

10.2.6 – Keirnan Park Recreation Precinct - grant process and additional resources (SJ1364)	
Responsible Officer:	Director Infrastructure Services
Senior Officer:	Chief Executive Officer
Disclosure of Officers Interest:	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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Report Purpose

The purpose of this report is to inform Council of formal notification received by the State Government of \$20 million for development of Keirnan Park Recreation Precinct and to recommend the direction of the agreements that follow such an announcement. In addition to funding agreements, the report is to give an account of progress made to date and future program and resource requirements.

Relevant Previous Decisions of Council

Ordinary Council Meeting – 17 February 2020 - OCM030/02/20- COUNCIL DECISION:

That Council:

- 1. RECEIVES the Keirnan Park Recreation Precinct Project update; and*
- 2. AUTHORISES the Chief Executive Officer to undertake discussions with state level sporting associations to ascertain their future facility needs, and assess the feasibility of Keirnan Park Recreation Precinct as a location for the association, including facility access needs and associated costs, with any proposals to be brought to Council for further consideration.*

Contact Us

Enquiries

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In Person

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Ordinary Council Meeting - 9 September 2013 - OCM032/09/13

That Council:

1. *Receive and endorse the Sport and Recreation Precinct Draft Feasibility Study as at OCM032.1/09/13.*
2. *Continue lobbying on a political level and with State Government agencies to acquire the land required for the Sport and Recreation Facility at no cost to Council.*
3. *Prepare consultation sessions with the sporting groups in the Shire, both affiliated and not affiliated with the Serpentine Jarrahdale Community Recreation and Sports Group and the general community regarding the feasibility study and the implementation of the Sporting and Recreation precinct.*
4. *Consider providing the necessary budget for the schematic design and detailed design of the Serpentine Jarrahdale Sport and Recreation Precinct in the 2014/15 budget.*
5. *Consider providing further funding in the 2014/15 budget that can be used as seed funding to match any possible grants received to enable the staging as per OCM032.2/09/13.*
6. *Submit grant applications to relevant funding bodies when and where these funding opportunities become available to facilitate the project.*

Background

Lot 4395 Keirnan Street was vested to the Shire, by way of Management Order issued in May 2018 as per **attachment 1**. It is noted that the site is 60.3 ha in area.

Consistent with the reserve purpose specified in the Management Order, the site is to be developed for a sporting precinct, to cater to the Shire's sporting facility requirements for the expected population of 68,000 residents by 2036.

Funding of construction of Stage 1 Keirnan Park Recreation Precinct for an amount of \$20 million, is one of the State Election 2021 priority requests endorsed by Council at the 20 July 2020 ordinary Council Meeting (OCM234/07/20)

Following adoption by Council, the Shire advocated for these priorities including sending correspondence on 27 July 2020, to each relevant Minister and Shadow portfolio holder, outlining the request and supporting rationale.

Correspondence was received from the Honorable Mick Murray MLA, Minister for Sport and Recreation, dated 31 August 2020, acknowledging the Shire's advocacy correspondence and confirming that the Shire had been successful in receiving a funding commitment of \$20 million towards the development of the Keirnan Park Recreation Precinct in Mundijong. The context of the funding is as part of the McGowan Government's WA Recovery Plan (see **attachment 2**).

A second confirmation letter emailed on 9 September 2020, was also received from the Honorable. Mick Murray, MLA again confirming that the Shire will receive \$20 million for the project (**attachment 3**)

Community / Stakeholder Consultation

Policy Concept Forum

Nil.



Statutory Environment

State Planning Policy No. 3.6 (Development Contributions)

Shire of Serpentine Jarrahdale Town Planning Scheme No. 2

Comment

Grant funding

Since receipt of the funding advice letters in **attachments 2 and 3**, Shire Officers have met with the Director Infrastructure Planning and Investment, Department of Local Government, Sport and Cultural Industries (DLGSC) to understand the process to be followed to enter into an agreement and gain access to the funds.

There is flexibility as to the release of the available funds, which can include funding for the project planning, (including detailed design) and then as a separate agreement, funding for the construction phase.

The Department is also flexible, in regards to the timing of delivery of the project, and supports robust project planning taking place prior to construction commencing. Furthermore, the Department is seeking direction from the Shire regarding project milestones.

Whilst encouraged, DLGSC Officers also indicated there is no requirement for the Shire to match or make an additional contribution towards the project to secure the funds.

The current budget has \$500,000 for these project planning works to be completed from municipal funds however, now that the grant has been secured this is an opportunity to move funds to reserve to assist with financial sustainability. Officers recommend that these funds be moved to the Building Asset management Reserve.

Future expectations

There is a requirement that a Business Plan be submitted which articulates how the project will be delivered and what will be included in stage one of the. It is proposed that the Business Case will be finalised as part of the ongoing refinement to master planning, costing and stage planning which will make consideration of the infrastructure requirements and associated costs, with the view of optimising the sporting facilities that can be developed as part of the first stage.

As part of this process, existing sporting clubs will be engaged to get a better understanding of their future anticipated needs. State Sporting Associations will also be consulted to ascertain if they have any interest in being part of the Keirnan Park Recreation Precinct. Sports that are not currently active in the Shire of Serpentine Jarrahdale will be considered in the staging process to ensure that there are sporting facilities to accommodate their development.



Current status

The Shire engaged Element Advisory Pty Ltd on 14 May 2020 to assist with the refinement to the Masterplan and to arrive at Options and Concept (Stage 1). Since their engagement there has been advice received on:

- Geotechnical Desktop Study;
- Lidar data (Contour Plan); and
- Preliminary Environmental Hydrological and Contamination advice.

There have been works undertaken to refine the Masterplan layout of the site, which is being considered in light of its constructability from a civil perspective, given the undulation of the site. The Shire is endeavouring to deliver an outcome that, from both a capital and operational perspective, is efficient, and meets the needs of users. Once the Masterplan refinement has been completed, it will be presented at a PCF for Councillor comment prior to further public consultation.

Officers are aiming to have Masterplan refinements, Staging Plan, 15% detailed design for the entire precinct, and 100% design for the Stage 1 development. This will enable construction to commence in the 2021/22 financial year.

Future works

There is a large body of work that is required to be completed to ensure the Shire is in the position to be able to enter into the construction phase of the Keirnan Park Recreation Precinct. Detailed design elements required to be completed prior to the construction phase include but are not limited to*:

- 15% design of the entire site;
- 100% Civil design of Stage 1;
- assessment of life cycle costs (including maintenance and operating);
- power requirements and design (mains power/ solar) - 100%;
- lighting design – roads and playing fields – 100%;
- buildings proposed for Stage 1 – 100%;
- more detailed geotechnical study and consideration for Cut and Fill - 100%;
- design of retaining walls – 100%;
- design of play space areas – 100%;
- design and staging of carparks;
- design of hard courts – tennis and netball – 100%;
- design of drainage of proposed sporting fields and maximization of water reuse opportunities;
- design of overall drainage systems and water strategy for irrigation watering – 100%;
- detailed assessment of design of water bore on site or alternative off site source to meet the irrigation needs of the sporting fields;



- design of the security cameras to provide sufficient safety for the site;
- fencing and signage design;
- environmental and heritage approvals; and
- design of utility services – telecommunications/ sewerage/ gas.

*Further elements may be identified once the process commences.

Shire Officers believe that taking into account cost estimates for the listing above, and appointing dedicated in-house staff resources for this project, \$2 million is required to undertake the planning and design works.

Given the magnitude and detailed considerations required for all stages of the Keirnan Park Recreation Precinct, from concept, to detailed design and construction, and to achieve the highest quality outcome, it is proposed that dedicated resources be allocated to the project. Such resources are considered to be over and above the existing staff allocated to other projects and Infrastructure functions in the organisation. The additional resources are proposed to be funded from \$20 million funding from the Western Australian State Government DLGSC.

Options and Implications

Option1

That Council:

1. NOTES the update of the Keirnan Park Recreation Precinct as per this report;
2. REQUESTS the Chief Executive Officer, to negotiate an initial agreement with the Department of Local Government, Sport and Cultural Industries for \$2 million, to complete all project planning, studies and design to enable Stage 1 of the Keirnan Park Recreation Precinct project to be ready for construction;
3. AUTHORISES the Chief Executive Officer to commence spending planning funds (and recruiting dedicated project staff) for project planning prior to the funding agreement for project planning being executed,
4. REQUESTS the Chief Executive Officer to negotiate a secondary agreement for \$18 million with the Department of Local Government, Sport and Cultural Industries for the construction for Stage 1 of the Keirnan Park Recreation Precinct once project planning is able to inform the final scope and milestones; and
- 5 APPROVES funding of Keirnan Park Recreation Precinct planning from grant funds and reallocate municipal funds set aside for Keirnan Park Recreation Precinct to the Building Asset Management Reserve.

Account	Description	Type	Debit	Credit
6500-80235-6600	Keirnan Street Planning	Increase expenditure	2,000,000	
6500-80235-4820	Keirnan Street Planning	Increase grant		2,000,000

Reason: Recognition of grant funding to undertake Keirnan Street Planning project.



Account	Description	Type	Debit	Credit
5300-17302-5202	Transfer to Building Asset Management Reserve	Increase reserve	500,000	
6500-80235-6600	Keirnan Street Planning	Decrease expenditure		500,000
Reason: Transfer municipal funding for Keirnan Street Planning to reserve as project is now fully grant funded.				

Option 2

That Council:

1. NOTES the update of the Keirnan Park Recreation Precinct as per this report;
2. REQUESTS the Chief Executive Officer, to negotiate an initial agreement with the Department of Local Government, Sport and Cultural Industries for \$1.5 million, to complete all project planning, studies and design to enable Stage 1 of the Keirnan Park Recreation Precinct project to be ready for construction;
3. AUTHORISES the Chief Executive Officer to commence spending planning funds (and recruiting dedicated project staff) for project planning prior to the funding agreement for project planning being executed,
4. REQUESTS the Chief Executive Officer to negotiate a secondary agreement with the Department of Local Government, Sport and Cultural Industries for the construction for Stage 1 of the Keirnan Park Recreation Precinct once project planning is able to inform the final scope and milestones; and
4. APPROVES funding of the planning and design phase, up to Stage 1, from the Council approved \$500,000 municipal funds for Keirnan Street Planning and take the remainder \$18.5 million for construction from the \$20m grant funding.

Account	Description	Type	Debit	Credit
6500-80235-6600	Keirnan Street Planning	Increase expenditure	1,500,000	
6500-80235-4820	Keirnan Street Planning	Increase grant		1,500,000
Reason: Recognition of grant funding to undertake Keirnan Street Planning project.				

Option 1 is recommended.



Conclusion

The Keirnan Park Recreation Precinct is a flagship project and the \$20 million State Government funding is a valuable boost to Stage 1 of developing a state level facility that can attract sporting associations and events into the Shire adding value to both residents and Shire economy, as we continue to grow. Shire Officers recommend negotiating the State funding as two separate agreements i.e. (a) design and project planning, and (b) construction. In addition, in order to complete the project to the highest standard, dedicate suitable in-house resources to it.

Additional resources are required to ensure a high quality project, given the scale and complexities of developing the greenfield site.

Attachments (available under separate cover)

- **10.2.6 - attachment 1** - Lot 4395 Keirnan Street – Management Order (IN18/13534)
- **10.2.6 - attachment 2** – Minister for Seniors and Ageing, Volunteering, Sport and Recreation - Response to Shire Priorities (IN20/18755)
- **10.2.6 - attachment 3** - Office of Mick Murray - Funding for Recreation Precinct letter 2 (IN20/20226)

Alignment with our Strategic Community Plan

Outcome 1.1	A healthy, active, connected and inclusive community
Strategy 1.1.1	Provide well planned and maintained public open space and community infrastructure.
Outcome 4.2	A strategically focused Council
Strategy 4.2.2	Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions.

Financial Implications

In order to bring staffing in-house it is expected to cost to the value of \$214,000 per annum over the life of the project planning and construction.

\$2 million will be needed to be negotiated with DLGSC for design work and in house resources for the first agreement, with the balance of the \$18 million being allocated via a separate agreement for the construction of Stage 1.

This project is identified as part of the CIDCP and is an infrastructure item specific to the Mundijong precinct. The implication will be explored further and presented to Council as a report in the future.

The Shire's Long Term Financial Plan has 3 million allocated next year to be funded by a loan (\$1,000,000) and grant (\$2,000,000) and a further \$3 million in 2023/24 funded the same way for the Keirnan Park Recreation Precinct.

Council will also need to consider in the future, what contribution to this project it wants to make. Officers suggest this occurs once costings are finalised.



Risk Implications

Risk has been assessed on the basis of the Officer's Recommendation.

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That the project is not adequately resourced to achieve the best community outcome	Possible (3)	Major (4)	High (10-16)	Reputation - 4 Major - Substantiated, public embarrassment, widespread high impact on key stakeholder trust, high media profile, third party actions	Accept Officer Recommendation

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk rating of **12** has been determined for this item.

Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.



Voting Requirements: Absolute Majority

Officer Recommendation

That Council:

1. **NOTES** the update of the Keirnan Park Recreation Precinct as per this report;
2. **REQUESTS** the Chief Executive Officer, to negotiate an initial agreement with the Department of Local Government, Sport and Cultural Industries for \$2 million, to complete all project planning, including studies and design to enable Stage 1 of the Keirnan Park Recreation Precinct project to be ready for construction;
3. **AUTHORISES** the Chief Executive Officer to commence spending planning funds (and recruiting dedicated project staff) for project planning prior to the funding agreement for project planning being executed,
4. **REQUESTS** the Chief Executive Officer to negotiate a secondary agreement for \$18 million with the Department of Local Government, Sport and Cultural Industries for the construction for Stage 1 of the Keirnan Park Recreation Precinct once project planning is able to inform the final scope and milestones; and
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