



**NEW CIVIC AND
ADMINISTRATION
CENTRE
BUSINESS PLAN**

March 2009

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EXECUTIVE SUMMARY

The sale of Council's current administration centre and civic centre (Lot 66 in Town View Terrace) to construct a new civic and administration centre in Wallcliffe Road will involve a land transaction over the legislative threshold of \$1 million and so the Shire is required to prepare and advertise a business plan related to that major land transaction. At a Special Council Meeting on 5 March 2009 Council resolved to prepare and advertise a business plan for the major land transaction calling for public submissions in accordance with section 3.59 of the Local Government Act.

The provision of a new Administration Centre will solve inadequate staff accommodation, improve the effective and efficient functioning of the Shire administration, improve customer service and enhance the Shire's reputation by presenting a more professional service and image to the community, our customers and our key industry stakeholders.

The greatest impact on other providers will be through the sale of the current civic and administration centre site (Lot 66 Town View Terrace). It is proposed to rezone this site to Town Centre which will enable the property to be used for a number of commercial, residential and mixed use development purposes. This will facilitate the orderly planning and development of the Town Centre which needs space to grow. Development of the site will help the consolidation of the Town Centre in its current location rather than encouraging "leap frog" development to occur in another location which will detract from the Margaret River main street retail experience. An enhancement of the Margaret River Town Centre will help to stop leakage of the retail spend outside of Margaret River, to Busselton in particular, thus strengthening the local economy.

Funding for development of the estimated \$11.5 million civic and administration building will come from the sale of the existing administration building site and loan funds. For the purposes of this business plan a conservative indicative income of \$4,000,000 has been used as an estimate of the proceeds from the sale of the existing administration building site plus loan funds of \$7,500,000.

The Shire of Augusta Margaret River would fund this project through a Treasury loan over a 20 year term. The loan would be structured as a fixed rate facility with 80 quarterly compounding repayments. On an annual basis the Shire will need to allocate approximately \$630,000 annually in repayments for 20 years to repay the principal and interest on the loan of \$7.5 million.

The Shire currently rents offices adjacent to the current administration centre in Town View Terrace for approximately \$67,000 p.a. On completion of the new premises a saving will result by not having to rent these premises leaving a net amount required for the servicing of the loan for the new facility of approximately \$563,000 pa. A rent back of premises over a two year period will result in expenses of approximately \$120,000 per annum but will be offset by an income stream from rates of up to \$50,000 per annum. Savings on operating expenses will be achieved by energy efficiencies but higher standard cleaning costs and a larger floor space may reduce the savings.

The Shire's draft Strategic Plan for the Future (SPFF) underpinned by a 10 year Strategic Financial Management Plan which was presented to Council at the Special Council Meeting of 5 March 2009 includes the construction of the new civic and administration centre as a major capital works project over the next 3 years. The SFMP indicates that given the successful implementation and retention of the savings resulting from the recently agreed restructuring (\$750k pa) it will be feasible for the Shire to undertake its targeted capital program, including the replacement of the civic and admin centre and still maintain an appropriate level of replacement and renewal of existing assets across the timescale.

It is not envisaged that the management of the project will be problematic due to the careful prior planning of the Shire and the effective project management structure established to oversee the project. A suitably qualified external project manager will be contracted to manage the project on Council's behalf reporting to an internal Project Control Group. A suitably qualified and experienced architectural firm will be given preferred provider status following a comprehensive Expressions of Interest and tender process to undertake the design and oversee the construction of the project. The architects will then be appointed subject to the Council's adoption of this business plan with any amendments required following feedback from the advertising period and by the subsequent decision of Council to proceed with the project following the 2009-10 budget adoption.

LEGISLATIVE AND POLICY FRAMEWORK

Local Govt Act

Section 3.59 of the Local Government Act 1995 requires all Local Governments to prepare a business plan prior to commencing a major trading undertaking or entering into a major land transaction. The sale of Council's current administration centre and civic centre (Lot 66 in Town View Terrace) will involve a land transaction over the legislative threshold of \$1 million and so the Shire is required to advertise a business plan related to that transaction. The construction of a new civic and admin centre is to be funded from the sale of the existing site plus borrowings. Details of this major land transaction are required to be advertised for a minimum six week period. The local government is to consider any submissions made and may decide by an absolute majority to proceed with the major land transaction as proposed or so that it is not significantly different from what was proposed in the business plan.

Council resolved at a Special Council Meeting of 5 March 2009 to prepare and advertise a business plan for a major land transaction calling for public submissions in relation to the construction of a new civic and administration centre in accordance with section 3.59 of the Local Government Act.

The Act prescribes that the business plan is to include details of the proposal's

- (a) expected effect on the provision of facilities and services by the local government;

- (b) expected effect on other persons providing facilities and services in the district;
- (c) expected financial effect on the local government;
- (d) expected effect on matters referred to in the local government's forward plan;
- (e) impact on the ability of the local government to manage the undertaking or the performance of the transaction.

The information contained in the following business plan satisfies the requirements of the Act listed above.

In accordance with the LGA the Shire of Augusta Margaret River has given both Statewide (West Australian Newspaper 14 March 2009) and local public notice (MR Times 13 March 2009) stating that:

- (i) it proposes to enter into the major land transaction;
- (ii) that a copy of the business plan may be inspected by the public or obtained at the Shire offices or by accessing the Shire's website;
- (iii) submissions in writing about the proposed land transaction may be made to the local government before the close of business on Monday 20 April 2009.

In accordance with section 3.58 of the LGA it is proposed to dispose of the current civic and administration centre site (Lot 66 in Town View Terrace) by public tender to the person who is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender. A condition of that sale will be for the Shire to be able to lease back the premises on lot 66 Town View Terrace until such time as the Shire is able to relocate to its newly constructed premises in Wallcliffe Road.

Planning and Development Legislation and Town Planning Schemes

Council resolved at its March 5 Special Council Meeting to prepare scheme amendments for the rezoning of lot 41 Wallcliffe Road from Parks and Recreation to Public Purposes (SP) in preparation for the construction of a new civic and administration centre and for the rezoning of lot 66 in Town View Terrace from Public Purposes (SP) to Town Centre to facilitate the consolidation of the Margaret River Town Centre.

The future uses proposed on the two sites are inconsistent with both the current and proposed Local Planning Scheme and therefore scheme amendments will be required to facilitate the commencement of construction of the new civic and administration centre and will be a condition of the sale of Lot 66 Town View Terrace.

The Land area for Townview Terrace is given as 7228.5m². The land area for Lot 41 Walcliffe is 11928m², however the Recreation Centre and Arts Centre occupy about

50% of Lot 41. The available land area for development is approximately 5040 m² including the area of the existing entry to Gloucester Park. The entrance may need to be relocated to the adjacent lot 40 and this will be determined through the master planning process. It may be that portion of Lot 40 needs to be included in the development site or even a portion of Lot 1 on which the Football Oval is located. This land is still owned in Freehold by the Shire. A portion of the Margaret River Recreation Centre is on the adjacent Reserve. Some boundary adjustments may be required. However for the main civic and administration building there should be sufficient space in the 5040m² to fit a 3000m² building footprint, if parking needs spill onto the adjacent reserve then that would not be problematic as this can be used for shared parking especially on weekend sporting events.

1.0 PROJECT BACKGROUND AND HISTORY

A process has been developed and adopted by Council for the proposed development of a new civic and administration centre at the Margaret River Civic precinct in Wallcliffe Road. As well as meeting statutory requirements this business plan is a further way of communicating Council's intentions to the community to ensure the public is well informed at the commencement at each stage of the project.

The current Administration Centre was first opened on the 11th May 1968 and since the last extensions to the administration building in 1990, the Shire population has nearly doubled. Shire staff numbers have increased by a similar amount. A Shire administration centre replacement to meet staff accommodation and customer service needs was commenced in 1996 however the project did not proceed. In 2000 a second hand demountable building was acquired from a mine site to provide additional accommodation on a temporary basis. With insufficient space to accommodate staff, the Shire is using rental premises at a cost of \$67,000. Administration staff are now accommodated over three buildings with half of the staff in temporary accommodation and rented premises. Since 2004 the Shire has continuously used rented office accommodation and in 2006 moved to the current larger rental premises on Town View Terrace to cater for growth as well as to reclaim an area for staff amenities. This has always been viewed as a temporary solution and a solution to meet the Shire's needs over the next 40 years has become a high priority.

In 2008 an independent consultant was engaged to conduct a general OH&S audit of Shire workplaces and operating practices. The audit was reported to council in February 2008. A significant number of non compliances were identified relating to staff accommodation. Those which could be addressed by short term measures have been rectified and processes are in place to address ventilation, lighting, leaking roof and security problems however additional space is required to provide adequate workspace area, storage and meeting facilities. Even modest population projections indicate that the Shire's population and servicing requirements will increase over the next generation and the situation will only be exacerbated. Council is showing strong stewardship in seeking to rectify the situation.

The civic and administration offices are the centre for planning and governance of the area and for management of the Shire's assets. They are a powerful symbol of the

health and sustainability of the Shire. Updating the Shire facilities to better reflect current development standards as well as providing professional standard offices reflects the expectations of the community and our customers to provide a high level of customer service, professional planning services and professional management of our assets and community infrastructure.

It is envisaged that a new administration centre will be an iconic landmark building that the community can be proud of reflecting the strength of the Augusta Margaret River Region and the confidence in our future.

The building is estimated to be 3,000 square metres in floor area and to be a single storey building. The exact floor area will be established following the appointment of the project architects. This will establish the civic precinct at Wallcliffe Road, Gloucester Park and provide for the needs of both current and future generations.

The new Centre will enhance the Shire's image and demonstrate the Council's confidence in its future sustainability. Requirements of the new approximately 3,000 sq metre single storey facility will be:

- High level energy rating incorporating best practice green principles and technologies to produce a minimum 5 star rating in accordance with the National Australian Built Environmental Rating System (NABERS) Energy for Offices;
- Universal disability access standards required by the BCA being met or exceeded in catering for the needs of both staff and the Shire's customers;
- Contemporary innovative architectural design which reflects to local character of the Shire, showcases local natural materials where possible and meets the standard set by best practice architectural design on display in the Margaret River Wine Region;
- Maximising the use of local tradesmen and contractors wherever possible and cost competitive to stimulate the local economy at a time of anticipated economic slowdown;
- Cost effective design balancing the need for an iconic landmark design, green requirements which may trade off higher initial costs in return for lower operating costs due to the use of renewable energy and solar passive design;
- Excellent customer service areas where the customer service experience of residents, ratepayers and the consumers of Council services is conducted in an environment which enhances their customer service experience;

- Attractive and motivating work areas conducive to a high productivity and high performance culture which meet the holistic work needs and comfort of Shire staff;
- Well planned and efficiently located areas for the storage of records, information technology infrastructure and servers and other plant and equipment.
- Attractive multi-functional community spaces including the Shire's Council Chambers and associated activity and function areas;
- An attractive interface with the existing Margaret River Cultural Centre which complements and reinvigorates the existing facility creating a strong civic presence including the Recreation Centre, the MR Cultural Centre and the proposed Civic and Administration Centre.
- An attractive and vibrant civic square suitable for public gathering and outdoor entertainment featuring public art, street furniture and associated attractions.
- Efficiently organised multi-purpose car parking and transport ingress and egress to meet the needs of Shire staff and customers and to be able to be used by Gloucester Park sporting groups and patrons of the MR Cultural Centre at night time and on weekends.
- Planning for the future relocation of the Margaret River Police Station and Court House will be part of the longer term master planning process.
- Intergenerational financing whereby both current and future generations finance the project by a combination of land sales and borrowings making for a fairer system.

Council has endorsed a two to three year process for the development of a new administration building subject to being satisfied that the project can be funded by producing a 10 year financial management plan which is currently being undertaken.

2.0 THE EXPECTED EFFECT ON SHIRE FACILITIES AND SERVICES

It is proposed to develop a new civic and administration centre for the Shire of Augusta Margaret River at the Margaret River Civic precinct in Wallcliffe Road, Margaret River. A broad and flexible planning and development process for a new administration centre has been identified and was adopted by Council as a guideline for the project at the Shire's ordinary Council Meeting of 26 November 2008.

The provision of a new Administration Centre will solve inadequate staff accommodation, improve the effective and efficient functioning of the Shire administration, improve customer service and enhance the Shire's reputation by presenting a more professional service and image to the community, our customers and our key industry stakeholders.

Staff and Disability Access Requirements

Staff have been housed in cramped accommodation in the existing administration building with workstations less than recommended size. The lack of storage facilities and the situation by which staff are working in rooms built for storage with no natural lighting or ventilation is less than satisfactory. In addition a number of make shift offices have been established in corridor areas. This has been independently assessed as breaching the Occupational Health and Safety Act.

This situation affects the Shire's ability to attract new staff, impacts staff retention and is a negative influence on staff morale which in turn can negatively affect customer service standards. Staff have also been located in temporary demountable accommodation for eight years. As the population of the district grows modest increases in staffing numbers are anticipated and the current problem will only be exacerbated if remedial action is not taken. Constructing a new facility will provide the opportunity to accommodate a modest growth in staffing at future dates to meet the future needs of the community. Improved staff facilities will translate into better service delivery to the community through improved staff morale and working conditions.

Additionally the current facilities do not meet Universal Access standards for disability access and Council may be in breach of the Disability Discrimination Act should a staff member using a wheelchair be employed by the Shire. Access ramping is non existent at the current facility, disability access toileting is not in place and corridors and access between and within buildings does not meet disability access requirements. The two storey rental property does not have a lift and entry doors are narrow and not accessible for wheelchair users. On the Universal access front Council should lead by example to the private sector in the Shire. The new facility will be fully accessible for people with disabilities including the customers of Council services and the wider community and the Council staff members. This will result in a great improvement in service delivery to the community.

Efficiency & Effectiveness

Administration staff are located across three buildings and communication and management of staff is less effective when staff are in separate groups. Not all staff can be located in the same building as other staff and or the section manager, reducing contact, communication and the effectiveness of face to face management. This encourages a silo approach whereby staff operate within their own service delivery areas and don't adopt a whole of organisation approach to issues. A whole of organisation approach is required with a range of projects competing for finite resources and to bring the benefit of cross functional teams to decision making. The sharing of ideas and knowledge from different Directorates promotes better decision making and advice to Council and avoids non compliance. A new facility will therefore facilitate better services to the community.

Proximity to the Margaret River Recreation Centre

Synergies will be created by having the Council Offices close to the Recreation Centre. This will improve line management and supervision of the Recreation Centre's operations, allow staff to be shared between facilities and for the crèche to become accessible for staff and for members of the community using Council's civic centre functions such as training and meeting rooms.

Improved Customer Service

The current facilities do not meet Universal Access for customers of Council services in terms of ramping, toilet facilities, accessible doors, counter heights. The lack of an access ramp at the Customer Service Area would be an improvement but the doors will still be too narrow and non compliant from a disability access viewpoint.

The quality of customer service is also reduced when customers need to be transferred between buildings to speak to Shire officers. Customer service is also partially duplicated in different offices which is inefficient and ties up valuable space. The effectiveness of communication is reduced when phone and email conversation is substituted for personal contact when staff are located in different buildings. A new facility will improve access for people with disabilities and provide a "one stop shop" better able to meet customer needs.

Professional Service and Image

The administration offices are the centre for planning and governance of the area and for management of the Shire's assets. They are a powerful symbol of the health and sustainability of the Shire. Updating the Shire facilities to better reflect current development standards as well as providing professional standard offices reflects the expectations of the community and our customers to provide a high level of customer service, professional planning services and professional management of our assets and community infrastructure.

It is envisaged that a new administration centre will be an iconic landmark building that the community can be proud of reflecting the strength of the Augusta Margaret River Region and the confidence in our future.

3.0 THE EXPECTED EFFECT ON OTHER PROVIDERS

The relocation of the civic and administration centre provides an opportunity for broader functionality and therefore greater utilisation of the Council owned Margaret River Cultural Centre. The Centre is run under an arrangement with Arts Margaret River which is an independent community organisation run by volunteers. Theatrical, music and movie productions are the main events run at the Cultural Centre and a art gallery has been established in the foyer area. The provision of a civic square between the Cultural Centre and the new administration offices will provide the opportunity for street theatre, small scale fetes and markets, outdoor public and festival events as well as temporary art installations such as a weekend sculpture park.

There may be an opportunity for other services to be located in the civic precinct which are complementary to the administration, civic, cultural and recreation services envisaged. For example the Police Station and Court House are ageing infrastructure and decisions need to be made at some stage by the State Government on the refurbishment or relocation of these facilities. Wallcliffe Road is a higher profile location and would lend itself to these functions. A dialogue has been commenced with the State Government so that planning can be undertaken to accommodate these uses in the event that a relocation can be facilitated some time in the future.

The greatest impact on other providers will be through the sale of the current civic and administration centre site (Lot 66 Town View Terrace). It is proposed to rezone this site to Town Centre which will enable the property to be used for a number of commercial, residential and mixed use development purposes. This will facilitate the orderly planning and development of the Town Centre which needs space to grow. Development of the site will help the consolidation of the Town Centre in its current location rather than encouraging “leap frog” development to occur in another location which will detract from the Margaret River main street retail experience. The site is on the corner of Willmott Avenue which comes off Bussell Highway at right angles.

The Margaret River Post Office is opposite the site and is a hub of activity for the resident population. Development will complement the Post Office uses. The main street is linked to the site across Memorial Park via Willmott Avenue or via steps down to Bussell Highway adjacent to the Sails Coffee Shop. Any commercial uses will impact on existing businesses by providing complementary shopping opportunities or by providing direct competition for shops offering the same goods and services. An enhancement of the Margaret River Town centre will help to stop leakage of the retail spend outside of Margaret River to Busselton in particular this strengthening the local economy.

4.0 THE EXPECTED FINANCIAL EFFECT ON THE SHIRE AND THE FORWARD PLAN

Project Costs

Initial feasibility studies have indicated a budget of \$11,500,000 will be required for the construction of a new administration building. The following is a detailed breakdown of budget estimates.

DETAILS	VALUE	RATE
Base Construction Budget	\$6,600,000.00	\$2200/sqm
Builders Contingency	\$528,000.00	8%
Builders Work	\$132,000.00	2%
Sub-Total	\$7,260,000.00	
Preliminaries	\$653,400.00	9%
Sub-Total	\$7,913,400.00	
Margin	\$474,804.00	6%
TOTAL (Construction Works)	\$8,388,204.00	
Consultant Fees	\$1,006,584.48	12%
Construction Contingency	\$419,410.20	5%
Loose Furniture and Fittings	\$1,050,000.00	\$350/sqm
Relocation Costs	\$100,000.00	
Authority Fees	\$50,000.00	
Sub-Total	\$11,014,198.68	
Escalation	\$550,709.93	5%
TOTAL (Project)	\$11,564,908.61	

NOTE:

Generally rates taken from RBB 2008 Pocket Compendium

No District Allowance for Margaret River Allowed. If required would allow further 15%

Loose Furniture and Fittings is based on government standard and new throughout

Income and Financing Arrangements

Income for development of the administration building will come from the sale of the existing administration building site and loan funds. For the purposes of this business plan a conservative indicative income of \$4,000,000 has been used as an estimate of

the proceeds from the sale of the administration building site and loan funds of \$7,500,000.

The Shire of Augusta Margaret River would fund this project through a Treasury loan over a 20 year term. The loan would be structured as a fixed rate facility with 80 quarterly compounding repayments. On an annual basis the Shire will need to allocate \$630,000 annually in repayments for 20 years to repay the principal and interest on the loan of \$7.5 million.

The Shire currently rents offices adjacent to the current administration centre in Town View Terrace for approximately \$67,000 p.a. On completion of the new premises a saving will result not having to rent these premises leaving a net amount required for the servicing of the loan for the new facility of \$563,000.

The Shire will have additional costs for leasing back the current facility once sold prior to being able to relocate to the new facility. These costs are estimated at \$120,000 per annum for 2 years.

On the other hand a new landowner will pay rates based on the GRV for a Town Centre zoned property. The income from rates generated from the rezoning of the property from Public Purposes to Commercial (Town Centre) is estimated to be from \$35,000 to \$50,000 pa

Impact on the Strategic Plan for the Future

A draft Strategic Plan for the Future (SPFF) underpinned by a 10 year Strategic Financial Management Plan includes the construction of the new civic and administration centre as a major capital works project over the next 3 years. The SFMP indicates that given the successful implementation and retention of the savings resulting from the recently agreed restructuring (\$750 pa) it will be feasible for the Shire to undertake its targeted capital programme, including the replacement of the civic and admin centre and still maintain an appropriate level of replacement and renewal of existing assets across the timescale. Within this programme the two most significant projects from a financial point of view are the civic and admin centre and the redevelopment of the Turner Caravan Park. So far as the latter is concerned it will be crucial to ensure that expenditure is staged and that the success and impact of each stage is objectively reviewed before moving on to the next stage. This approach will allow the risks associated with the project to be managed and controlled.

The draft 10 year SFMP presented to the Special Council Meeting of 5 March 2009 is a starting point and is being finalised and will shortly be advertised for comment and feedback from the community. The major risks associated with the Plan are Council borrowing to upgrade the Turner Caravan Park and revenue not meeting expectations and leaving a shortfall which would need to be made up from ratepayer funds. This risk could be reduced by undertaking low risk and high return investment in the early years and only proceeding to each next stage if the revenue meets expectations. It may be possible to sell leases off the plan as a developer may do during the subdivisional process meaning that some income could be earned prior to Council committing funds.

Another risk is if the civic and admin centre building cannot be sold in a timely manner and Council needs to meet the cost of servicing a loan of \$11.5 million instead of approximately \$7-\$7.5 million. The draft SFMP however indicates that can be accommodated in the modelling and does not pose a significant problem.

AS an additional safeguard the 10 year plan will be audited by the Shire's auditors UHY Haines Norton and will provide further advice on whether the Shire's debt service ratio and net debt to revenue ratio are within required treasury lending guidelines to fund a facility of \$7.5M given other competing demands for borrowings such as the Turner Park Caravan Park.

Ongoing Operating Expenses

The new building will feature a high level energy rating incorporating best practice green principles and technologies to produce a minimum 5 star rating in accordance with the National Australian Built Environmental Rating System (NABERS) Energy for Offices.. The cost effective design will balance the need for an iconic landmark design and green requirements which may trade off higher initial costs in return for lower operating costs due to the use of renewable energy and solar passive design;

Savings will be gained through energy and power savings but these have not been calculated at this stage as the design and energy efficiency has not been estimated at this stage. Maintenance costs will be reduced by having a new facility rather than the current problematic ageing infrastructure. It is anticipated that cleaning costs will be higher as a better standard of service is anticipated to be required. Without further detail it is estimated that operating costs will be slightly lower than the current situation and so there will not be a further ongoing impost from the construction of a new facility.

5.0 HOW THE SHIRE OF AUGUSTA MARGARET RIVER WILL MANAGE THE PROCESS

The Shire of Augusta Margaret River has a strong capacity to manage and deliver this project on time and on budget. The CEO has appointed Mr Wayne Prangnell (Director Infrastructure Services) as the Principal's Representative and overall Shire Project Manager.

A Project Management team has also been appointed by the CEO and will consist of:

Wayne Prangnell	Overall Shire Project Manager & DIS
Gary Evershed	Chief Executive Officer
Geoff Broad	Director Planning and Development Services
Cary Green	Director of Corporate and Community Services
Kim Luciano	Manager Building Services
Robert Lewis	Fmr Superintendent on the CH2 project in Melbourne

A suitably experienced and qualified external Project Manager will be appointed from a firm with sufficient capability and a proven track record of similar successful project management.

The Shire will appoint a suitably qualified and experienced architectural firm to provide the architectural services for the design, documentation and administration for the proposed new AMRSC civic and administration Centre.

The Contract for the appointment of the project architects will be determined by a three stage process. The following timeframes are indicative only and may vary according to circumstances and the changing priorities and workloads of the Council and the CEO:

Stage 1: Expressions of Interest – EOIs closed on 23 January and three architectural firms have now been shortlisted and requested to tender in accordance with the Local Government Act. – Woodhead, the Bollig Design Group and a Peter Hunt and Theo Matthews joint venture

Stage 2: On the week commencing Monday 2 February 2009 the shortlisted respondents have been invited to tender and have their responses to the RFT submitted by closing 6 March 2009. On Wednesday 18 March 2009 the tenderers will make a presentation to the Council and the selection committee. The selection panel will evaluate tenders and make a recommendation to Council on the “Preferred Tenderer” to be resolved by Council at the March 25th Council Meeting.

Stage 3: The Shire will advertise this business plan in accordance with the Local Government Act 1995 to be advertised in the West Australian Newspaper 14 March 2009 with submissions closing 20 April 2009. In a parallel process the Shire will complete and finalise the Strategic Plan for the Future and the underpinning 10 year strategic financial management plan.

In July 2009 the process will be finalised and the Council will resolve at an ordinary Council meeting to appoint, or not to appoint the Preferred Tenderer to provide the architectural services for the project. Any approval will be subject to Council adopting the 2009-10 budget to commence the project and Council reserves the right not to appoint the Preferred Tenderer for any reason whatsoever.

Design and Construction

Once the Council resolves to proceed with the project and allocates funds in the budget process for 2009-10 the Architects will commence detailed design work and subsequently a tender for the construction of the building will be let.

It is not envisaged that the management of the project will be problematic due to the careful prior planning of the Shire and the effective project management structure established to oversee the project.

10 YEAR FINANCIAL PROJECTIONS

	Year Ended										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Shire of Augusta-Margaret River Long Term Financial Plan Summary Projected Operating Statement	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
Operating Revenue	20,144	21,489	23,010	24,736	26,424	28,059	29,782	31,853	33,599	35,435	37,025
Operating Expenses (Net of Savings)	21,879	22,135	23,566	24,888	26,213	27,106	28,249	29,694	30,660	31,770	32,912
Operating Surplus/(Deficit) before Capital Revenues	(1,735)	(646)	(556)	(152)	211	953	1,543	2,159	2,919	3,665	4,113
Capital Revenue	5,991	3,310	8,658	9,173	1,173	16,983	16,733	1,693	1,394	3,194	1,000
Operating Surplus/(Deficit) after Capital Revenues	4,255	2,664	8,102	9,021	1,384	17,936	18,276	3,852	4,313	6,859	5,113

Shire of Augusta-Margaret River
 Long Term Financial Planning Model
 Summary Statement of Financial Position

	Year Ended										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
Current Assets	4,279	3,912	4,302	3,958	4,531	4,821	4,188	4,918	5,696	7,716	12,222
Non-Current Assets	177,129	182,354	195,240	205,066	205,046	221,734	242,485	244,408	246,722	250,266	249,497
Total Assets	181,408	186,266	199,542	209,024	209,576	226,555	246,673	249,325	252,417	257,982	261,719
Current Liabilities	4,322	3,661	3,782	4,048	4,204	4,512	4,717	4,884	5,109	5,344	5,104
Non-Current Liabilities	6,432	9,286	14,340	14,534	13,547	12,282	13,918	12,552	11,106	9,575	8,440
Total Liabilities	10,754	12,948	18,122	18,583	17,751	16,793	18,636	17,436	16,214	14,919	13,543
Net Assets	170,654	173,318	181,420	190,441	191,825	209,761	228,038	231,890	236,203	243,062	248,175
Total Equity	170,654	173,318	181,420	190,441	191,825	209,761	228,038	231,890	236,203	243,062	248,175