



Government of **Western Australia**  
Department of **Regional Development and Lands**



# BUSINESS CASE PROPOSAL

FOR

WONTHELLA OVAL LIGHTING PROJECT

CITY OF GREATER GERALDTON

\$790,000

07 JULY 2013

[This template has been developed to assist the preparation of a business case proposal to support requests for Royalties for Regions funding.]

R01078-11 / A864953

## **Note to Applicant:**

Essentially, the business case should answer three questions:

1. Current Status
2. Where do you want to get to?
3. How will you get there?

The “background” section of the business case should answer the first question. The second question is essentially answered by “project outcome”. The “how” question relates to the rest of the business case and should explain the mechanisms and resources that will be employed to achieve the project outcome.

### ***Capital Works Initiatives***

State Government capital works initiatives require evidence of consultation with the Department of Treasury, Building Management and Works.

Building Management and Works provides a range of services to deliver the State Government’s non-residential building program, using extensive in-house expertise in asset planning, project delivery and maintenance planning. Building Management and Works is committed to ensuring probity, value for money and effective risk management in all aspects of its operations.

Building Management and Works’ activities include construction of Government buildings such as hospitals, schools and police stations, management of major State construction projects, management of maintenance contractors for Government buildings, management of the Government’s office portfolio, setting capital works and construction policy, and administration of a range of heritage and built environment concerns.

The Strategic Asset Management Framework (SAMF) provides policies and guidelines to improve asset investment planning and management across the State public sector. It is designed to help facilitate quality advice and decision-making with State Agencies, including the development and review of investment proposals to Government. State Agencies should ensure that business cases for infrastructure projects are consistent with SAMF. For information please click on [Strategic Asset Management Framework \(http://www.treasury.wa.gov.au/cms/content.aspx?id=1269\)](http://www.treasury.wa.gov.au/cms/content.aspx?id=1269).

### ***Approvals***

The business case will need to demonstrate that relevant approvals including (but not restricted to) project approvals, planning approvals, land title, native title, heritage approval, incorporation, legal requirements or licenses have been obtained and that there are no barriers to the progression of the project should Royalties for Regions funding be provided.

If the Project is being undertaken on land (whether freehold or Crown land) that is not owned, leased or managed by the applicant, the applicant must obtain and have in place for the duration of the Project an agreement or suitable authority to undertake the Project on that land.

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## Glossary of terms

In the context of this document:

**Agency** means a Western Australian State Government agency.

**Applicant** means the organisation or Agency preparing a business case proposal requesting Royalties for Regions funding for a priority project.

**Business case proposal** means the information prepared by the Applicant in support of the project.

**Deliverables** means the expected productivity benefits, outputs and outcomes from the project.

**Department** means the Department of Regional Development and Lands.

**Innovation** is the implementation of a new or significantly improved product (good or service) process, new marketing method or a new organisational method in business practices, workplace origination or external relations<sup>1</sup>.

**Leveraged Funding** is the additional cash funding obtained for the Project from other sources.

**Option** means a feasible, alternative delivery mechanism to the project which was considered by the applicant when preparing the business case proposal.

**Organisation** means an incorporated entity that is not an Agency. An organisation may be a not for profit entity or government trading organisation.

**Output** means the end product of the project. For example, an infrastructure asset or services delivered.

**Project** means the works or services proposed in the business case.

**Project Outcome** means the achievement that is expected as a result of undertaking the Project.

**Royalties for Regions** means the Western Australian State Government's Royalties for Regions program.

**Stakeholder** means a party with an interest in or who is affected by the project.

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<sup>1</sup> Organisation for Economic Cooperation and Development and Development Statistical Office of the European Communities(2005 Third Edition) Oslo Manual Guidelines for collecting and interpreting innovation data, 3<sup>rd</sup> edition, OECD and European Commission, Paris  
City of Greater Geraldton

## 1. EXECUTIVE SUMMARY

Wonthella Oval is currently considered the main football and cricket facility for the City of Greater Geraldton and has previously hosted GNFL football finals, WAFL matches, and AFL preseason matches, as well as State and International cricket matches.

Some of its current and previous uses are:

- Australian rules senior and junior football
- Touch Rugby
- Soccer
- Hockey
- Baseball
- T Ball
- Tennis

In addition to the sporting events, Wonthella Oval is ideally positioned to host non-sporting events such as concerts, markets and or other large-scale events needing to cater for large crowds.

Lighting for Wonthella Oval was identified as a priority in Geraldton Greenough Sporting Facilities Master Plan (2005) and this priority was supported in the Sporting Futures Report (2013), Wonthella Oval identified to develop into the 'Premier' open air facilities in the city to accommodate elite level sport of a variety of disciplines.

This business case considers the arguments for both 250 and 500 lux floodlights at Wonthella Oval; with justification for the preferred 500 lux option. This infrastructure is considered critical for a premier standard oval.

Why 500 lux? 500 Lux lighting is critical for the following reasons:

- Ability to host AFL pre-season matches, which are important for geographic and social equity (the AFL has committed \$100,000 for 500 Lux at Wonthella Oval);
- An AFL pre-season match will attract visitation to Geraldton giving an economic return from sports / events tourism;
- Developing higher skill levels across our entire sporting community (not just AFL) in governance, for training for elite sport, for coaching, officiating; and
- Inspiring participation in sport and encouraging excellence, which is in keeping with the region's new Mid West Academy of Sport concept.

Other regions of WA (Pilbara, Great Southern, South West, Kimberly) have or in the process of getting 500 lux lighting. Installation of 500 lux lighting at Wonthella Oval will ensure the Mid West is not left behind and won't continue losing opportunities through not having suitable lit outdoor facilities.

500 Lux lighting will provide the capacity for other large ball sports at an elite level to play in Geraldton.

The City has committed to providing \$380,000 and attracted \$230,000 in CSRFF funding and \$100,000 AFL Funding for this project. This business case is seeking funding of \$790,000 from the R4R Mid West Investment Plan to meet the funding gap for the installation of 500 lux lights at Wonthella Oval.

## **2. PROJECT SCOPE AND EVALUATION**

### **2.1. *Project Outcome***

This project would provide the Greater Geraldton and Mid West Community with a Premier standard sporting facility with 500 lux flood lighting. Lighting the oval to this standard will allow the community to benefit from elite level sporting events coming to Geraldton and provide additional flexibility of use at the ground.

Attracting elite sporting events to Geraldton will provide numerous outcomes and benefits such as:

- inspiring young people to strive to achieve by being able to see their champions play;
- enhancing sporting pathways by creating links with higher level sporting activity;
- providing opportunities for our future champions to be discovered and assisted to reach their full potential;
- complementing talent development initiatives such as the Mid West Academy of Sport;
- generating additional income opportunities through large scale events and sports tourism; and
- encouraging sporting participation for greater health and productivity outcomes.

This project will also provide a venue for a range of other sporting and non-sporting events to be held in the evenings. This will:

- increase flexibility of use at the ground enabling evening training and midweek / evening competition not currently possible at Wonthella Oval (Geraldton's premier outdoor facility);
- enable the City to market the facility for large scale non sporting events requiring high level lighting; and
- provide Wonthella Oval user groups new opportunities to generate additional income and support their financial viability.

### **2.2. *Project Description***

The City wishes to provide sports lighting at its premier sports ground, Wonthella Oval, to AS 2560.2.3 and AFL standard of 500 lux. The reason 500 lux has been identified as the standard required is to meet the minimum requirement of the elite level of sport the region wishes to attract.

For professional level of play on this size of oval, poles with a height of about 40 m will be needed to comply with AS2560.2.3. This based on locating the poles 5 m from the line marking of the Principle Playing Area.

In addition to sporting infrastructure, this lighting project will enable Wonthella Oval to host alternative events such as music concerts to provide additional revenue for the facility. The City's draft Events Strategy is pursuing this investigation.

### **2.3. *Background***

Elite level lighting at Wonthella Oval was identified as a priority in the Geraldton Greenough Sporting Facilities Master plan (2005). Subsequent investigations by the City, including the recent Sporting Futures Report (appendix B), have confirmed

Wonthella Oval is the preferred venue for hosting elite level sporting events from a number of sporting disciplines including:

#### AFL

The major focus and planning is for AFL NAB Regional Challenge Matches, which the AFL, WAFC and DSR support as it aims to take games out of the metropolitan areas and into regional areas. The last such event held in Geraldton was in 2004 was a regionally significant event attracting around 7,000 people of which a significant amount was from outside Geraldton. The WAFC have stated their preference to host another game in Geraldton subject to suitable facilities being available. An assessment conducted by the GNFL of a similar scale event showing the direct economic impact is attached see appendix A. See attached State game proposal COGG dec 2012.

#### WAFL

Discussions with the WAFC have indicated that there is an opportunity to facilitate the hosting of WAFL games at Wonthella Oval on a regular basis. Initially the plan is to host one match per year with the aim to increase the number of games in the future.

#### Other large ball sports

The installation of 500 lux lights at Wonthella Oval will ensure Geraldton has the capacity to cater for other 'large ball sports' at an elite level as opportunities arise. The 500 lux lights will comply with requirements of elite (non televised) sporting events in sports such as rugby, touch rugby, soccer and the like. Geraldton currently has no facilities capable of hosting this level of event.

#### Other small ball sports

The lights are also capable of hosting small ball sports such as cricket and baseball at intermediate and high grade standards. Geraldton currently has no facilities capable of hosting this level of event

Through its Sporting Futures Report process, the City engaged an external consultant (AECOM) to review the requirements for Wonthella Oval. The AECOM recommendation was that the principal focus for the development of Wonthella Oval was the installation of floodlighting. Based on the preferred direction of the Wonthella Oval Management Committee, GNFL, recommendations of AECOM and the officers' investigations, the Sporting Futures Report (adopted by Council in March 2013). The Sporting Futures Report lists the Wonthella Oval lighting project among its highest priorities (one of its ten "high" priority projects).

Currently the Greater Geraldton area and Mid West Region does not have a premier oval. Other regional centers (Broome, Bunbury, Albany, Port Hedland) have had, or are in the process of having, 500 lux lighting installed. In addition, several metropolitan facilities have or are being lit to this level. This strengthens the city's case for 500 lux lighting to ensure geographic equity and that the Mid West is not at a disadvantage.

A need has been long identified for Geraldton to have a multi-purpose outdoor venue that is lit to a standard to enable hosting State and National level competitions in various sports and enhance the City's attractiveness and capacity for large scale community events. This project, which aims to provide 500 lux lighting at the oval identified by the sporting futures consultative process as the premier oval, will bring Geraldton and the Mid West up to an expected standard and provide for geographic equity for infrastructure.

Wonthella Oval has identified by the community and stakeholders such as the GNFL, WAFC, Geraldton Regional Cricket Board, Midwest Cricket Board, Midwest Academy of Sport and the Midwest Sports Federation, AFL, WAFL, Touch Rugby association as the preferred oval to be developed as the Premier Oval for the City and the Region.

Consultants who have assessed the oval have recommended the facilities are upgraded to accommodate elite level sport for a variety of disciplines, which is in keeping with the principle to develop multi-purpose as preferred by the City, DSR and other potential funding agencies including AECOM Report; Sporting Futures Report, Wonthella Oval Lighting Report 2011, Geraldton Greenough Sporting Facilities Master Plan 2005.

Wonthella Oval is located on the South West corner of the Eighth Street and Flores Road intersection in Geraldton. The oval measures about 190m long and 150m wide overall, with a clubhouse on its western side. There are residents to the north, Flores Road to the East, a golf course to the south, with a large car park and hockey facilities to the west. As part of an existing sporting precinct, Wonthella Oval location is ideal for 500 lux lighting and will have minimal impact on surrounding stakeholders.

## **2.4. Policy and Strategic Framework**

- Building capacity in regional communities;  
This project will help build capacity in our region through sport and recreation. Events such as AFL preseason games also bring professional development opportunities for sports coaches, officials, sports trainers and administrators (including other sport and those not resident at WO).
- Retaining benefits in regional communities;  
Without 500 lux lights events such as AFL preseason games are not possible and are being lost to other regions that have 500 lux lights (or better) like Albany, Bunbury, Broome and Port Hedland. The AFL has shown strong willingness to host matches in Geraldton (reaffirmed with its \$100k commitment) but this cannot happen until 500 lux lights are installed.
- Improving services to regional communities;  
Attracting higher level sporting events to the region compliments local services such as the Mid West Academy of Sport, Clontarf football academy and other athlete development programs. They serve to inspire and motivate talented regional athletes and sporting administrators / coaches and are important for the retention of young people.
- Attaining sustainability;  
As an opportunity to generate income the City and WO user groups will proactively market the venue's new capacity to attract as many new sporting and non-sporting events to the region. Surpluses generated from major events etc can support future enhancements at WO.
- Expanding opportunity;
- Lights will provide flexibility of use at the ground and enable the user groups to maximise use outside of standard peak daylight hours. WO is used for a variety of non-sporting purposes and with appropriate facility improvements the provision of such opportunities can continue to grow.
- Growing prosperity.  
Events such as the Fremantle vs Richmond game in 2004 attracted around 7,000 spectators with an estimated combined economic indirect benefit for the Greater Geraldton Region of around \$400,000. Without lights such events cannot be held in Geraldton in the future. These events strengthens sport generally and provide



economic opportunities for sports and numerous local businesses (directly and indirectly).

These need to be related to the following themes:

- Sport and Recreation;
- Health (especially mental health);
- Regional Education;
- Technology and Innovation;
- Renewable Energy; and
- Affordable Housing.

## 2.5. Key Deliverables

MWDC Board specifically asked CGG to provide detailed comparison between 250 and 500 lux. The table below shows all the benefits and highlights, those that are contingent on 500 lux.

| Outcomes  | Performance Measures  | 250 lux   | 500 lux |
|---|---|---|---------|
| Bringing elite level sport to Geraldton                                   | Regular AFL pre-season games;<br>Touch (Rugby)<br>A League (Soccer)<br>Super 15s (Rugby Union)<br>National Rugby League<br><br>National Championships Events (event finals, opening and closing ceremonies etc) | No  | Yes     |
| Bringing elite level sport to Geraldton                                   | Western Australian Football League  | Yes   | Yes     |
| A venue that attracts large scale community events such as music concerts | At least one large scale music concert / community event per annum held at WO   | Yes   | Yes     |
| Community capacity building   | Practical Coaching / Officiating / Training Clinics resulting from elite level sporting presence in Mid West  | No  | Yes     |
| Engagement of young people with elite athletes and high level coaches etc | Community camps such as 'AFL super clinics' resulting from elite fixtures providing opportunity for junior  | No  | Yes     |
| Increasing participation at junior level sport                            | Increased participation in junior sport such as Auskick   | Yes but diminished due to inability to hoist elite fixtures | Yes     |

| Outcomes                           | Performance Measures  | 250 lux | 500 lux |
|------------------------------------|---|---------|---------|
| Increased flexibility of use at WO | Night use of the venue for trainings and introduction of evening competitions (including midweek) | Yes     | Yes     |
| Accessing AFL funding              | \$100k received from the AFL  | No      | Yes     |

| Outputs          | Performance Measures                               |
|------------------|--|
| 500 lux lighting | Lighting installed and operational by 30 June 2015 |
|                  |  |
|                  |  |
|                  |  |

## 2.6. Stakeholder Identification

The City engaged in three years of robust community engagement for the Sporting Futures Report. This very robust process confirmed Wonthella Oval lighting as a high priority, with entities such as those listed below consulted and having no issues or concerns regarding the project:

- Wonthella Oval Ground Management Committee
- Towns Football Club
- GNFL
- WAFC
- AFL
- Sportsman Cricket Club
- Geraldton Regional Cricket board
- Mid West regional Cricket Board
- GNJFL
- Geraldton Squash Racquets
- Mid West Sports Federation
- Mid West Academy of Sport
- Clontarf Football Academy
- Western Power
- DSR – has demonstrated their support via a commitment of funding for 250lux floodlights at Wonthella Oval

## **2.7. Critical Assumptions**

That the City will be able to attract regular AFL pre-season games (frequency cannot be confirmed). This assumption is supported by the financial commitment made by AFL.

That the City will be able to attract a minimum of one WAFL game / pre-season game per three to five years. This assumptions is supported by past history, strong ongoing relationship and indication of continued WAFL events in the region.

That the Wonthella Oval Ground Management Committee is supportive of and has the capacity to fund operations. This assumption is supported by the commitment by the Committee, see attached.

### *Lifespan*

For the purposes of life cycle costing, a 25 year life span has been utilised for the lighting infrastructure. After 25 years the City will need to consider replacement of all the light fittings.

The light poles are likely to still be suitable for many years of further utilisation depending on their condition. Correct installation will minimise corrosion problems at the base of the pole. Whilst it is possible that the light fittings and light poles will still be serviceable beyond 25 years, continuing advances in technology will mean that there is a significant probability that replacement with a new lighting system would be a preferable option to extending the life of the existing.

### *Annual Usage of the Lighting System*

The annual usage of the proposed lighting system is estimated to be approximately 390hrs. This is based on consultation with the key potential user groups and usage of lit ovals from other municipalities.

An average 15hrs of use per week for Australian Rules football training (12.5hrs) and competition (2.5hrs) is estimated for a period of 6 months throughout the year totaling 390 hrs per year. Up to 50hrs of use for cricket competition and other events throughout the year is estimated. This would allow for up to 20 games of cricket based on 2.5hrs of use per game. Most usage would occur at the 250lux setting or below for football training and competition. Cricket would utilise the 500 lux setting. Modern light switching systems alternate the bulbs that are used for lower lux settings, thus spreading the usage evenly over all the bulbs.

For the purposes of estimating annual light bulb usage hours, it is calculated that each bulb will be required for 50% of the total annual usage. Therefore, each bulb is estimated to be used for approximately 195hrs per year, based on total usage of the lighting system of 390 hrs per year.

### *Cleaning Costs*

Cleaning at 5 yearly intervals has been allowed for in this life cycle costing estimate. In Perth, which is not considered a dusty area, cleaning is generally not required. Further north in the Pilbara region where it is considered dusty, cleaning of the glass covers is recommended every two years. Cleaning of the reflectors is recommended at the bulb change over period. Full cleaning of all glass covers and reflectors at a 5 yearly interval is considered sufficient to maintain the minimum required illumination over the life of the proposed lighting system for Wonthella Oval.

## **2.8. Economic and Financial Analyses**

The local football and cricket sports clubs are anticipated to be the primary users of lighting at Wonthella Oval. Lighting fees charged in other municipalities including the Shire of Roebourne, Shire of Broome and Greater Shepparton City Council suggest that their fees are recovering 100 –150% of electricity costs. If the recent trend of significant increases in electricity prices continues, it is anticipated that the City of Greater Geraldton community sporting groups would be unwilling to pay much more than 100% of electricity charges for use of the lighting system.

### **Overall Life Cycle Cost Recovery**

Given the substantial and increasing costs of electricity, the City should not expect to recover any significant sum of money towards capital replacement and maintenance costs of the lighting system from community sporting groups as they have indicated a preparedness to pay lower amounts than is required to return such expenses.

Whilst there is a possibility that the City could directly profit from large community events requiring high level lighting, overall, a conservative approach would be to estimate that the costs of preparing for large events (or repatriating afterwards) would on an annual basis generate a rate of return that would not offset the total annual cost associated with operating and servicing this infrastructure. In relation to the hosting of large events, the greater return to the City would be via a positive social impact on the community and indirect economic benefits realized in the hospitality and tourism sectors.

In summary, it is not expected that the City would receive any significant net income to offset the lifecycle costs of the proposed lighting system for Wonthella Oval. The Wonthella Oval Management Committee has committed to the provision of full cost recovery to the City for annual operating costs of the lights and any additional revenue generated from event activity would be applied to annual maintenance and renewal costs. The tables below provides a summary costs in relation to the 250 lux and 500 lux options.

The table below provides annual cost estimates based on WOMC percentage contribution of Asset Maintenance and Replacement cost for 250 lux installation:

250 lux @ 30 hours per year. 50 lux @ 360 hours per year.

Table (250 lux)

| Cost Type                               | 33% contribution of Annual Maintenance & Asset Replacement cost | 66% contribution of Annual Maintenance & Asset Replacement cost | 100% contribution of Annual Maintenance & Asset Replacement cost |
|---|---|---|--|
| Annual Operating Cost                   | \$6,950   | \$6,950   | \$6,950  |
| Annual Maintenance Cost                 | \$3,709   | \$7,418   | \$11,240   |
| Annual Asset Replacement Cost           | \$24,472  | \$48,944  | \$74,158   |
| Total Annual Cost                       | \$35,131  | \$63,312  | \$92,348   |
| Initial Capital Cost                    | 1,000,000   | 1,000,000   | \$1,000,000  |
| Anticipated Replacement Cost (25 years) | 1,850,000   | 1,850,000   | 1,850,000  |

The table below provides annual cost estimates based on WOMC percentage contribution of Asset Maintenance and Replacement cost for 500 lux installation:

500 lux @ 15 hours per year. 250 lux 15 hours per year. 50 lux @ 360 hours per year.

Table (500 lux)

| Cost Type                               | 33% contribution of Annual Maintenance & Asset Replacement cost | 66% contribution of Annual Maintenance & Asset Replacement cost | 100% contribution of Annual Maintenance & Asset Replacement cost |
|---|---|---|--|
| Annual Operating Cost                   | \$7,542   | \$7,542   | \$7,542  |
| Annual Maintenance Cost                 | \$6,824   | \$13,649  | \$20,680   |
| Annual Asset Replacement Cost           | \$36,708  | \$73,416  | \$111,237  |
| Total Annual Cost                       | 51,074  | 94,607  | 139,459  |
| Initial Capital Cost                    | \$1,500,000   | 1,500,000   | 1,500,000  |
| Anticipated Replacement Cost (25 years) | 2,780,000   | 2,780,000   | 2,780,000  |

The table below provides average hourly rate estimates based on WOMC percentage contribution of Asset Maintenance and Replacement cost for 250 lux installation:

| Average Hourly Rate | 33%     | 66%     | 100%    |
|---------------------|---------|---------|---------|
| 250Lux              | \$90.1  | \$162.4 | \$236.8 |
| 500Lux              | \$131.0 | \$242.6 | \$357.9 |

**Employment/Population**

Central Business District (CBD)/Foreshore Redevelopment – Final Component (West End Recreation and Entertainment Precinct Revitalisation Project:

- Estimated population of the Mid-West Region in 2014 is estimated to exceed 60,000.
- During the construction stage of the project an estimated 6 full time jobs would be created (based on historical data).
- Applying a multiplier effect (table 1) the number of jobs (indirect) created or stimulated through the construction stage is estimated to be 8

- Post construction direct employment from infrastructure development 12, indirect employment 32 (table 1).
- The employment benefits due to increased event activity have been measured by applying an increase in the number of domestic visitations to the Greater Geraldton area multiplied by the average daily visitor expenditure (table 2). This results in an estimated increase in the following:
  - \$7,260,000 in annual expenditure
  - 94 permanent full time employment

**Infrastructure Development (table 1)**

|                               | <b>Construction</b> |
|-------------------------------|---------------------|
| Direct Employment             | 6                   |
| Indirect Employment           |                     |
| - First Round Effects         | 2                   |
| - Consumption Induced Effects | 8                   |

Note:

- 1) Based on construction input/output multiplier (Economic Research Centre, University of WA and Australian Bureau of Statistics construction output).
- 2) Post construction is only based on the direct impact through new service delivery, public management and maintenance of the redeveloped area and new infrastructure and does not quantify the continuation or “flow-on” effect of indirect employment created during the construction stage.

**Hospitality/Visitations (table 2)**

|                           | <b>Number of Major Events (Annually)</b> |           |           |
|---------------------------|--|-----------|-----------|
|                           | <b>5</b>                                 | <b>6</b>  | <b>7</b>  |
| Domestic Visit            | 5,000                                    | 6,000     | 7,000     |
| Overnight Expenditure (4) | 1,000,000                                | 1,200,000 | 1,400,000 |
| Full Time Employment (5)  | 13                                       | 16        | 18        |

Note:

- 3) Domestic Visits: Increase of 1000 per major event multiplied by number of events
- 4) Average Daily Domestic Visitor Expenditure @ \$200.00 per day.
- 5) Employment multiplier - \$1 million spent equates to 13 full time jobs created (Multiplier impact based on Tourist Expenditure in Australia Research Report No 16).

**2.9. Assessment of Options**

The following options have been considered;

- a) No floodlighting installed. This option is not supported.

Floodlights have long been identified as a key requirement to bring Wonthella Oval to the standard required for a premier oval.

- b) 250 lux floodlighting. This option is not supported.

While 250 lux will suffice for some sporting and community events, it will not support AFL pre-season games, or any other elite level sporting event. 250 Lux will not provide the flexibility that 500 lux will provide. CGG and users have deemed it preferable to invest in the higher level of lighting, rather than settle for 250 lux and therefore restrict future potential uses.

- c) The possibility of installing 250 lux now and upgrading to 500 lux at a later stage has been considered.

This option is not supported as the bulk of the cost is in the footings and infrastructure, which would need to be installed now. Additionally, the City has been advised that the WAFC has been able to secure \$100,000 from the AFL for this project, subject to the



project delivering 500 lux lighting. Essentially we will lose the commitment and funding from the AFL if anything less than 500 lux lighting is installed.

- d) 500 lux floodlighting. Preferred option (refer 2.10).

### **2.10. Preferred Option**

The preferred option is to install 500 lux floodlights at Wonthella Oval to:

- a. Provide the City and region with a premier oval and venue to attract elite level sporting events;
- b. Create a space suitable for large scale community events such as music concerts;
- c. Ensure the Mid West has access to facilities comparable with the metropolitan area and other regional centers and is therefore able to bid for elite level sporting and community events;
- d. Secure \$100k from the AFL towards the project (which is also indicative of the AFL’s inclination to host fixtures in Geraldton);
- e. Provide capacity building opportunities to the Mid West sporting fraternity that result from hosting elite competitions;
- f. Provide opportunities for young people to engage with sporting role models and elite level athletes / coaches etc; and
- g. Provide all other benefits of 250 lux lights such as increased flexibility of usage, enabling night training and fixtures, generating additional income for Wonthella Oval etc.

See appendix C for a full analysis of the cost comparisons between 250 lux and 500 lux.

### **2.11. Funding Strategy**

On the basis of the preferred option the project will cost \$1.5 million includes detail design, construction, project management and cost escalation or contingency.

The City has earmarked \$380,000 to the project and The AFL has committed \$100,000 for 500 Lux at Wonthella Oval. In addition, \$230,000 in CSRFF funding has been confirmed from the Department of Sport and Recreation.

Should support for the project be approved the City’s preference would be for the provision of Royalties for Regions funding in the 2014-15 financial year to the balance of funding required (\$790,000) to deliver this \$1.5M project.

The City would also need to factor into its Long Term Financial Plan the annual maintenance and capital replacement costs associated with this new infrastructure.

#### **2.11.1. Project Budget**

| <b>Item of Expenditure</b>                 | <b>Budget (\$)</b> | <b>Source of Funds</b>               | <b>Has the Funding been Secured?</b>            |
|--|--------------------|--------------------------------------|---|
| <b>Detail Design</b>                       | <b>150,000</b>     | <b>CGG</b>                           | <b>Yes</b>                                      |
| <b>Lighting equipment and Construction</b> | <b>1,150,000</b>   | <b>CGG (30,000) + DSR (230,000)+</b> | <b>CGG &amp; DSR &amp; AFL funding has been</b> |

| Item of Expenditure                           | Budget (\$)      | Source of Funds                 | Has the Funding been Secured? |
|---|------------------|---------------------------------|-------------------------------|
|   |                  | AFL (100,000)+<br>R4R (790,000) | secured                       |
| Project management and<br>Project contingency | 200,000          | CGG                             | Yes                           |
| <b>Total Budget</b>                           | <b>1,500,000</b> | <b>1,500,000</b>                | <b>Yes</b>                    |

### 2.11.2. Royalties for Regions Funding Amount

| Main Activity                        | 2013/2014<br>\$ | 2014/2015<br>\$ | 2015/2016<br>\$ | Total<br>'13/14' – '14/15'<br>\$ |
|--------------------------------------|-----------------|-----------------|-----------------|----------------------------------|
| Lighting equipment &<br>Construction |                 | 790,000         |                 | 790,000                          |
|                                      |                 |                 |                 |                                  |
| <b>Total</b>                         |                 | <b>790,000</b>  |                 | <b>790,000</b>                   |

### 2.12. Project Timeframe and Key Milestones

| Main Activities / Milestone       | Milestone Date | Responsibility                       |
|-----------------------------------|----------------|--------------------------------------|
| Issuing of Tender (Detail Design) | 05/05/2014     | CGG                                  |
| Detail Design Complete            | 04/08/2014     | CGG                                  |
| Issuing of Tender (Construction)  | 13/10/2014     | CGG                                  |
| Site Work Commence                | 24/11/2014     | CGG/Out source<br>project management |
| Construction Complete             | 30/04/2015     | CGG/Out source<br>project management |
| Project Acquitted                 | 30/06/2015     | CGG/Out source<br>project management |

### 2.13. Risk Analysis

Refer to attached CGG Risk Assessment - Wonthella Oval Lights

### **3. IMPLEMENTATION STRATEGY**

#### **3.1. *Communication Plan***

A dedicated communications and marketing plan is written and implemented each year for the CGG. Progress of the WO lighting project will be a key PR opportunity and included specifically in strategic messaging to:

- Acknowledge Royalties for Regions funding in delivering the WO lighting project
- Build awareness that the City and WO is expanding in terms of both facilities and opportunities to host major sporting and community events
- Demonstrate that the enhanced facilities will ensure the community receives equitable consideration regarding opportunities to host major events
- Build awareness of the other opportunities that will be made available by the facility

This will feed into the overall purposes of CGG and WOMC marketing to target markets as detailed below:

#### **Purpose**

- To build awareness that the WO exists as a realistic option for existing and future sporting and community events
- To build awareness of the growing number of high quality facilities in the City
- To encourage interest from local / regional users and major external event organisers

#### **Key Audiences**

- Greater Geraldton sporting fraternity
- Greater Geraldton community organisations and business / industry groups
- Elite WA sporting teams and major event organisers
- Wider community

In communicating the strategic messages behind the WO lighting project, the CGG and WOMC will use strategies as listed below

#### **Strategies**

- Events – turning of the sod, grand opening etc
- PR opportunities (print, radio and electronic stories on the above events, progress of building etc)
- CGG newsletters and regular newspaper stories – regular stories on project progress
- Regular updates on the CGG website with photographs of progress.

- Details of the WO project and funding providers in annual reports and other relevant CGG / WOMC reports and publications.
- Inclusion of the Royalties for Regions logo in all promotional material prepared in relation to the WO lighting project.

### **3.2. Procurement Strategy**

During this project, the team will follow Council adopted procurement policies, process and evaluation activities to finalise any supplier, product or service decisions required to deliver the project outcomes.

Public RFT process will be implemented for design and construction works that are to be contracted out.

During this phase the team will follow Council adopted procurement policies, process and evaluation activities to finalise any supplier, product or service decisions required to produce the project outcomes. In this phase the City identifies all the elements of the project that have an associated cost.

#### **Key Deliverables**

The key deliverables that are the final outputs for this phase are:

- Procurement Evaluation Report.
- Project Control Group Papers & Minutes.

Those deliverables produced during the phase:

- Communications, training and other change activity materials.
- Project Management Plan.
- Status reports.

#### **The following activities are the key focus of this phase:**

Selection & Evaluation:

1. Follow agreed Procurement Strategy
2. Issue RFT
3. Conduct Evaluation of Supplier
4. Conduct Evaluation of Offer
5. Prepare Evaluation Report
6. Present procurement evaluation to PCG with a recommended resolution
7. Ask for support for the recommended resolution

### **3.3. Governance**

The City of Greater Geraldton will be responsible for developing and implementing the Project Management Plan (PMP).

This section outlines the steps that the City follows in the planning of the project and designing its outputs.

#### **1. Level of Management Control**

Based on the complexity and risk profile of the project, the governance structure and control mechanisms during the project lifecycle can be varied. These include composition of Project Control Group, frequency of Project Control Group Meetings, status reporting and independent reviews. The responsible officer will decide on appropriate level of management control is applied.

## **2. Responsibilities**

A Manager assigned as Project Initiator or Project Manager for a project is responsible for applying the minimum standards to projects.

The City of Greater Geraldton has within its organizational structure a dedicated unit that manages all Governance and Risk issues in relation to policies, processes and procedures relating to internal and external standards.

### **3.4. Supporting Documents**

SFR

WO lighting report

8<sup>th</sup> st master plan

RFQ policy

Life cycle cost analysis

Any letters of support

Confirmation from sports re committed usage or funding etc

Quotes

Plans

## **4. RECOMMENDATION OF PREFERRED OPTION**

The recommended option is to install 500 lux floodlights at Wonthella Oval to:

- inspiring young people to strive to achieve by being able to see their champions play;
- enhancing sporting pathways by creating links with higher level sporting activity;
- providing opportunities for our future champions to be discovered and assisted to reach their full potential;
- complementing talent development initiatives such as the Mid West Academy of Sport;
- generating additional income opportunities through large scale events and sports tourism; and
- encouraging sporting participation for greater health and productivity outcomes.
- increase flexibility of use at the ground enabling evening training and midweek / evening competition not currently possible at Wonthella Oval (Geraldton's premier outdoor facility);
- enable the City to market the facility for large scale non sporting events requiring high level lighting; and
- provide Wonthella Oval user groups new opportunities to generate additional income and support their financial viability.

**4.1. Sign-off**

|              |       |             |       |
|--------------|-------|-------------|-------|
| Signed       | _____ | Signed      | _____ |
| Completed by | _____ | Approved by | _____ |
| Position     | _____ | Position    | _____ |
| Date         | _____ | Date        | _____ |