Operating Expenditure		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Functions / Entertainment	\$ 1,200	\$ 1,230	\$ 1,261	\$ 1,292	\$ 1,325	\$ 1,358	\$ 1,392	\$ 1,426	\$ 1,462	\$ 1,499	\$ 1,536
Membership & licenses	\$ 2,500	\$ 2,563	\$ 2,627	\$ 2,692	\$ 2,760	\$ 2,829	\$ 2,899	\$ 2,972	\$ 3,046	\$ 3,122	\$ 3,200
Jnr Referees	\$ 124,600	\$ 143,290	\$ 164,784	\$ 189,501	\$ 217,926	\$ 250,615	\$ 268,158	\$ 286,929	\$ 307,014	\$ 322,365	\$ 338,483
Snr Referees	\$ 99,100	\$ 106,037	\$ 113,460	\$ 121,402	\$ 129,900	\$ 138,993	\$ 143,163	\$ 147,458	\$ 151,881	\$ 155,678	\$ 159,570
Equipment (Snrns and Jnrs)	\$ 4,800	\$ 4,920	\$ 5,043	\$ 5,169	\$ 5,298	\$ 5,431	\$ 5,567	\$ 5,706	\$ 5,848	\$ 5,995	\$ 6,144
Courses / Training	\$ 9,000	\$ 9,225	\$ 9,456	\$ 9,692	\$ 9,934	\$ 10,183	\$ 10,437	\$ 10,698	\$ 10,966	\$ 11,240	\$ 11,521
Camp Expenses	\$ 50,000	\$ 51,250	\$ 52,531	\$ 53,845	\$ 55,191	\$ 56,570	\$ 57,985	\$ 59,434	\$ 60,920	\$ 62,443	\$ 64,004
Jnr prizes	\$ 15,000	\$ 17,250	\$ 17,681	\$ 18,123	\$ 18,576	\$ 19,041	\$ 19,517	\$ 20,005	\$ 20,505	\$ 21,017	\$ 21,543
Snr prizes	\$ 5,500	\$ 5,885	\$ 6,032	\$ 6,183	\$ 6,338	\$ 6,496	\$ 6,658	\$ 6,825	\$ 6,995	\$ 7,170	\$ 7,350
Uniforms	\$ 12,000	\$ 12,300	\$ 12,608	\$ 12,923	\$ 13,246	\$ 13,577	\$ 13,916	\$ 14,264	\$ 14,621	\$ 14,986	\$ 15,361
Competition Staff (Snrns and Jnrs)	\$ 133,900	\$ 153,985	\$ 157,835	\$ 161,780	\$ 165,825	\$ 169,971	\$ 174,220	\$ 178,575	\$ 183,040	\$ 187,616	\$ 192,306
SBL/WABL Expenses	\$ 94,792	\$ 113,750	\$ 116,594	\$ 119,509	\$ 122,497	\$ 125,559	\$ 128,698	\$ 131,916	\$ 135,213	\$ 138,594	\$ 142,059
Administration Salaries and Wages	\$ 382,300	\$ 391,858	\$ 401,654	\$ 411,695	\$ 421,988	\$ 432,537	\$ 443,351	\$ 454,435	\$ 465,795	\$ 477,440	\$ 489,376
Advertising	\$ 1,500	\$ 1,538	\$ 1,576	\$ 1,615	\$ 1,656	\$ 1,697	\$ 1,740	\$ 1,783	\$ 1,828	\$ 1,873	\$ 1,920
Kiosk purchases	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 113,141	\$ 115,969	\$ 118,869	\$ 121,840	\$ 124,886	\$ 128,008
Utilities	\$ 58,000	\$ 59,450	\$ 60,936	\$ 62,460	\$ 64,021	\$ 65,622	\$ 67,262	\$ 68,944	\$ 70,667	\$ 72,434	\$ 74,245
Cleaning	\$ 138,449	\$ 141,910	\$ 145,458	\$ 149,094	\$ 152,822	\$ 156,642	\$ 160,558	\$ 164,572	\$ 168,687	\$ 172,904	\$ 177,226
Repairs and Maintenance	\$ 68,747	\$ 70,466	\$ 72,227	\$ 74,033	\$ 75,884	\$ 77,781	\$ 79,725	\$ 81,719	\$ 83,762	\$ 85,856	\$ 88,002
Security	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Insurance	\$ 61,108	\$ 62,636	\$ 64,202	\$ 65,807	\$ 67,452	\$ 69,139	\$ 70,867	\$ 72,639	\$ 74,455	\$ 76,316	\$ 78,224
Audit Fees	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Bank Fees and Charges	\$ 5,000	\$ 5,125	\$ 5,253	\$ 5,384	\$ 5,519	\$ 5,657	\$ 5,798	\$ 5,943	\$ 6,092	\$ 6,244	\$ 6,400
Bad and Doubtful debt	\$ 3,000	\$ 3,075	\$ 3,152	\$ 3,231	\$ 3,311	\$ 3,394	\$ 3,479	\$ 3,566	\$ 3,655	\$ 3,747	\$ 3,840
Postage	\$ 2,500	\$ 2,563	\$ 2,627	\$ 2,692	\$ 2,760	\$ 2,829	\$ 2,899	\$ 2,972	\$ 3,046	\$ 3,122	\$ 3,200
Stationery and Printing	\$ 7,000	\$ 7,175	\$ 7,354	\$ 7,538	\$ 7,727	\$ 7,920	\$ 8,118	\$ 8,321	\$ 8,529	\$ 8,742	\$ 8,961
Telephone	\$ 8,000	\$ 8,200	\$ 8,405	\$ 8,615	\$ 8,831	\$ 9,051	\$ 9,278	\$ 9,509	\$ 9,747	\$ 9,991	\$ 10,241
Court Hire Expense for training and competition	\$ 125,000	\$ 10,000	\$ 10,250	\$ 10,506	\$ 10,769	\$ 11,038	\$ 11,314	\$ 11,597	\$ 11,887	\$ 12,184	\$ 12,489
Computer Expenses	\$ 12,000	\$ 12,300	\$ 12,608	\$ 12,923	\$ 13,246	\$ 13,577	\$ 13,916	\$ 14,264	\$ 14,621	\$ 14,986	\$ 15,361
Legal Fees	\$ 500	\$ 513	\$ 525	\$ 538	\$ 552	\$ 566	\$ 580	\$ 594	\$ 609	\$ 624	\$ 640
Depreciation	\$ 30,000	\$ 30,750	\$ 31,519	\$ 32,307	\$ 33,114	\$ 33,942	\$ 34,791	\$ 35,661	\$ 36,552	\$ 37,466	\$ 38,403
Sundry	\$ 5,000	\$ 5,125	\$ 5,253	\$ 5,384	\$ 5,519	\$ 5,657	\$ 5,798	\$ 5,943	\$ 6,092	\$ 6,244	\$ 6,400
Total Operating Expense Forecast	\$ 1,576,496	\$ 1,553,267	\$ 1,614,782	\$ 1,680,855	\$ 1,752,027	\$ 1,828,914	\$ 1,886,609	\$ 1,946,557	\$ 2,008,870	\$ 2,066,767	\$ 2,126,496
Total Cash Position	\$ 49,769	\$ 231,319	\$ 319,120	\$ 409,439	\$ 513,430	\$ 633,084	\$ 689,182	\$ 749,438	\$ 814,147	\$ 860,825	\$ 909,986
Escalation - Income											
						% Growth					
Domestic Junior Comp	15	15	15	15	15	15	7	7	7	5	5
Domestic Senior Comp	7	7	7	7	7	7	3	3	3	2.5	2.5
Other Income	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Escalation - Expenditure											
						% Growth					
Escalation costs	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Building (m²)

9548.2

Note: this does not include the commercial space, external change rooms and public toilets

19.6 APPENDIX 6 WBA FINANCIAL ASSISTANCE LETTER





WILLETTON BASKETBALL ASSOCIATION Inc.

ABN 18 325 469 451

Home of the Willetton Tigers

**Burrendah Boulevard
WILLETTON WA 6155**

**Tel 08 9310 3388
Fax 08 9310 3866**

**PO Box 386
WILLETTON WA 6955**

To whom it may concern

In terms of WBA's financial contribution, financial capability and financial management experience, WBA feels very comfortable that it can more than adequately address each of these areas, should our Board decide to endorse the case for expansion after due consideration of the feasibility study around the merits of expansion of our current stadium.

To provide some context, the WBA Board made the decision in July 2013 to establish an equity account named "Board Restricted Funds". The account would be made up of various term deposits accruing interest at the highest possible rates. The account was named as such because the Board wanted to be very clear that it was committing to a long-term expansion plan in which WBA was to make a very solid contribution. As of February 2015, the Board Restricted Funds account is showing a balance of \$570K. We are very proud of how this reserve has grown and view the potential expansion as the kind of initiative we had in mind when we established the account. A review of the Board's minutes of meetings will confirm our commitment to contributing financially to the expansion.


In assessing our financial capability, WBA's Board feel that a balanced review of historical and future financial information provides a valuable insight into our financial policies and performance. In the years 2008-2010, the Association was running a deficit. After addressing the financial commitments of our refurbishment project contribution in 2009, WBA next achieved a surplus in the 2011 financial year and have successfully built that surplus each year on the back of a very strong domestic competition.

To paint a complete picture, surpluses for the 2013 and 2014 financial years respectively were \$195K and \$203K. The Board feels that at a very minimum we can sustain a \$100K surplus each financial year. This forecasted sustainable surplus takes into account the fact that we are currently at capacity in our domestic competition, as well as budgeting for continued facility improvements and maintenance as prioritised by the Board. Our Board is heavily committed to sound fiscal management and is comfortable we have demonstrated a capability to run a continued surplus.


Finally, any assessment of our financial management experience would show that our Board is made up of a number of financially competent members. The finance director is a qualified Chartered Accountant with many years experience in the provision of both taxation and audit and assurance services. The President has very successfully managed and owned numerous businesses over many years, both domestically and internationally, and brings a wealth of knowledge to all commercial aspects of the Board's portfolio. There too are other Board members with experience in financial management that do a tremendous job in complementing those assigned the finance portfolio. It

too would be an injustice if our Stadium Administrator was not mentioned in this space. Maria has been with WBA for many years and has repeatedly demonstrated a very high level of competency in managing the accounts as confirmed by the Association's auditors each financial year. Maria and the Board have a strong working relationship and are in regular dialogue regarding financial & accounting matters.

To summarise, WBA is committed and capable of contributing to the expansion in both a financial and operational capacity. Calling on our developed relationships with architects, project managers and builders, to name but a few, is further confirmation of our dedication to contribute to the expansion. We are also willing and able, given our strong financial history, to service a loan for our component of an expansion if such a commitment is required, within the bounds of the Board's responsibilities and judgement. We do hope that our ability and willingness to contribute to the financial costs and commitments of a facility extension is evident and the Board is more than happy to discuss any points raised above at further length and open to providing further information where necessary.



Philip Nixon
Chairman of the Board



Cameron Tovey
Finance Director