

# AGENDA

## SPECIAL COUNCIL MEETING

Tuesday, 5 September 2023 at 5:30 PM

### **Disclaimer**

The purpose of this Council meeting is to discuss and, where possible, make resolutions about items appearing on the agenda.

Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a member or officer, or on the content of any discussion occurring, during the course of the meeting. Persons should be aware that the provisions of the Local Government Act 1995 (section 5.25 (e)) establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person.

The Town of East Fremantle expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the Council meeting.

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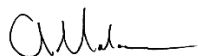
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## NOTICE OF MEETING

Elected Members

A Special Council Meeting of the Council will be held on 5 September 2023 at 5:30 PM in the Council Chamber, 135 Canning Highway, East Fremantle and your attendance is requested.



ANDREW MALONE  
Acting Chief Executive Officer  
**31 August 2023**

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# AGENDA

## 1 OFFICIAL OPENING

## 2 ACKNOWLEDGEMENT OF COUNTRY

*"On behalf of the Council I would like to acknowledge the Whadjuk Nyoongar people as the traditional custodians of the land on which this meeting is taking place and pay my respects to Elders past, present and emerging."*

## 3 ANNOUNCEMENT TO GALLERY

*"Members of the gallery are advised that no Council decision from tonight's meeting will be communicated or implemented until 12 noon on the first clear working day after this meeting, unless Council, by resolution carried at this meeting, requested the CEO to take immediate action to implement the decision."*

## 4 RECORD OF ATTENDANCE

### 4.1 ATTENDANCE

### 4.2 APOLOGIES

### 4.3 APPROVED

Cr A White

## 5 DISCLOSURES OF INTEREST

### 5.1 FINANCIAL

### 5.2 PROXIMITY

### 5.3 IMPARTIALITY

## 6 PUBLIC QUESTION TIME

### 6.1 PUBLIC QUESTION TIME

### 6.2 DEPUTATIONS

## 7 BUSINESS

Reports start on the next page



## 7.1 55A (LOT 12) STATON ROAD – AUTHORISATION TO AFFIX THE COMMON SEAL

<b>Applicant</b>	Mcleods Barristers and Solicitors on behalf of A Gilbert and P Bradford
<b>Report Reference Number</b>	[Report Reference Number]
<b>Prepared by</b>	Christine Catchpole, Acting Executive Manager Regulatory Services
<b>Supervised by</b>	Andrew Malone, Acting Chief Executive Officer
<b>Meeting date</b>	Tuesday, 5 September 2023
<b>Voting requirements</b>	Simple majority
<b>Documents tabled</b>	Nil
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1. Location map</li> <li>2. Replacement Agreement – No. 55A (Lot 12) Staton Road, East Fremantle</li> <li>3. Withdrawal of Caveat form</li> </ol>

### PURPOSE AND EXECUTIVE SUMMARY

The purpose of this report is to authorise the Mayor and Chief Executive Officer to sign and affix the Common Seal of the Town in respect to the following:

- withdrawal of a caveat placed on the Certificate of Title of No. 55A (Lot 12) Staton Road to ensure the Replacement Agreement is executed when there is a change of proprietor in relation to the subject site; and
- execution of the Replacement Agreement in relation to the Original Deed between the original owners of the land and the Town which came into effect to safeguard: the conservation of Aldgate House and Stables; limit further subdivision of the original lot and ensure respectful development of the adjoining lots (i.e., 55A and 55B Staton Road) in relation to the heritage elements of Aldgate House and Stables.

### BACKGROUND

McLeods are overseeing the legal process in relation to these documents and has contacted the Town to seek approval to proceed.

The vendor has agreed to the withdrawal of the caveat to allow for the transfer of the land and the Town has agreed to enter into the Replacement Agreement to secure compliance by the transferees with the obligations of the Original Deed.

### CONSULTATION

N/A

### STATUTORY ENVIRONMENT

Transfer of Land Act 1893 (as amended).  
Local Government Act 1995.

### POLICY IMPLICATIONS

Nil.

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## FINANCIAL IMPLICATIONS

The legal and associated costs are entirely borne by the current and new owners.

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## STRATEGIC IMPLICATIONS

Nil.

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## RISK IMPLICATIONS

A risk assessment was undertaken and the risk to the Town in making this determination was deemed to be negligible.

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## SITE INSPECTION

N/A

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## COMMENT

McLeods have contacted the Town seeking the execution of the attached documents (Attachments 2 and 3) to enable sale of the property to proceed.

The Replacement Agreement is between the registered proprietors of the land and the Town and is an agreement which, in relation to Lot 12, ensures compliance with restrictions on the land previously imposed as a condition of subdivision approval of the Aldgate House and Stables lot (i.e., the Original Agreement – annexure to the Replacement Agreement).

The Original Agreement included matters such as:

- lot 12 cannot be further subdivided – single house only allowed;
- development on any part of the land must use materials and be of a design compatible and sympathetic with the materials, design and construction of Aldgate House; and
- any use of the land must be compatible with the approved use of Aldgate House and carried out in accordance with the Conservation Plan Extract.

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## CONCLUSION

The Replacement Agreement ensures the new owners abide by the original subdivision conditions.

It is necessary to remove the caveat to allow for the transfer of land and the authority to affix the seal is required to execute the Replacement Agreement for No. 55A Staton Road. McLeods will organise the replacement of the caveat following the transfer of the land.

All costs are to be borne by the vendor and the transferees.

It is therefore recommended that Council authorise the Mayor and Chief Executive Officer to sign and affix the Common Seal for the Withdrawal of Caveat document and for the Replacement Agreement.

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## 7.1 OFFICER RECOMMENDATION / COUNCIL RESOLUTION

**Council Resolution** Choose an item. Click or tap to enter a date.

### OFFICER RECOMMENDATION

That Council authorise the Mayor and Chief Executive Officer to sign and affix the Common Seal in relation to:

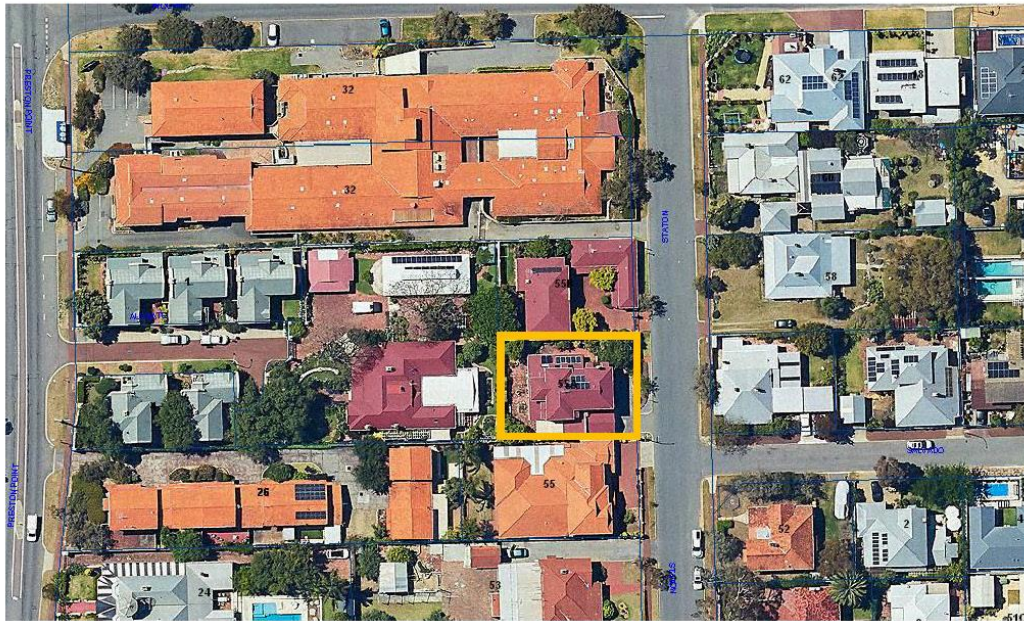
- (i) the application for “Withdrawal of Caveat” at No. 55A Staton Road (Lot 12) Staton Road, East Fremantle on the ‘Withdrawal of Caveat – Caveat G560592’ form; and
- (ii) the Replacement Agreement – Lot 12 (No. 55A) Staton Road, East Fremantle; and
- (iii) any other relevant documents pertaining to points (i) and (ii) above.

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## REPORT ATTACHMENTS

Attachments start on the next page.

55A Staton Road – Location Plan



Replacement Agreement – Lot 12  
(No. 55a) Staton Road, East  
Fremantle

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Alison Louise Gilbert and Philip Bradford  
Gilbert

Town of East Fremantle



McLEODS

Barristers & Solicitors

Stirling Law Chambers | 220-222 Stirling Highway | CLAREMONT WA 6010

Tel: (08) 9383 3133 | Fax: (08) 9383 4935

Email: [mcleods@mcleods.com.au](mailto:mcleods@mcleods.com.au)

Ref: FG:TC:EAS617512

## Copyright notice

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## Details

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### Parties

**Alison Louise Gilbert and Philip Bradford Gilbert**

of 55A Staton Road, East Fremantle, Western Australia  
(**Transferees**)

**Town of East Fremantle**

of 135 Canning Highway, East Fremantle Western Australia  
(**Town**)

### Background

- A The Transferees are entitled to be registered as the proprietor of an estate in fee simple in land being Lot 12 on Diagram 87643 and being the whole of the land comprised in Certificate of Title Volume 2020 Folio 590 (**Land**).
- B Caveat G560592 (**Caveat**) encumbers the Land in favour of the Town and is supported by the terms of a deed dated 18 August 1997 between Robert Norman Wilkinson, Christine Jennifer Wilkinson and the Town which in turn annexed in deed dated 6 September 1994 between Cottage Holdings Pty Ltd (ACN 062 780 394) and the Town (**Original Deed**) a copy of which is annexed hereto as **Annexure 1** and forms part of this Deed.
- C Christine Jennifer Wilkinson (**Transferor**) has requested that the Town provide a withdrawal of the Caveat to allow for the transfer of the Land to the Transferees and the Town has agreed subject to the Transferees entering into this deed to secure compliance by the Transferees with the obligations set out in the Original Deed.

### Agreed Terms

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#### 1. The Transferees' Covenants

The Transferees covenant and agree with the Town to perform and be bound by the obligations of the Transferor under the Original Deed, as if the Transferees had been a party to the Original Deed.

#### 2. Town's Covenants

The Town covenants and agrees to continue to perform and be bound by the terms of the Original Deed.

#### 3. Charge and Caveat

The Transferees charge their interest in the Land in favour of the Town with the performance of the obligations pursuant to this Deed and the Original Deed and with the payment of all or any monies payable or which may become payable by it to the Town and for the purpose of securing such obligations authorise the Town to lodge an absolute caveat at the Western Australia Land Information Authority trading as Landgate against the Certificate of Title to the Land in order to protect the rights and interests of the Town under this Deed.



#### 4. Costs

The Transferees shall pay the reasonable costs of the Town's solicitors for:

- (a) the preparation, execution and stamping of this Deed and all duties payable hereon; and
- (b) the preparation and lodging of any caveat lodged pursuant to the terms of this Deed and any withdrawal or replacement thereof.

#### 5. Interpretation


In this Deed:

- (a) Reference to the parties includes their personal representatives, successors and lawful assigns.
- (b) Where a reference to a party includes more than one person the rights and obligations of those persons shall be joint and several.
- (c) Headings have been inserted for guidance only and shall be deemed not to form part of the context.
- (d) The Schedule and Annexures (if any) form part of this Deed

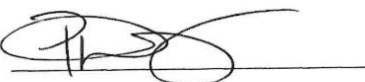
## Signing page

EXECUTED on \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signed by

  
ALISON LOUISE GILBERT

In the  
presence of



Witness Name:

PATRICIA ROSE DONEGAN


Witness Address:

PO BOX 90 WILLETTON WA 6955

Witness Occupation:

LICENSED SETTLEMENT AGENT  
SA59675

Signed by

  
PHILIP BRADFORD GILBERT

In the  
presence of



Witness Name:

PATRICIA ROSE DONEGAN

Witness Address:

PO BOX 90 WILLETTON WA 6955

Witness Occupation:

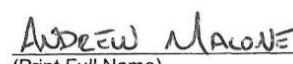
LICENSED SETTLEMENT AGENT  
SA59675

THE COMMON SEAL of the  
TOWN OF EAST FREMANTLE  
was hereunto affixed in the presence of:

Mayor

(Print Full Name)

  
Chief Executive Officer

  
(Print Full Name)

## Annexure 1 – Original Deed

THIS DEED is made the 18<sup>th</sup> day of August 1997.

**BETWEEN:**

ROBERT NORMAN WILKINSON and )  
CHRISTINE JENNIFER WILKINSON )  
both of 20 View Terrace, East Fremantle )  
in the State of Western Australia )  
("the Owners") )

**AND**

TOWN OF EAST FREMANTLE of )  
135 Canning Highway, East Fremantle )  
in the said State ("the Town") )

**RECITALS:**

- A. The Owners are entitled to be the registered proprietors of Lot 12 on Diagram 87643 being the whole of the land comprised in Certificate of Title Volume 2020 Folio 590 ("Lot 12") which land is subject to a restriction previously imposed as a condition of subdivision approval.
- B. The Owners enter into this Deed with the Town to acknowledge the terms of the restriction on Lot 12.

**OPERATIVE PART:**

**1. CHARGE AND CAVEAT**

The Owners HEREBY COVENANT with the Town that they will meet all of the obligations that are set out in the Deed dated 6 September 1994 annexed hereto ("the Original Deed") to the extent that such covenants affect Lot 12, as if the Owners

were Cottage Holdings Pty Ltd therein described and for the purpose of securing those obligations, the Owners HEREBY CHARGE Lot 12 in favour of the Town and authorise the Town to lodge an absolute Caveat at the Office of Titles against the Certificate of Title to Lot 12 in order to protect the rights and interests of the Town under this Deed.

2 WITHDRAWAL OF CAVEAT

The Town CONFIRMS that upon all of the obligations and covenants contained in clauses 2 and 3 of the Original Deed having been met, the Town shall execute and provide to the Owners a withdrawal of caveat sufficient to enable them to become the registered proprietors of Lot 12.

3. COSTS

The Owners shall pay the costs of and incidental to:

- (a) the preparation (including all preliminary drafts), execution and stamping of this Deed and all stamp duties hereon; and
- (b) the preparation and lodgment of the Caveat referred to in clause 1 and any withdrawal or withdrawals thereof and all lodging fees thereon respectively.

EXECUTED BY the Parties as a Deed:

SIGNED by the said ROBERT NORMAN  
WILKINSON in the presence of:

*[Signature]*

Witness:

*[Signature]*

Print Name:

*SUE DEAN*

Address:

*8 ITANUKA PLACE DULCORA*

Occupation:

*SETTLEMENT CLERK*

*CSM*  
SIGNED by the said ~~CATHERINE~~ <sup>CHRISTINE</sup> )  
JENNIFER WILKINSON in the presence of: ) *Christine J. Wilkins*  
Witness: *S. Dean*  
Print Name: *SUE DEAN*  
Address: *8 TANUKA PLACE DUNCAN B*  
Occupation: *SETTLEMENT CLERK*

THE COMMON SEAL of the TOWN )  
OF EAST FREMANTLE was hereunto )  
affixed by authority of a resolution of )  
the Council in the presence of: )

*[Signature]*  
MAYOR

*[Signature]*  
CHIEF EXECUTIVE OFFICER

(6175D12/FG/D)

THIS DEED is made the 6 day of September 1994.  
WESTERN AUSTRALIA STAMP DUTY  
07/09/94 18058406 DUP \*\*\*\*\*2.00  
18058306 O/S \$ 5.00

BETWEEN:

COTTAGE HOLDINGS PTY LTD of )  
(ACN 062 780 394) of 2nd Floor, 267 )  
St George's Terrace Perth in the State of )  
Western Australia ("the Owner") )

AND

TOWN OF EAST FREMANTLE of 135 )  
Canning Highway, East Fremantle in the )  
said State ("the Town") )

RECITALS:

- A. The Owner is the registered proprietor of the land described in the Schedule ("the Land") located at 28 Preston Point Road, East Fremantle, on which Aldgate House, Gardens and Stables are situated.
- B. Aldgate House, Gardens and Stables are regarded by the parties as places worthy of conservation and protection.
- C. The Owner wishes to subdivide the Land to ultimately create five separate lots and a road reserve.
- D. The parties agree that any development and use of the Land should in materials and design and construction be compatible with, and sympathetic to the materials, design and construction of Aldgate House, Gardens and Stables.
- E. As the first stage of the subdivision process, the Owner made an application to the State Planning Commission ("Application 92077") for subdivision of part of the Land.
- F. On 13 April 1994 the Committee for Statutory Procedures in the Department of Planning and Urban Development acting under delegated authority from the State Planning Commission approved Application 92077 to subdivide that part of the Land which has a frontage to Staton Street and including land on which the Stables are

situated, into proposed Lots 11 and 12 ("Lot 11" and "Lot 12") subject to a number of conditions including inter alia:

- "(1) Measures being taken to the satisfaction of the local authority to ensure the retention of the stables located on proposed Lot 1," (the Relevant Condition")

G. The parties acknowledge that "Proposed Lot 1" referred to in Recital F is the Land designated as Lot 11 on the Plan attached as Annexure "1" ("the Subdivision Plan").

H. The Council of the Town at its meeting on 20 June 1994 considered the requirements to be met by the Owner to satisfy the Relevant Condition of subdivision and resolved:

"(1) Conservation of Aldgate Residence

A conservation plan be prepared for Aldgate House which provides for the maintenance of Aldgate House upon a significant lot (approximately 1800 m<sup>2</sup>) in perpetuity, and this Conservation Plan will be considered with or before a plan for the development of land between Aldgate House and Preston Point Road.

(2) Conservation of Stables

Prior to clearing the Diagram of Survey, a Conservation Plan for Aldgate Stables needs to be submitted to the satisfaction of the Town Planner which provides for an agreement to conserve the Stables in perpetuity.

(3) Five Unit Development

- (a) Council agrees that the five units to the north concept would undermine the heritage qualities of Aldgate.
- (b) Prior to formally assessing the proposed five dwelling unit development Council will need to:
  - (i) Endorse a Conservation Plan for Aldgate;



(ii) Advertise the proposed development which needs to include:

- dimension of drawings
- or elevations
- site levels
- space floor levels
- space height levels
- location of existing trees
- landscaping plan
- fencing details
- Schedule of Finishes...."

("the Council Requirements")

1. The parties enter into this Agreement to satisfy the Relevant Condition of Subdivision and the Council Requirements, with a view to conserving and protecting Aldgate House, Garden and Stables.

#### INTERPRETATIONS:

In this Deed unless the context otherwise requires:

"Annexure" means an annexure to this Deed.

"Lot 11" and "Lot 12" means Lots 11 and 12 respectively on the Subdivision Plan.

"Place" when used as a noun includes a site, area, building, grounds, gardens, landscaping and fence, together with any associated contents.

"Schedule" means a schedule to this Deed.



"The parties" means the Owner and the Town.

"To adapt" means modifying a place to as to allow it to be used for purposes which may be approved by the Town.

"To conserve" includes all processes of looking after a place so as to protect it from harm, loss and decay and so as to retain its cultural significance and includes maintenance, preservation, restoration, reconstruction and adaptation.

"To preserve" includes maintaining any place in its existing state and retarding deterioration.

"To restore" includes returning a place to a known earlier state by removing accretions, alterations or additions.

**OPERATIVE PART:**

**1. COVENANTS BY THE OWNER**

The Owner HEREBY COVENANTS AND AGREES with the Town that it:

- 1.1 shall conserve Aldgate House, Gardens and Stables shown in the location on the Land on the Subdivision Plan in accordance with the Conservation Plan Extract attached as Annexure "2".
- 1.2 shall not apply for or otherwise endeavour to subdivide or make application to construct additional dwellings on that part of the Land designated as Lot 13 on the Subdivision Plan and shall not use or suffer the use of Lot 13 for other than single residential.
- 1.3 shall preserve, restore, reconstruct and adapt the Stables shown on Lot 11 in accordance with the Conservation Plan Extract, and shall not use or permit the use of Lot 11 for other than single residential.
- 1.4 shall not use, or permit the use of Lot 12 for other than single residential.

1.5 any use or development on Lot 12 shall be carried out in accordance with the Conservation Plan Extract.

1.6 any development on any part of the Land, shall in materials and design be compatible with and sympathetic to the materials, design and construction of Aldgate House and that any use of either Lot 11 or at Lot 12 shall at all times be compatible with the approved use of Aldgate House for single residential purposes.

2. **FURTHER COVENANT BY THE OWNER**

The Owner **FURTHER COVENANTS** with the Town that it shall not sell, agree to sell, transfer, mortgage, lease, charge, assign or otherwise dispose of or encumber its interest in the Land or any part or interest therein to any person without the prior written consent of the Town, which consent shall not be withheld if the person to whom any such right or interest in such part of the Land is to be granted has first executed a Deed of Covenant (or such other form of document as the Town may agree to) to be prepared by the Town's solicitors at the cost of the Owner or such person whereby the person acquiring the interest covenants to observe and perform such of the covenants conditions and stipulations herein contained (including this covenant) as the Town shall require, as if that person had been a party to this Deed.

3. **NOTIFICATION TO PROSPECTIVE PURCHASERS**

In addition to the covenant contained in clause 2 the Owner **HEREBY COVENANTS** that it shall not transfer, assign or otherwise dispose of or enter into any agreement for the sale, transfer or other disposition of the Land or any part thereof or any interest thereon without first advising in writing any prospective purchaser or owner of the obligations contained in this Deed.

4. **CHARGE AND CAVEAT**

The Owner **HEREBY CHARGES** all its estate and interest in Lot 11 and Lot 12 in favour of the Town with the performance of its obligations undertaken hereunder and with the payment of all or any moneys payable or which may become payable by the Owner to the Town and for the purpose of securing the same authorizes the Town to lodge an absolute Caveat at the Office of Titles against the relevant portion of the Certificate of Title to Lot 11 and Lot 12 in order to protect the rights and interests of the Town under this Deed.

**COSTS**

The Owner shall pay the reasonable and proper costs of and incidental to the preparation of this Deed, inclusive of stamp duty, the creation and registration of the restrictive covenant referred to herein and the preparation and registration of any caveat on withdrawal or replacement caveats lodged pursuant to the provisions of this Deed.

**SCHEDULE**

**THE LAND**

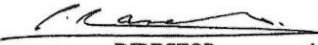
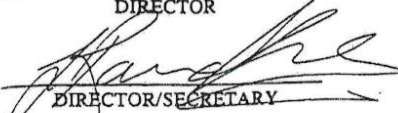
Lots 86 and 87 on Plan 2426 being the whole of the Land comprised in Certificate of Title Volume 1443 Folio 931

**ANNEXURES**

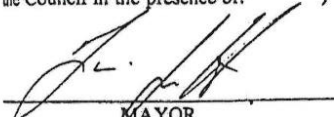
- Annexure 1 - The Location Plan
- Annexure 2 - The Conservation Extract

THE COMMON SEAL of COTTAGE )  
HOLDINGS PTY LTD )  
(ACN 062 780 394) was hereunto )  
affixed by authority of its directors in )  
the presence of )



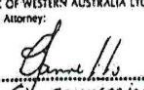
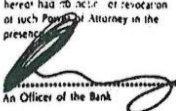
  
\_\_\_\_\_  
DIRECTOR  
  
\_\_\_\_\_  
DIRECTOR/SECRETARY

THE COMMON SEAL of the TOWN )  
OF EAST FREMANTLE was hereunto )  
affixed by authority of a resolution of )  
the Council in the presence of: )

  
\_\_\_\_\_  
MAYOR

  
\_\_\_\_\_  
TOWN CLERK

MORTGAGEE'S CONSENT

EXECUTED by BANK OF WESTERN AUSTRALIA LTD. A.C.N. 050 494 454 by its Attorney:	BANK OF WESTERN AUSTRALIA LTD. by its Attorney:
Cono Iannaklo	
its duly constituted Attorney under Power of Attorney No. F100726 PA dated 28th November 1993 of the date hereof had no act of revocation of such Power of Attorney in the presence	Title COMMERCIAL BANKING MANAGER
DATED the 31	AUGUST 1994.
 An Officer of the Bank	

## ANNEXURE "1"

Local Plan of Proposed Subdivision  
 S 86 & 87 of  
 on Location 219

Date: 27 July 1994

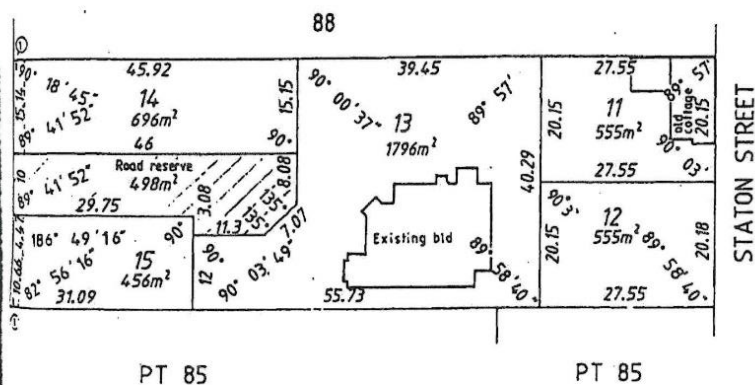
Scale: 1 : 750

Our Ref: R19-2

Plot File: 146719

Total Area 4557m<sup>2</sup>

① 2.5m wide parallel easement to SEC



All angles and dimensions and areas  
 subject to survey.

Surveyor

LAND DEVELOPMENT CONSULTANTS  
 Winton Rd, JOONDALUP WA 6027

A.C.N. 009 396 650  
 Phone (09) 300 1956 Mobile 018 914 943

**ANNEXURE "2"**

**6.0 REQUIREMENTS FOR THE RETENTION OF SIGNIFICANCE  
(IN ORDER OF PRIORITY).**

The following is a guide for the Town of East Fremantle and current or future owners to guide development to ensure that Aldgate's significance is retained and enhanced.

**6.1 Preservation (Stabilising Existing Fabric)**

It is recommended that the following work be carried out immediately:

1. Council organise a restrictive covenant on Aldgate to prevent further subdivision or densification.
2. Council organise a restrictive covenant to preserve the scale and form of the Coachhouse and Stables on Staton Road.
3. Direct stormwater away from Coachhouse / Stable walls.
4. Repair ceiling in room 1.(see Fig: 6 and Photo 23 )
5. Repair fretted brickwork and tuckpointing.
6. Improve site drainage and paving levels to control rising damp.
7. Repair fence on Preston Point Road.



## 6.2 Restoration and Reconstruction

It is recommended that the historic fabric is conserved and maintained in the future generally in accordance with the following guidelines:

- the house should be used for residential purposes.
- the general roofscape, solidity and massing of the house and outbuildings shall be maintained, with particular reference to proportion, scale and the architectural detail, including the gables and chimneys. This should include:
  - removal of the lookout on the roof,
  - reconstruction of the original roof,
  - repair of the Coachhouse / Stable roof and walls, including removal of render and painting with whitewash or limewash,
  - roofs repainted or replaced with Colourbond of a suitable colour, ( see Appendix 5 )
  - removal of unsympathetic additions,
  - reconstruction of the northern chimney, and provision of chimney pots,
  - replacing of non-original gutters with "ogee " pattern,
  - repair of subsided verandah and tiles,
  - restoration of barge board and eaves details,
  - removal of verandah extension at front door, and replacement of missing cast iron,
  - restoration of original colour scheme, internally and externally, (see Appendix 5 )
  - restoration of original bathroom,
  - repair of joinery and other finishes to hall, parlour, dining room; and main bedroom, and reinstatement of hardware.

FORM W 1

FORM APPROVED  
NO. B2609WESTERN AUSTRALIA  
TRANSFER OF LAND ACT 1893 AS AMENDED**WITHDRAWAL OF CAVEAT**

DESCRIPTION OF LAND (Note 1)

DESCRIPTION OF LAND (Note 1)	EXTENT	VOLUME	FOLIO
Lot 12 on Diagram 87643	Whole	2020	590

CAVEATOR (Note 2)

TOWN OF EAST FREMANTLE

CAVEAT NUMBER (Note 3)

G560592

STATE WHETHER WHOLE OR PART  
OF LAND IN CAVEAT

Whole

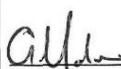
The CAVEATOR HEREBY WITHDRAWS the said Caveat from the Land above described

Dated this \_\_\_\_\_ day of \_\_\_\_\_ Year 2023

SIGNATURE OF CAVEATOR (Note 4)

The COMMON SEAL of the TOWN  
OF EAST FREMANTLE was hereunto  
affixed in the presence of:

\_\_\_\_\_  
Mayor (Print Full Name)

  
Chief Executive Officer (Print Full Name)

ANDREW MALONE  
(Print Full Name)



INSTRUCTIONS

1. If insufficient space in any section, Additional Sheet, Form B1, should be used with appropriate headings. The boxed sections should only contain the words "see page ..."
2. Additional Sheets shall be numbered consecutively and bound to this document by staples along the left margin prior to execution by the parties.
3. No alteration should be made by erasure. The words rejected should be scored through and those substituted typed or written above them, the alteration being initialled by the persons signing this document and their witnesses.

NOTES

1. **DESCRIPTION OF LAND**  
Lot and Diagram/Plan/Strata/Survey-Strata Plan number or Location name and number to be stated.  
Extent - Whole, part or balance of the land comprised in the Certificate of Title to be stated.  
The Volume and Folio or Crown Lease number, to be stated.
2. **CAVEATOR**  
State full name of Caveator/Caveators.
3. **CAVEAT NUMBER**  
State Caveat number being withdrawn.
4. **CAVEATOR'S EXECUTION**  
A separate attestation is required for every person signing this document. Each signature should be separately witnessed by an Adult Person. The address and occupation of the witness must be stated.

OFFICE USE ONLY

**WITHDRAWAL OF CAVEAT**

LODGED BY	McLeods
ADDRESS	220 Stirling Highway CLAREMONT WA 6010
PHONE No.	9383 3133
FAX No	9383 4935
REFERENCE No.	FG:TC:EAS617512
ISSUING BOX No.	346K

PREPARED BY	McLeods
ADDRESS	220 Stirling Highway CLAREMONT WA 6010
PHONE No.	9383 3133
FAX No.	9383 4935

INSTRUCT IF ANY DOCUMENTS ARE TO ISSUE TO OTHER THAN LODGING PARTY.

TITLES, LEASES, DECLARATIONS ETC. LODGED HERewith

1. _____	Received Items
2. _____	Nos.
3. _____	
4. _____	
5. _____	Receiving Clerk
6. _____	

Lodged pursuant to the provisions of the TRANSFER OF LAND ACT 1893 as amended on the day and time shown above and particulars entered in the Register.

EXAMINED

## 7.2 ENDORSEMENT OF BUSINESS PLAN FOR EAST FREMANTLE OVAL PRECINCT FACILITY OPERATOR

<b>Applicant</b>	Town of East Fremantle
<b>Report Reference Number</b>	[Report Reference Number]
<b>Prepared by</b>	Andrew Malone Chief Executive Officer
<b>Supervised by</b>	
<b>Meeting date</b>	Tuesday, 5 September 2023
<b>Voting requirements</b>	Simple Majority
<b>Documents tabled</b>	Nil

### Attachments

1. Business Plan East Fremantle Oval Precinct Facility Operator (s3.59)
2. Schedule of Submissions

### PURPOSE

For Council to endorse the Business Plan for the East Fremantle Oval Precinct Facility Operator and to authorise the CEO to finalise the Operator Agreement with Belgravia Leisure.

### EXECUTIVE SUMMARY

The Business Plan has been prepared in order to satisfy the requirements of Section 3.59 of the Local Government Act 1995.

The Business Plan outlines:

- proposed services and future management arrangements for the precinct;
- financial details of the payments being made by the Town to the Operator under the Operator Agreement and Lease (including funding any operating deficits);
- adherence to the Town's Community Plan; and
- information on the Town's ability to manage the project.

This Plan has been based on the findings of a detailed Business Plan and Operational Feasibility prepared by Paatsch Group, which contain confidential (commercially sensitive) information, not for public release.

East Fremantle Oval Precinct Facility Operator plan was advertised for a six (6) week period between June and August 2023. The Town had the Plan advertised on its home page for those six weeks, newspaper adverts were run every week alternating between the Fremantle Herald and Perth Now and the Town provided social media posts about the Plan.

A total of four (4) submissions were received. These are included in the Schedule of Submissions attachment to this report.

It is recommended that Council endorse the Business Plan and conclude the Operator Agreement to enable Council to engage the Operator and work towards opening the facility in 2024.

### BACKGROUND

Paatsch Group was engaged by the Town of East Fremantle (Feb 2020) to deliver a business plan and concept masterplan for the redevelopment of the East Fremantle Oval Precinct, this work was completed in June 2020.

In July 2020, Paatsch Group was further engaged to deliver an operational feasibility report to define an operational model and management structure for the proposed community and sporting facility. This work included “market sounding” around management options and commercial projections to market test commercial aspects of the business plan and ascertain interest from the private sector as to management of the precinct as a whole or for management/operation of individual commercial components of the proposed development (ie health club, food and beverage operations). This work was then used to update and refine the business plan as part of an Operational Feasibility.

In September 2020, Peter Hunt Architects were engaged to further refine the precinct concept plans, building footprint and project costings (QS figures) to design schematic level.

Council adopted the East Fremantle Oval Precinct Redevelopment Business Plan at its Ordinary Council meeting held on 20 April 2021. The Business plan proposed that the precinct would be leased and outsourced to a professional facility operator on behalf of the Town.

This report will consider the Business Plan for the East Fremantle Oval Facility Operator and the lease arrangements for Belgravia Leisure to be the Facility Operator. Once completed Council will enter into a lease agreement with Belgravia Leisure. This report includes a recommendation to Council.

---

## CONSULTATION

Various consultation has been undertaken with Elected members including, but not limited to;

Business Plan Workshop	24/03/20
Business Plan Workshop	24/06/20
Business Plan Workshop	08/07/20
Formally endorsed the s3.59 Business Plan	27/01/21
Formally received the Operational Feasibility Report	27/01/21
Operator Procurement workshop	20/09/21
Operator Procurement workshop	28/09/21
Operator Procurement workshop	21/10/21
Presentation Management Agreement (JM)	28/06/22
Presentation updated Business Plan (BP)	29/06/22
Tenderer interviews	23/11/22
Tender evaluation briefing	07/12/22

The Town has also undertaken briefing sessions with Elected Members as the proposed development continues to be constructed.

Extensive internal and external consultation has been undertaken throughout the development of this project. Overall, the consultation results indicate the community is supportive of the East Fremantle Oval Precinct Redevelopment Project.

The Business Plan was advertised (Statewide) for a period of six weeks and is referred back to Council for consideration of submissions received.

---

## STATUTORY ENVIRONMENT

As per the requirements set out under Section 3.59 of the *Local Government Act 1995*, a Business Plan for a major trading undertaking has been prepared for the provision of facility management services for the East Fremantle Oval Precinct.

*The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of –*

- (a) its expected effect on the provision of facilities and services by the local government; and*
- (b) its expected effect on other persons providing facilities and services in the district; and*
- (c) its expected financial effect on the local government; and*
- (d) its expected effect on matters referred to in the local government's current plan prepared under section 5.56; and*
- (e) the ability of the local government to manage the undertaking or the performance of the transaction; and*
- (f) any other matter prescribed for the purposes of this subsection.*

The Act sets out the Town's requirements to advertise the business plan as outlined below (as per s3.59(4):

*(4) The local government is to –*

- a) give Statewide public notice stating that –*
  - i. the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction; and*
  - ii. a copy of the business plan may be inspected or obtained at any place specified in the notice; and*
  - iii. submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given;*

AND

- b) make a copy of the business plan available for public inspection in accordance with the notice.*
- c) publish a copy of the business plan on the local government's official website*

*(5) After the advertising period has closed, Council will be required to consider any submissions made and may then decide, with absolute majority required, to proceed with the ongoing undertakings and transactions proposed. Any future undertakings and transactions will be required to not significantly differ from what was proposed in the advertised Business Plan.*

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## POLICY IMPLICATIONS

There are no significant policy implications associated with this item.

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## FINANCIAL IMPLICATIONS

Refer to the Business Plan for the East Fremantle Oval Facility Operator (attached) for proposed financial implications for payments being made by the Town to the Operator under the Operator Agreement and Lease and any proposed profits received from the operation of the Precinct.

---

## STRATEGIC IMPLICATIONS

The Town of East Fremantle **Strategic Community Plan 2020-2030** states:

**Strategic Priority 1 – Social – A socially connected, inclusive and safe community**

**1.1 Facilitate appropriate local services for the health and wellbeing of the community**

- 1.1.1 Facilitate or partner to ensure a range of quality services are provided at a local level
- 1.1.2 Strengthen the sense of place and belonging through inclusive community interaction and participation.

**1.2 Inviting open spaces, meeting places and recreational facilities**

- 1.2.1 Provision of adequate recreational, sporting and social facilities
- 1.2.2 Activate inviting open spaces that encourage social connection

### 1.3 Strong community connection within a safe and vibrant lifestyle

1.3.1 Partner and educate to build a strong sense of community safety

1.3.2 Facilitate opportunities for people to develop community connections through events and celebrations.

1.3.3 Facilitate community group capacity building.

The Town of East Fremantle **Recreation and Community Facilities Strategy** adopted in 2016 identified that *'the East Fremantle Oval Precinct is a major recreation and sporting precinct in East Fremantle that is currently perceived as poorly planned as a precinct, is underutilised in terms of community use and access and is an ineffective use of major open space.*

#### RISK IMPLICATIONS

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That final management agreement terms are not reached between the parties	Possible (3)	Moderate (3)	Moderate (5-9)	FINANCIAL IMPACT \$50,000 - \$250,000	Provided draft management agreement as part of the tender documentation
That the preferred tenderer does not meet the set budgets	Possible (3)	Moderate (3)	Moderate (5-9)	FINANCIAL IMPACT \$250,001 - \$1,000,000	Managed by setting appropriate forward budgets to ensure a contingency exists to cover any future operating deficits.
That the preferred tenderer does not meet the set KPIs	Possible (3)	Moderate (3)	Moderate (5-9)	SERVICE INTERRUPTION Prolonged interruption of services - additional resources; performance affected <1month	Treat through contract management and non performance warranties.

#### RISK MATRIX

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

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives: occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

## RISK RATING

<b>Risk Rating</b>	9
<b>Does this item need to be added to the Town's Risk Register</b>	Yes
<b>Is a Risk Treatment Plan Required</b>	Yes

## SITE INSPECTION

Not applicable.

## COMMENT

As per the requirements set out under Section 3.59 of the Local Government Act 1995 a Business Plan for a major trading undertaking has been prepared to facilitate the East Fremantle Oval Precinct Facility Operator. The Facility Operator is for a Proposal to enter into a Lease and Major Trading Undertaking for the provision of facility management services for the East Fremantle Oval Precinct buildings and surrounding area.

The Major Trading Undertaking is the Operator's management and operation of the EFOP on the Town's behalf, with a view to producing a profit for the Town (where applicable).

The Operator will be incentivised to maximise the performance of the EFOP by sharing:

- (a) in any profit achieved over and above an agreed performance benchmark; and
- (b) in any deficit that exceeds an agreed performance benchmark.

This Business Plan has been prepared in order to satisfy the requirements of Section 3.58 & 3.59 of the *Local Government Act 1995* in respect to the leasing and operations (management) of the EFOP.

The Business Plan outlines:

1. Proposed services and future management arrangements for the precinct;
2. Financial details of the Project;
3. Adherence to the Town's Strategic Community Plan; and
4. Information on the Town's ability to manage the project.

The Plan does include such matters as proposed services, however these have not been specifically confirmed. The plan does not include detailed operating decisions such as opening times, products to be provided/ sold, and specific pricing (however certain assumptions have been made). These matter are subject to Council approval and agreement with the operator.

The Plan includes:

### **Lease and Sub-lease**

A lease has been drafted by Council's solicitor's (Jackson McDonald) to provide tenure for the facility operator on an initial term of ten (10) years, with a possible extension of a further ten (10) years. However, it is proposed that the term will be reduced to ten (10) years in total, being five (5) years, plus five (5) years.

Tenant license and sub-lease agreements will be established for the key sporting and community tenants (EFFC, Bowls, Croquet and Playgroup). All sub-lease and license agreements will be the responsibility of the appointed Management Operator to co-ordinate and execute, however have been drafted by the Town's solicitors.

### **Operator Agreement**

The proposed management fee combines both a Service fee & Corporate Overheads. The term of the Management Agreement will be aligned to the proposed lease. An initial term five (5) years with an option for a further five (5) years

at the discretion of the Town. The term of the Operator Agreement will match the term of the proposed Lease to the Operator

The Facility Manager's responsibilities will include but not be limited to:

- Pre-Opening Services
  - Assist with Internal Design Development and Integration
  - Facility Strategic and Operational Planning
  - Sub Lease and License Development
- Precinct Operation Services
  - Precinct Partnership Management
  - Health Club Operations
  - Community Programs
  - Marketing
  - Risk and Safety Planning
  - Customer Service
- Facility Management Services
  - Management and maintenance of the Oval, Bowls Greens and Croquet Lawns
  - Cleaning
  - General Ground Maintenance (surrounds)
  - Recycling and Waste Management
- Asset Maintenance Services
- Performance Monitoring and Reporting

The commencement of the Operating Services (and the obligation on the Town to pay the Management Fee and the Corporate Overhead Charge) and the commencement of the Lease is subject to and conditional upon each of the following conditions being satisfied or deemed satisfied on or before the Conditions Precedent Satisfaction Date:

- (a) the Town complying with its obligations in accordance with section 3.58 and section 3.59 of the Local Government Act and resolving to proceed with the Lease to the Operator;*
- (b) the construction of the EFOP buildings and improvements achieving practical completion;*
- (c) the Minister for Lands consenting to the Lease being granted to the Operator;*
- (d) the Operator entering into the subleases and licences (if applicable) with East Fremantle Football Club, East Fremantle Bowling Club, East Fremantle Croquet Club, East Freo Playgroup Inc. and the sublessee of the Community Gardens on terms acceptable to the Town;*
- (e) the Minister for Lands consenting to each sublease and licence granted to each the above clubs or community organisations;*
- (f) the Operator completing and the Town approving each of the initial plans for the operation of the EFOP ("Operating Phase Plans"); and*
- (g) the Town and the Operator reaching agreement on the formula for calculating the Food and Beverage Payment to be paid to East Fremantle Football Club ("EFFC") and East Fremantle Bowling Club ("EFBC") where applicable.*

### **Other key Considerations**

#### **Local Employment Targets**

A KPI of 50% local employment (within the Town of East Fremantle) has been agreed to by Belgravia Leisure in their tender submission.



### **Bank Guarantee**

The Operator must contemporaneously with the execution of the Operator Agreement or at such later date agreed between the Town and the Operator, deliver to the Town a Bank Guarantee to the value of \$180,000.

This Bank Guarantee is a monetary security for the performance of the Operator's obligations under the Operator Agreement and Lease.

### **Event of Default**

The Town may, pursuant to the Bank Guarantee, demand that the bank pay to the Town such amount of the sum guaranteed under the Bank Guarantee that in the reasonable opinion of the Town may be due to the Town as a result of the Event of Default on the part of the Operator.

### **Termination**

In addition to standard termination provisions (Clause 22) for breach of contract, the Operator Agreement provides the Town with the ability to terminate the Operator Agreement if the Operator's financial performance for the first three successive financial years (including the Preliminary Period) is below Belgravia Leisure's tendered performance for the same period.

### **Operation Costs**

An Annual Business Plan is to be prepared and submitted in accordance with the Operator Agreement, and must include the following information:

- planned performance and improvement activities as they relate to the operation and management of the EFOP;
- planned performance and improvement activities for the delivery of the EFOP Programs for the following Year;
- the Annual Marketing Plan for the following Year;
- forecasted visitation for the EFOP for the following Year;
- the annual revenue and expenditure budget for the EFOP for the following Year (which, if a Projected Budget was submitted in the previous Year, must be based on the Projected Budget for that relevant Year or if it departs from that Projected Budget, must include a detailed explanation for such departure);
- the Projected Budget for the next three Years;
- the Human Resources Plan for the following Year;
- the Precinct Partners Management Plan for the following Year
- the Customer Service Plan;
- the Training Plan;
- the Sustainability Management Plan;
- the Precinct Activation Plan; and
- anything else reasonably required by the Town.

In accordance with the Operator Agreement, all future EFOP Operating Budgets and fee & charges are to be approved by the Town annually.

The Business Plan also addresses the Operators fee structure, performance benchmarks and reporting, improvement strategies (where required), environmental sustainability, facility operating costs, and the facility management structure.

The Business Plan was advertised for a period of six (6) weeks. Submissions received are considered in the attached Schedule of Submissions and presented to Council for final consideration. Such matters that were included in the submissions were:

- Consultation



- Differences between the Business Plan and omissions from the development
- Precinct and Operator activities, uses and infrastructure included
- Community Access
- Amenity impacts because of the use of the Precinct
- Television facilities
- Food and Beverage Dividend
- Community representation on the management committee of the Precinct

Detailed responses to the submissions have been provided in the Schedule of Submissions. The Business Plan does not dictate the operator's day to day operations of the Precinct. Such matters as event approvals, opening times, sizes of the activities are all subject to Council approval and consultation.

Finally, it should be noted The Town has attempted to ensure the project delivers the expectations of the community. The Town looks forward to this being utilised by all within the community and will continue to seek improvements for the Precinct through community participation on the management board.

---

## CONCLUSION

That Council endorses the Business Plan for the East Fremantle Oval Precinct Facility Operator.

---

## 7.2 OFFICER RECOMMENDATION / COUNCIL RESOLUTION

**Council Resolution** Choose an item. Click or tap to enter a date.

### OFFICER RECOMMENDATION

That Council

1. endorse the Business Plan for the East Fremantle Oval Precinct Facility Operator attached as Attachment 1 in accordance with Section 3.59 of the *Local Government Act 1995*.
2. authorise the CEO to finalise the East Fremantle Oval Precinct Lease and Operator Agreements with Belgravia Leisure and approve the Mayor and CEO to sign and use the Common Seal on the final documents.

---

## REPORT ATTACHMENTS

Attachments start on the next page

**Business Plan (s3.59)**  
***Local Government Act 1995***  
**East Fremantle Oval Facility Operator**



*"A facility for people of all ages and interests with a community at its heart".*

**(June 2023)**

Town of East Fremantle

135 Canning Highway

East Fremantle WA 6158

Ph (08) 9339 9339

Website: [www.eastfremantle.wa.gov.au](http://www.eastfremantle.wa.gov.au)

Email: [admin@eastfremantle.wa.gov.au](mailto:admin@eastfremantle.wa.gov.au)

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DRAFT

## Executive Summary

This Business Plan has been prepared as per the requirements of section 3.59 of *Local Government Act 1995* for a Major Trading Undertaking. The Town of East Fremantle (Town) has undertaken a tender process to lease and appoint a Facility Operator for the East Fremantle Oval Precinct (EFOP).

In accordance with section 3.57 & 3.58 a notice was placed in the West Australian newspaper on Saturday 16 July 2022 inviting tenders for the lease and facility management services for EFOP, with tenders closing 26<sup>th</sup> August 2022.

The proposed Operator (Belgravia Health & Leisure Group Pty Ltd (ACN 005 087 463) as trustee for the Belgravia Leisure Unit Trust ("Belgravia Leisure") – preferred tenderer) will have a range of responsibilities to deliver the outcomes the Town of East Fremantle is seeking to achieve from the redevelopment of the East Fremantle Oval Precinct. One of the most important outcomes is to maximise community use of the entire precinct. The Operator will be required to build a positive relationship with the East Fremantle community through the provision of services and programs that meet the needs of the community.

Responsibilities will include but not be limited to:

- **Pre-Opening Services**
  - Design Development and Integration
  - Facility Strategic and Operational Planning
  - Sub Lease and License Development
- **Precinct Operation Services**
  - Precinct Partnership Management
  - Health Club Operations
  - Community Programs
  - Marketing
  - Risk and Safety Planning
  - Customer Service
- **Facility Management Services**
  - Management and maintenance of the Oval, Bowls Greens and Croquet Lawns
  - Cleaning
  - Ground Maintenance
  - Recycling and Waste Management
- **Asset Maintenance Services**
- **Performance Monitoring and Reporting**

Belgravia Leisure now partners with more than 70 local and state Government authorities, employs more than 5,500 staff and manages 220+ venues across Australia and New Zealand. Further information on Belgravia Leisure can be found on their website [www.belgravialeisure.com.au](http://www.belgravialeisure.com.au)

## The Project

The redevelopment of the EFOP is being actioned as a priority major project for the Town of East Fremantle to achieve the following objectives:

- To build social connectedness and cohesion among our community.
- To build a space where East Fremantle residents can gather, share and celebrate occasions/milestones – to share a meal, a coffee, to start conversations and host functions.
- To maximise the opportunities for local residents to pursue a healthy and active lifestyle through a range of sporting and leisure pursuits and for personal development for all ages and abilities.

- To host a place where people can develop and impart skills, and to fulfil their potential in their chosen sport/activity.

The proposed co-location of the existing sports clubs (Football, Bowls & Croquet) will also provide efficient operating synergies through the creation of a central administration function and result in optimising the use of the shared facilities on site, ultimately assisting with each club's long-term sustainability.

The precinct will provide the following new community initiatives to further activate the site;

- Outdoor ½ hard court (basketball).
- Outdoor All-access playground.
- Enclosed dog exercise area.
- Skate Zone.
- Improved community facilities including the oval tenant facilities as well as other amenities available to hire for the community (e.g. meeting rooms).
- Health Club facilities
- A licenced Bar & Function space & associated services
- Café

A key element to the long-term success will be the partnerships that the Operator forms with the existing key precinct partners being the East Fremantle Football Club, East Fremantle Bowls Club and East Fremantle Croquet Club.

The Business Plan is available from the Town's website [www.eastfremantle.wa.gov.au](http://www.eastfremantle.wa.gov.au). Alternatively you can request a copy by telephone (08) 9339 9339 or via email [admin@eastfremantle.wa.gov.au](mailto:admin@eastfremantle.wa.gov.au).

Any person wishing to make a submission on matters contained in the Business Plan is to address the submission to the Chief Executive Officer, Town of East Fremantle, PO Box 1097, East Fremantle WA 6959, by the close of business on **July 2023**.



## Purpose

Proposal to enter into a Lease and Major Trading Undertaking for the provision of facility management services for the East Fremantle Oval Precinct buildings and surrounding area.

The Major Trading Undertaking is the Operator's management and operation of the EFOP on the Town's behalf, with a view to producing a profit for the Town (where applicable).

The Operator will be incentivised to maximise the performance of the EFOP by sharing:

- (a) in any profit achieved over and above an agreed performance benchmark; and
- (b) in any deficit that exceeds an agreed performance benchmark.

This Business Plan has been prepared in order to satisfy the requirements of Section 3.58 & 3.59 of the *Local Government Act 1995* in respect to the leasing and operations (management) of the EFOP.

The Business Plan outlines:

1. Proposed services and future management arrangements for the precinct;
2. Financial details of the Project;
3. Adherence to the Town's Strategic Community Plan; and
4. Information on the Town's ability to manage the project.

This Plan has been based on the detailed EF Oval Redevelopment Business Plan which contains confidential (commercial) information not for public release, and the Tender submission received by the preferred tenderer (Belgravia Leisure) <https://belgravialeisure.com.au/>

The community is asked to provide comment on the specific aspects listed above, via a submission process.

## The Project

The outsourcing of the facility management services for the EFOP to the Operator.

The Operator's responsibilities will include but not be limited to:

- **Pre-Opening Services**
  - Assist with Internal Design Development and Integration
  - Facility Strategic and Operational Planning
  - Sub Lease and License Development
- **Precinct Operation Services**
  - Precinct Partnership Management
  - Health Club Operations
  - Community Programs
  - Marketing
  - Risk and Safety Planning
  - Customer Service
- **Facility Management Services**
  - Management and maintenance of the Oval, Bowls Greens and Croquet Lawns
  - Cleaning
  - General Ground Maintenance (surrounds)
  - Recycling and Waste Management
- **Asset Maintenance Services**
- **Performance Monitoring and Reporting**

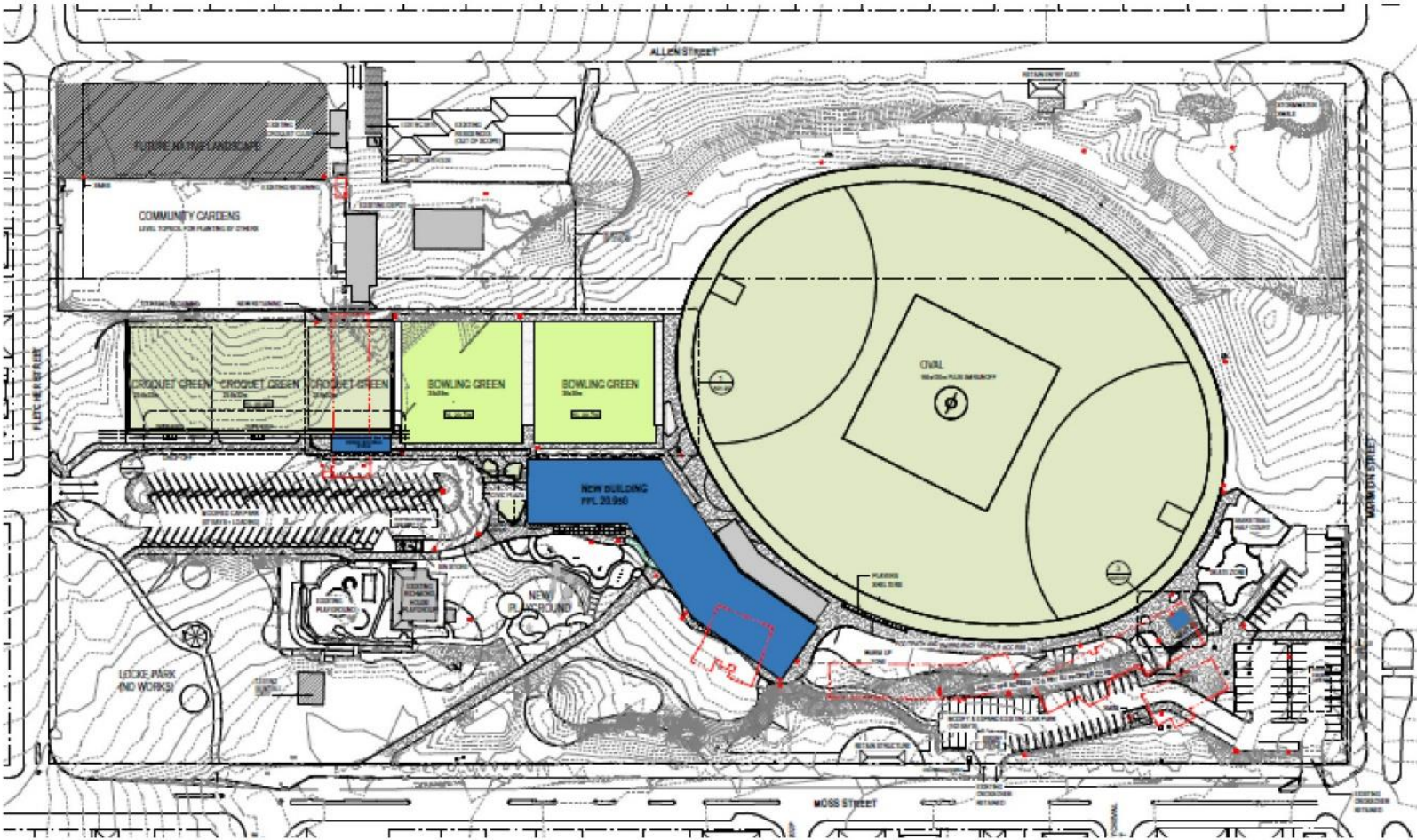
The Operator's performance in delivering the services will be measured against key performance indicators (KPIs) established for the following key objectives:

- ensuring all obligations in the Operator's agreements with Precinct Partners are met at all times and relationships between the parties are based on openness, transparency, honesty and trust during the term of the Operator Agreement;
- continually seeking to identify and cater for the changing needs within the community and to improve the quality and range of programs, services and customer service offered at the EFOP;
- achieving and maintaining a high standard of performance in the provision of the Operator's services in the EFOP, including cleanliness and maintenance, health and safety and customer service;
- maximising accessibility and benefits of the EFOP to the community;
- operating the EFOP in a way which minimises the cost to the Town, provides value for money services and programs and is open and transparent; and
- fulfils the Town's obligations under all applicable legislation and minimises negative impact on local residents.

The Town will own all improvements comprising the EFOP and all of the appliances, fixtures, fittings, equipment, furniture and furnishings in the EFOP (other than those items of personal property which are leased by the Town from third parties or leased by the Operator from third parties).



East Fremantle Oval Precinct Plan



## Land Description

The subject site comprises two Crown lots having a total area of 8.43ha bound by Fletcher Street, Allen Street, Marmion Street and Moss Street, with the land held in ownership by the State of Western Australia and vested to the Town of East Fremantle as a Class (A) Reserve.

Further details of the lot include:

- Lot 6229 on Diagram 1243 in Qualified Certificate of Crown Land Title Volume LR3017 Folio 75
- Lot 6229 on Plan 3286 in Qualified Certificate of Crown Land Title Volume LR3017 Folio 75

## Background

The Town of East Fremantle (the "Town") in partnership with the Western Australian State Government (the "State"), East Fremantle Football Club ("EFFC"), the East Fremantle Bowls Club ("EFBC" or "Bowls"), the East Fremantle Croquet Club ("EFCC" or "Croquet") and other local community groups are jointly developing a new integrated community, sport and leisure Precinct, on the East Fremantle Oval site, in the Town of East Fremantle, Western Australia.

The Town previously considered a number of submissions received in relation to the Business Plan (Major Land Transaction) for EFOP Redevelopment and approved the project at an Ordinary Meeting of Council 20<sup>th</sup> April 2021. Precinct redevelopment works commenced on Monday 28<sup>th</sup> November 2022, and is currently due for completion by the end of March 2024.

The Lease (peppercorn rent) and Operator Agreements will be for an Initial Period of five (5) years, plus extension options for a further five years, providing a maximum period of ten (10) years. The renewal of the term of Operator Agreement and Lease for a further 5 years is at the absolute discretion of the Town.

Council's solicitors were engaged to prepare the Lease and Operator Services Agreement for the EFOP that were distributed with the tender documentation (RFT01-2022/23).

In accordance with section 3.57 & 3.58 a notice was placed in the West Australian newspaper on Saturday 16 July 2022 inviting tenders (RFT01) for the lease and facility (Operator) management services for EFOP, with tenders closing 26<sup>th</sup> August 2022.

The tenders received were assessed against quantity and qualitative criteria a tender assessment panel, followed by two (2) tender interviews, one with the tender assessment panel, and another with full council.

Council at its meeting held on 13<sup>th</sup> December 2022 resolved as follows;

***That Council:***

1. ***nominate Belgravia Leisure as the preferred tenderer for RFT 01-2022/23 East Fremantle Oval Precinct Facility Manager, to allow the following process***
  - (a) *compliance with s3.59 of Local Government Act 1995, including advertising a business plan for the major trading undertaking for at least a 6 week period.*
  - (b) *receiving a Comprehensive Credit Rating Report on Belgravia Leisure to the satisfaction of the Chief Executive Officer.*
2. ***subject to 1 above authorise the CEO to finalise a contract with Belgravia Leisure within the defined parameters of the tender, or if required, to enter into negotiations with the second preferred Respondent.***
3. ***subject to 2 above, authorise the Mayor and Chief Executive Officer to sign and affix the Town's Common Seal to the contract for RFT01 01-2022/23 East Fremantle Oval Precinct Facility Manager and any other related documents.***

### Lease

A lease has been drafted by Council's solicitors to provide tenure for the facility operator. Based on the market engagement undertaken, the following has been recommended:

- Proposed Lessee (Belgravia Health & Leisure Group Pty Ltd ACN 005 087 463)
- An initial 5 year lease agreement with extension options at the discretion of the Town of a further 5 years (Lease).
- Lease amount payable on demand \$1.00pa.
- Operator responsible for outgoings (Power, Water, Rates & Taxes)
- Appropriate key performance indicators have been linked to the Operator agreement to ensure high levels of facility maintenance and upkeep, protection of interests of the tenant clubs and community service obligations.
- The Operator requires a lease to be able to apply for and hold the liquor licence for the premises.
- This Lease will terminate automatically on termination of the Operator Agreement, and vice versa.

### Proposed Sublease & Licenses

Tenant license and sub-lease agreements will be established for the key sporting club and community tenants (EFFC, Bowls, Croquet and Playgroup). The Operator as tenant of the Lease will grant the subleases and licences to the sporting clubs and community tenants. The Town's solicitors will prepare the sub-lease and license agreements with the Clubs and community organisations in conjunction with the Operator.

Entity	Sub-Lease	License	Term
EFFC	<ul style="list-style-type: none"> <li>• Admin space</li> <li>• Locker rooms.</li> <li>• EFFC changerooms.</li> <li>• EFFC gym</li> <li>• Storage</li> </ul>	<ul style="list-style-type: none"> <li>• Oval</li> <li>• Function room</li> </ul>	5+5 Years  With extensions guaranteed up to a further 10 years
Bowls	<ul style="list-style-type: none"> <li>• Admin space</li> <li>• Storage</li> </ul>	<ul style="list-style-type: none"> <li>• Function room</li> <li>• Bowling greens</li> </ul>	5+5 Years



	<ul style="list-style-type: none"> <li>Bowls kitchenette</li> </ul>		With extensions guaranteed up to a further 10 years
Croquet	<ul style="list-style-type: none"> <li>Admin space</li> <li>Storage</li> <li>Croquet kitchenette</li> </ul>	<ul style="list-style-type: none"> <li>Croquet Greens</li> <li>Function room</li> </ul>	5+5 Years  With extensions guaranteed up to a further 10 years (either under a new sublease with a new Operator or under a new lease direct with the Town)
Playgroup	Portion of Sumption Green House <ul style="list-style-type: none"> <li>Internal playgroup space.</li> <li>Storage</li> <li>Playgroup playground</li> </ul>	Sumption Green House – Kitchen	5+5 Years  With extensions guaranteed up to a further 10 years (either under a new sublease with a new Operator or under a new lease direct with the Town)
Early Childhood Nursing (CASH)	Portion of Sumption Green House <ul style="list-style-type: none"> <li>Internal Nursing area</li> </ul>	Sumption Green House - Kitchen	5+5 Years  With extensions guaranteed up to a further 10 years (either under a new sublease with a new Operator or under a new lease direct with the Town)

\* CAHS will develop the sub-lease agreement through the State Government and submit to the Town's lawyers for review and edit.

#### Sublease terms

- Subtenants - East Fremantle Football Club, East Fremantle Bowling Club, East Fremantle Croquet Club, East Fremantle Playgroup, Child and Adolescent Service (CAHS) Early Childhood Nursing Services and the operator of community garden.
- An initial 5-year (less one day) term with extension options of a further 5 years (less one day). Guaranteed further terms up to total tenure for 20 years (see below the discussion of the provisions to be incorporated in each sublease).
- Sublease amount payable on demand \$1.00pa.
- Responsible for outgoings – Nil other than EFFC responsible for cleaning costs of football changerooms
- Upon termination or non-renewal of the Headlease, the balance of any remaining term (max 20 years), will continue. Refer below for more details.

#### Extended Headlease, new headlease or termination or non-renewal of the Headlease

Whilst it is proposed that the clubs will be offered a 20 year term in line with all other community sports groups, as the Headlease with the Operator is only for a maximum term of 10 years, it is not

possible to grant a term for 10 or more years. Therefore, to address this issue each sublease will include the following additional provisions:

- if the Town extends the term of the Headlease to the Operator, the Operator must extend the sublease for the same extended term (less one day);
- if the Town enters into a new headlease with a new operator, the Town must cause that new operator to grant a new sublease for the same term (less one day) to that club, subject to Ministerial consent;
- if the Town does not enter into a new headlease with a new operator, the Town must grant a new lease to the club for a term equal to 20 years less any cumulative terms already granted to the club under the previous subleases; and
- the cumulative terms granted to the club under the sublease from the Operator, any new sublease granted by a new operator and any new lease granted by the Town will not exceed 20 years.

### Proposed Operator Agreement

An initial term five (5) years with an option for a further five (5) years at the discretion of the Town. The term of the Operator Agreement will match the term of the proposed Lease to the Operator.

### Conditions Precedent

The commencement of the Operating Services (and the obligation on the Town to pay the Management Fee and the Corporate Overhead Charge) and the commencement of the Lease is subject to and conditional upon each of the following conditions being satisfied or deemed satisfied on or before the Conditions Precedent Satisfaction Date:

- (a) the Town complying with its obligations in accordance with section 3.58 and section 3.59 of the Local Government Act and resolving to proceed with the Lease to the Operator;
- (b) the construction of the EFOP buildings and improvements achieving practical completion;
- (c) the Minister for Lands consenting to the Lease being granted to the Operator;
- (d) the Operator entering into the subleases and licences (if applicable) with East Fremantle Football Club, East Fremantle Bowling Club, East Fremantle Croquet Club, East Freo Playgroup Inc. and the sublessee of the Community Gardens on terms acceptable to the Town;
- (e) the Minister for Lands consenting to each sublease and licence granted to each the above clubs or community organisations;
- (f) the Operator completing and the Town approving each of the initial plans for the operation of the EFOP ("Operating Phase Plans"); and
- (g) the Town and the Operator reaching agreement on the formula for calculating the Food and Beverage Payment to be paid to East Fremantle Football Club ("EFFC") and East Fremantle Bowling Club ("EFBC") where applicable.

The Town may waive one or more the conditions precedent in its sole and absolute discretion.

### Local Employment target

A KPI of 50% local employment (within the Town of East Fremantle) has been agreed to by Belgravia Leisure in their tender submission..

### Bank Guarantee (Clause 31)

The Operator must contemporaneously with the execution of the Operator Agreement or at such later date agreed between the Town and the Operator, deliver to the Town a Bank Guarantee to the value of \$180,000.

This Bank Guarantee is a monetary security for the performance of the Operator's obligations under the Operator Agreement and Lease.

In the event that the Operator becomes insolvent or the Operator fails to remedy a default under the Operator Agreement or Lease, the Operator may call on that Bank Guarantee by demanding that the Bank pay to the Town such amount (up to the amount secured by the Bank Guarantee) as is due and payable by the Operator to the Town under the Lease or Operator Agreement.

### Event of Default

The Town may, pursuant to the Bank Guarantee, demand that the bank pay to the Town such amount of the sum guaranteed under the Bank Guarantee that in the reasonable opinion of the Town may be due to the Town as a result of the Event of Default on the part of the Operator.

### Termination

In addition to standard termination provisions (Clause 22) for breach of contract, the Operator Agreement provides the Town with the ability to terminate the Operator Agreement if the Operator's financial performance for the first three successive financial years (including the Preliminary Period) is below Belgravia Leisure's tendered performance for the same period.

### Previous Consultation

The Town has undertaken an extensive consultation process regarding this project.

Previous investigations and reports published include:

- Masterplan: East Fremantle Oval Precinct (2008)
- East Fremantle Oval Redevelopment: Stakeholder Communication and Consultation Plan (2013).
- East Fremantle Oval Precinct Redevelopment: Opportunities and Constraints Report (2013)
- East Fremantle Oval Recreation Precinct: Community Reference Group (2014)
- Recreation and Community Facilities Plan (2016)
- East Fremantle Oval Precinct Revitalisation: Shape Our Future (2018) – Vision Plan.
- East Fremantle Oval Precinct – Investment Logic Mapping (ILM) Workshop Report (2019)

A full summary of the consultation undertaken can be found on the Town's website.

### **Compliance with s3.59 Local Government Act 1995**

As per the requirements set out under Section 3.59 of the *Local Government Act 1995* this Business Plan for a major trading undertaking has been prepared for the provision of facility management services for the East Fremantle Oval Precinct.

*The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of —*

- (a) its expected effect on the provision of facilities and services by the local government; and*
- (b) its expected effect on other persons providing facilities and services in the district; and*
- (c) its expected financial effect on the local government; and*
- (d) its expected effect on matters referred to in the local government's current plan prepared under section 5.56; and*
- (e) the ability of the local government to manage the undertaking or the performance of the transaction; and*
- (f) any other matter prescribed for the purposes of this subsection.*

The Act sets out the Town's requirements to advertise the business plan as outlined below (as per s3.59(4)):

*(4) The local government is to —*

*a) give Statewide public notice stating that —*

- i. the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction; and*
- ii. a copy of the business plan may be inspected or obtained at any place specified in the notice; and*
- iii. submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given;*

**AND**

- b) make a copy of the business plan available for public inspection in accordance with the notice.*
- c) publish a copy of the business plan on the local government's official website*

*(5) After the advertising period has closed, Council will be required to consider any submissions made and may then decide, with absolute majority required, to proceed with the ongoing undertakings and transactions proposed. Any future undertakings and transactions will be required to not significantly differ from what was proposed in the advertised Business Plan.*

### **The expected effect on the provision of facilities and services by the Town - 3.59(3)(a)**

The Town currently does not own or provide a community facility/building that is available for general community use. This proposal will provide a purpose-built/multi-purpose community

building, associated facilities, and parkland. Therefore, increasing the provision of community facilities and services available within the Town.

In addition to housing the existing sports clubs, the proposal will also provide;

- Outdoor ½ hard court (basketball).
- Outdoor All-access playground.
- Enclosed dog exercise area.
- Skate Zone.
- Improved community facilities including the oval tenant facilities as well as other amenities available to hire for the community (e.g. meeting rooms).
- Health Club facilities
- A licenced Bar & Function space & associated services
- Café

More specifically the preferred tenderer (Belgravia Leisure) has stated they will establish EFOP as a creative and cultural hub and reinforce Perth and Western Australia's prominent cultural identity. Below is an indicative list of the type of performances and events that could be provided:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Traditional and cultural dance performances</li> <li>• Indigenous performances</li> <li>• Comedy festivals</li> <li>• Jazz festivals</li> <li>• Writer festivals</li> <li>• Poetry slams</li> <li>• Live theatrical and music performances</li> <li>• School holiday children's pantomimes shows</li> </ul> | <ul style="list-style-type: none"> <li>• School dance concerts</li> <li>• Seniors concerts</li> <li>• Conferences/Seminars</li> <li>• Sporting competitions</li> <li>• Public art exhibitions</li> <li>• Council events such as Expos (job, community sport etc)</li> <li>• Mayoral functions, citizenship ceremonies,</li> <li>• business networking forums, staff engagements,</li> </ul> |
|--|---|

#### Fitness activities

- Personal Training
- Pilates
- Be Active 6 week Challenge
- Coaching Zone
- Higher State
- Partners in Health
- Sports Ability
- Take Charge Program
- Healthy hearts program
- National disability insurance Scheme provider

Belgravia Leisure now partners with more than 70 local and state Government authorities, employs more than 5,500 staff and manages 220+ venues across Australia and New Zealand.

Examples of potential programs that could be offered from the EFOP facilities are set out below.



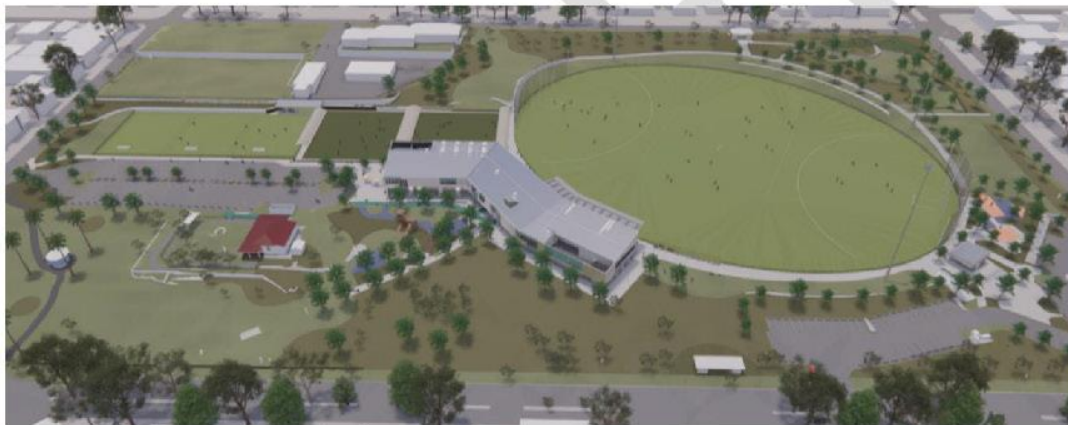
**GROUP FITNESS STUDIO**

TIME/DAY	MON	TUE	WED	THU	FRI	SAT	SUN
6:00AM	Body Attack	Body Pump	Body Attack	Yoga	Body Attack		
8:30AM						Body Pump	
9:30AM	Body Pump	Yoga	Body Attack	Body Pump	Body Attack	Pilates	Body Attack
10:30AM	Yoga	Circuit (Gym)	Core	Circuit (Gym)	Body Balance	Body Attack	Yoga
5:30PM	Body Attack	Body Attack	Pilates	Body Combat	Yoga		
6:30PM	Body Balance		Body Attack	Pilates			

**CYCLE STUDIO**

TIME/DAY	MON	TUE	WED	THU	FRI	SAT	SUN
6:00AM	RPM	SPRINT	RPM	SPRINT	RPM	SPRINT	
7:00AM	RPM	SPRINT	RPM	SPRINT	RPM	RPM	RPM
8:00AM						SPRINT	SPRINT
9:30AM	RPM	SPRINT	RPM	SPRINT	RPM		
5:30PM					SPRINT	RPM	SPRINT
6:00PM	RPM	SPRINT	RPM	SPRINT	RPM		
7:00PM	RPM	SPRINT	RPM	SPRINT			

● VIRTUAL



**COACHING ZONE**

TIME/DAY	MON	TUE	WED	THU	FRI	SAT
5:30AM	AFTERBURN	STRONG	LEAN	ENDURANCE	HIIT	
6:30AM	AFTERBURN		STRONG		HIIT	
7:00AM						SHRED
8:00AM						BOXING
9:15AM	AFTERBURN		ENERGISE		LEAN	
5:15PM	ADRENALINE	STRONG	LEAN	AFTERBURN		
6:15PM	ADRENALINE	STRONG	LEAN	AFTERBURN		

**HIGHER STATE - REFORMER PILATES**

TIME/DAY	MON	TUE	WED	THU	FRI	SAT	SUN
6:00AM	BEGINNER REFORMER		INTERMEDIATE REFORMER		INTERMEDIATE REFORMER		
7:00AM		ADVANCED REFORMER		ADVANCED REFORMER			
8:00AM						BEGINNER REFORMER	INTERMEDIATE REFORMER
8:30AM	BEGINNER REFORMER		BEGINNER REFORMER				
9:00AM						ADVANCED REFORMER	BEGINNER REFORMER
9:30AM	INTERMEDIATE REFORMER	BEGINNER REFORMER	INTERMEDIATE REFORMER	BEGINNER REFORMER	INTERMEDIATE REFORMER		
10:00AM						INTERMEDIATE REFORMER	
11:00AM							INTERMEDIATE REFORMER
12:00PM						BEGINNER REFORMER	
4:00PM	BEGINNER REFORMER		BEGINNER REFORMER		BEGINNER REFORMER		
5:00PM	INTERMEDIATE REFORMER	ADVANCED REFORMER	INTERMEDIATE REFORMER	BEGINNER REFORMER			
6:00PM		BEGINNER REFORMER		INTERMEDIATE REFORMER			

## DRAFT PRECINCT EVENTS CALENDAR

		July	August	September	October	November	December	January	February	March	April	May	June
Health & Wellbeing		Tour de France Event	Be Active 6WC	World Wellness Weekend Women's Health Week Les Mills Launch	Take Charge Children's Day World Heart Day	Seniors Week World Diabetes Day Be Active 6WC	Group Fitness Feature		Be Active 6WC	Group Fitness Feature	World Health Day	Heart Week Exercise Right Week Be Active 6WC	Group Fitness Feature Wellness Day Men's Health Week
Stadium/Sport		Term 3 Winter Competition Registration		Term 4 Summer Competition Registration		School Holiday Program release		Term 1 Summer Competition Registration			Term 2 Winter Competition Registration		
Grasslands		Breakfast Warmer Coffee and Food Deal	Ladies High Tea	Summer Functions Awareness AFL Grand final Footy Special – Beer & Meal deal (Friday/Sunday Session) Father's Day Event / Bookings	Octoberfest Event	World Cup Event Christmas Bookings	Grass Lands Gigs Christmas Bookings	Twilight F&B Deals	Twilight F&B Deals			Wedding / Christmas Parties Package Mother's Day – Event / Bookings Wedding Expo (Perth)	Wedding / Parties Package
Community	Schools	School Program			School Program				School Program		School Program		
		Book now for Summer			Book now for 2023				Book now for Winter 2023		Book now for Spring 2023		
	Corporate					Christmas Parties			Corporate Events			Corporate Events	
	Functions	Wedding Packages	Birthday Parties Book now for summer					Wedding Packages		Birthday Parties Summer all year round			Wedding Packages
Belgravia Foundation				Fundraising Toolkit All In	MHeLP Mental Health First Aid Training Take Charge AEP (staff)		Christmas Donation Drive						
Access & Inclusion		Local Champions Campaign		Community Network Forums – Celebrations Campaign	World Mental Health Day		International Day of People with a Disability			Harmony Day Community Network Forums – Celebrations Campaign		IDAHOBIT Day Reconciliation Week	

### **The expected effect on other persons providing facilities and services in the district - 3.59(3)(b)**

It is not anticipated that the proposed facilities and services will have any significant adverse impact on other persons who provide services and facilities within the Town

Although there were some existing commercial tenants who were providing services and facilities from the East Fremantle Oval prior to the commencement of the EFOP redevelopment project, these commercial tenants were holding over under occupancy agreements that had already expired and their tenancies have since been terminated in order to allow demolition of the existing buildings and the construction phase of the EFOP redevelopment.

### **The expected financial effect on the Town - 3.59(3)(c)**

#### Operating Costs

Historically the Town expended on average around \$120,000 pa on maintenance costs for the current facility and surrounds. These costs will no longer be incurred under this proposal, as the Operator will be directly responsible for such costs and will pay these costs from the revenue generated from the operation of the EFOP. If the amount of revenue collected by the Operator is insufficient to meet these costs, the Operator must meet any shortfall (with any reimbursement from the Town to be made in the end of financial year reconciliation).

- All operating precinct expenses will be the responsibility of the Operator, with the Operators responsibilities and expenses to include:
  - Oval maintenance
  - Grounds and building maintenance
  - Utilities
  - Building and Precinct insurances
  - Rates
  - Cleaning contracts.
  - Event bookings.
  - Marketing
  - OHS
  - Security
  - Administration offices.
  - Media provisions and arrangements
  - Revenue generation.
  - Management of site buildings.
  - Revenue collection.
  - Fund raising.
  - Food and beverage operation/facilities.
  - Car parking.
  - Venue partnerships and sponsorship (excluding club sponsorships).
  - Commercial tenancies and contracts.
  - Management report.
  - Contract Management
- Only specific Club expenses will be the responsibility of the individual Clubs such as:

- Direct Club Operating Expenses (ie employee wages, Directors fees (if any) development programs, functions, cleaning of the changerooms by EFFC)
- Membership costs to be affiliated with State representatives (e.g. EFFC fees to the WA Football Commission or Croquet license fees to Croquet West).
- Match days costs not associated with facilities (i.e umpires) and food and beverage expenses

The Operator must provide an Establishment Plan for year 1, and it must include as a minimum

- the Transition Plan;
- planned performance and improvement activities as they relate to the operation and management of the EFOP;
- planned performance and improvement activities for the delivery of the EFOP Programs for the Preliminary Period;
- the initial annual budget;
- the Annual Marketing Plan for the Preliminary Period;
- forecasted visitation for the EFOP for the Preliminary Period;
- the Human Resources Plan for the Preliminary Period;
- the Precinct Partners Management Plan for the Preliminary Period;
- the Customer Service Plan;
- the Training Plan;
- the Sustainability Management Plan;
- the Precinct Activation Plan; and
- anything else reasonably required by the Town.

Thereafter, an Annual Business Plan is to be produced and approved by the Town each year.

An Annual Business Plan is to be prepared and submitted in accordance with the Operator Agreement, and must include the following information:

- planned performance and improvement activities as they relate to the operation and management of the EFOP;
- planned performance and improvement activities for the delivery of the EFOP Programs for the following Year;
- the Annual Marketing Plan for the following Year;
- forecasted visitation for the EFOP for the following Year;
- the annual revenue and expenditure budget for the EFOP for the following Year (which, if a Projected Budget was submitted in the previous Year, must be based on the Projected Budget for that relevant Year or if it departs from that Projected Budget, must include a detailed explanation for such departure);
- the Projected Budget for the next three Years;
- the Human Resources Plan for the following Year;
- the Precinct Partners Management Plan for the following Year
- the Customer Service Plan;
- the Training Plan;
- the Sustainability Management Plan;
- the Precinct Activation Plan
- anything else reasonably required by the Town.

In accordance with the Operator Agreement, all future EFOP Operating Budgets and fee & charges are to be approved by the Town annually.



If the Town does not approve an increase to the EFOP Fees and Charges within 20 Business Days of the review, the Parties will be deemed to be in Dispute and the Dispute must be resolved in accordance with the Expert Determination Process, provided such increase must not be more than the current EFOP Fees and Charges increased by 10%.

### Insurances

The Operator shall procure and maintain the following insurances as a minimum:

- Public Liability: \$20,000,000 for each and every occurrence, not in aggregate
- Professional Indemnity: \$10,000,000
- Workers Compensation

The building will be insured by the Town and the cost for such insurance will be treated as an expense of the EFOP to be paid by the Operator from the revenue generated by the EFOP.

### Proposed F & B Payment to clubs – Food & Beverage

To incentivise EFFC and EFBC to drive as much revenue as possible through the EFOP food and beverage facilities (which will be managed and operated by the Operator on the Town's behalf), it is proposed that a food and beverage payment ("F&B Payment") (Net Profit) will be paid to EFFC and EFBC based on a percentage of food and beverage revenue throughput generated by the respective club (e.g. club events, match days and member purchases). Revenue through club purchases on days other than club events and match days would be traced using a swipe card that recognises purchases made by members of that club, and any transaction not using a member card on days other than club events and match days would be excluded from club generated revenue.

The F & B payment would be paid quarterly in arrears and will only be paid if an operating surplus is generated from the Food and Beverage Facilities for that quarter.

If paid, each F&B Payment would be treated as an operating expense of the EFOP and deducted before the end year financial reconciliation.

There is a mechanism in the Operator Agreement for the Town and Operator to reach agreement on the formula for calculating the F&B payment to be made to EFFC and EFBC (where applicable) This must be done before the Operator services (post-opening) and Lease can commence.

For illustrative purposes only, a potential example of how F & B Payment model would work is set out below using Year 1 of the Belgravia Cash Flow Model, and assuming 10% of gross Café revenue that is attributable to Clubs only (excludes general sales):

Gross Food and Beverage Revenue attributable to Clubs	\$404,220
Less Cost of Goods (33%)	-\$133,393
Less Cost of Sales (40%)	-\$161,688
Net Profit Food and Beverage (27% of gross sales)	<u>\$109,139</u>

### F & B Payments

EFFC (assuming 70% of total club turnover)	\$ 76,397
EFBC (assuming 30% of total club turnover)	\$ 32,742

\*The above example is a hypothetical example only and does not necessarily reflect the final formula that will be adopted by the Town and Operator.

Please note that the above example is provided for illustrative purposes only and does not necessarily reflect the final formula adopted by the Town and the Operator. The final formula adopted by the Town and Operator may differ from the example noted above.

#### Naming Rights

It is proposed that any possible commercial opportunity to sell the naming rights for the precinct to offset costs will be explored, potentially on a dual naming basis.

#### Proposed Payment to Sinking fund

The Town will hold a sinking fund in a reserve account to meet capital and structural repairs and replacement for the EFOP buildings and facilities.

The commencing sinking fund contribution is expressed as a percentage of construction cost of the EFOP (this will be reviewed annually by reference to CPI) and is approximately \$275,000 as at the commencement of the Operator Agreement ("Sinking Fund Contribution").

The Sinking Fund Contribution is paid annually in arrears after the end of each financial year in whole (or in part) but only if there is an operating surplus for that year (i.e. after deducting the combined Management Fee and Corporate Overhead Charge, the F&B Payments where applicable and all other operating expenses of the EFOP).

#### Financial Details

It is proposed that there will be no charge for the lease of the building and surrounds (The Depot and TOEF residential units have been excluded from the premises subject to the Lease).

#### Proposed Operator Fee

In consideration for the Operator performing its obligations under the proposed Operator Agreement, the Management Fee and Corporate Overhead Charge will be paid to the Operator in accordance with the terms of the Operator Agreement.

The agreement has been structured to provide for a Preliminary period to allow for a full financial year of operations, prior to setting fixed budgets.

**Preliminary Period** means that period of the Term commencing at midnight on the day preceding the Lease Commencement Date and expiring at midnight on the second occurring 30 June.

**Pre-Opening Service Fee** means the provision of all services required to be carried out by the Operator prior to the opening of the EFOP for:

- (a) the design, development and integration of the EFOP;
- (b) strategic planning for the EFOP;
- (c) the development, negotiation and finalisation of the Subleases and the Licences and the preparation of the Precinct Partners Priority Usage Policy;
- (d) applying for and obtaining all necessary licences, permits and certificates required for the operation of the EFOP during the Term;
- (e) the development and preparation of all necessary Operating Phase Plans; and
- (f) the marketing of the EFOP.

The Operator will be paid a Pre-Opening Service Fee of \$245,522 plus GST to recover costs for services provided by the Operator prior to the opening of the EFOP.

In addition to the Pre-Opening Service Fee, the Town must give not less than 3 months' notice of the Town's nominated date for the Lease Commencement Date and the opening of the EFOP and then pay to the Operator a Monthly Mobilisation Fee in the sum of \$7,500 per month over that three month period. The Monthly Mobilisation Fee will compensate the Operator for all mobilisation activities such as the hiring and training of staff and the marketing of the EFOP for events hire and membership (ensuring that the EFOP is read to open on the nominated Lease Commencement Date).

### Operator Fee Structure

The proposed fee structure payable to the Operator (inclusive of all corporate overhead charges) is based on 6% of total revenue of the EFOP.

The proposed fee will comprise a Management Fee and a Corporate Overhead Charge.

The Management Fee is consideration for the costs incurred by the Operator in preparing the various documents that make up the Annual Business Plan, its monthly and annual reporting obligations and its attendances at meetings with the Town.

For the Preliminary Period, the Management Fee will be 2% of the forecasted revenue in the Initial Budget plus GST subject to final adjustment after the End of Preliminary Period Financial Reconciliation.

For all other financial years during the Term, the Management Fee will be 2% of the forecasted revenue in the Approved Budget (being the Annual Budget approved by the Town) plus GST subject to final adjustment after the End of Year Financial Reconciliation.

The Corporate Overhead Charge is consideration for the following head office expenses incurred by the Operator (comprising finance and payroll, human resources management, occupational health and safety, insurance premiums under group policy of insurance and other administrative functions performed by the Operator's head office).

For the Preliminary Period, the Corporate Overhead Charge will be 4% of the forecasted revenue in the Initial Budget plus GST subject to final adjustment after the End of Preliminary Period Financial Reconciliation.

For all other financial years, the Corporate Overhead Charge will be 4% of the forecasted revenue in the Approved Budget plus GST subject to final adjustment after the End of Year Financial Reconciliation.

For every financial year (other than the Preliminary Period), the Management Fee and Corporate Overhead Charge will be paid in equal quarterly instalments in advance, with the first instalment payable on 1 July and each subsequent instalment payable every 3 months thereafter.

Each instalment of the Management Fee and Corporate Overhead Charge will be treated as an expense incurred in the operation and management of the EFOP and the Operator is entitled to deduct each instalment from the revenue collected by the Operator as and when they fall due under the Operator Agreement.



### End of Year Adjustment

There will be a final adjustment at the End of Year Financial Reconciliation (based on the actual revenue achieved for the year).

The Actual Reconciled Management Fee will be 2% of the actual revenue of the EFOP recorded in the End of Preliminary Period Financial Reconciliation or End of Year Financial Reconciliation (as applicable).

The Actual Reconciled Corporate Overhead Charge Amount will be 4% of the actual revenue of the EFOP recorded in the End of Preliminary Period Financial Reconciliation or End of Year Financial Reconciliation (as applicable).

If the actual revenue of the EFOP recorded in the financial year is more than the forecasted revenue for the same period:

- the Management Fee paid by the Town will be less than the Actual Reconciled Management Fee Amount;
- the Corporate Overhead Charge paid by the Town will be less than the Actual Reconciled Corporate Overhead Charge Amount; and
- the Town must pay the difference to the Operator within 20 Business Days after the End of Year Financial Reconciliation.

If the actual revenue of the EFOP recorded in the financial year is less than the forecasted revenue for the same period:

- the Management Fee paid by the Town will be more than the Actual Reconciled Management Fee Amount;
- the Corporate Overhead Charge paid by the Town will be more than the Actual Reconciled Corporate Overhead Charge Amount; and
- the Operator must pay the difference to the Town within 20 Business Days after the End of Year Financial Reconciliation.

### Tendered Performance and Performance Benchmarks

The Operator's entitlement to share in any surplus or contribute to any deficit of the EFOP will depend upon how the EFOP performs when measured against:

- (a) the tendered budget prepared by Belgravia Leisure for the Preliminary Period (in the case of the Preliminary Period); and
- (b) the agreed performance benchmark for that financial year (for all years other than the Preliminary Period).

### Tendered Performance

In the Preliminary Period, the Operator's performance will be assessed against the budget tendered by Belgravia Leisure for the Preliminary Period (**Tendered Budget**).

The Tendered Budget shows a small deficit for the Preliminary Period (**Tendered Deficit**).

If the actual financial performance of the EFOP for the Preliminary Period results in a deficit (**Actual Deficit**), then:

- (a) if the Actual Deficit is greater than the Tendered Deficit, the Town will only be responsible for the Tendered Deficit while the Operator will be responsible for the difference between the Actual Deficit and the Tendered Deficit (capped at an amount equal to the combined Management Fee and Corporate Overhead Charge for that Year);
- (b) if the Actual Deficit is less than the Tendered Deficit, the Town will be responsible for the whole of that Actual Deficit.

If the actual financial performance of the EFOP for the Preliminary Period results in a surplus (**Actual Surplus**), then the Operator must pay the Sinking Fund Contribution and if, after payment of the Sinking Fund Contribution, there is still a surplus (**Adjusted Surplus**), the Operator is entitled to the whole of that Adjusted Surplus (capped at an amount equal to the combined Management Fee and Corporate Overhead Charge for that Year), with the Town receiving anything remaining after deducting the Operator's proportion of the Adjusted Surplus.

#### **Performance Benchmarks**

Within 10 Business Days of the End of Year Financial Reconciliation being agreed or determined in accordance with Agreement, the Operator must submit for the Town's approval a Performance Benchmark for the next Year (being the Year immediately following the Year just completed ("Future Year").

In preparing the Performance Benchmark, the Operator must have due regard to and be informed by the Approved Budget for that same Year and the financial performance of the EFOP in the preceding financial year (**Preceding Year Performance**) in terms of:

- (a) whether the Performance Benchmark will be a Forecast Deficit or a Forecast Surplus; and
- (b) the amount of that Forecast Deficit or Forecast Surplus (as applicable) that should be adopted as the Performance Benchmark.

In proposing a Performance Benchmark for the Future Year, the Operator must justify to the Town any material departure from the Approved Budget for that Future Year or the Preceding Year Performance.

A material departure will include:

- (a) a Performance Benchmark that is a Forecast Deficit where the Preceding Year Performance was an Actual Surplus;
- (b) a Performance Benchmark that is a Forecast Deficit where the Approved Budget for the same Future Year shows a Forecast Surplus;
- (c) a Performance Benchmark that varies by more than 10% from either the Forecast Surplus or Forecast Deficit forecast in the Approved Budget for the same Future Year; and
- (d) a Performance Benchmark that varies by more than 10% from either the Actual Deficit or Actual Surplus achieved in the Preceding Year Performance.

To further incentivise the Operator to achieve the agreed Performance Benchmark, the Operator Agreement provides that:

- (a) where the Performance Benchmark is not achieved, up to a maximum of 100% of the Operator's combined Management Fee and Corporate Overhead Charge is at risk; and
- (b) where the Performance Benchmark is exceeded, a bonus payment equivalent to a maximum of 100% of the Operator's combined Management Fee and Corporate Overhead Charge will be paid to the Operator.

**Example 1: actual financial performance of EFOP falls short of Performance Benchmark**

If:

- the Performance Benchmark for a Year forecasts a deficit of -\$50,000;
- the End of Year Financial Reconciliation results in an actual deficit of -\$250,000; and
- the combined Management Fee and Corporate Overhead Charge for that Year is \$250,000,

then:

- the Operator must pay \$200,000 of that deficit from its own funds; and
- the Town only pays the forecast deficit of \$50,000.

**Example 2: actual financial performance of EFOP exceeds Performance Benchmark**

If:

- the Performance Benchmark for a Year forecasts a surplus of \$50,000;
- the End of Year Financial Reconciliation results in an actual surplus is \$400,000;
- the combined Management Fee and Corporate Overhead Charge for that Year is \$250,000,
- the Sinking Fund Contribution is \$275,000;

then:

- the Operator must pay the Sinking Fund Contribution of \$275,000;
- after payment of the Sinking Fund Contribution, there will be an adjusted surplus of \$125,000 ("Adjusted Surplus");
- the Adjusted Surplus will be shared between the Town and the Operator as follows:
  - the Operator will retain \$75,000 as a bonus payment; and
  - the Operator must pay \$50,000 to the Town (which may be distributed as the Town sees fit).

**Performance Report**

The Town may review the Operator's performance from time to time as against the KPIs and the Operator's obligations under the Operator Agreement and prepare a performance report ("Performance Report").

The Operator must provide all assistance reasonably required by the Town in conducting the review of the Operator's performance and preparing the Performance Report.

**Financial Improvement Strategy**

If:

- (a) the Approved Budget forecast an operating surplus for the EFOP in a financial year and the end of year financial reconciliation for that financial year shows an actual deficit; or
- (b) the Approved Budget forecast a deficit ("Forecast Deficit") for the EFOP in a financial year and the end of year financial reconciliation for that financial year shows an actual deficit greater than the amount of the Forecast Deficit,

the Operator must prepare for the Town's approval a report which details the Operator's strategies for reducing expenditure on the management and operation of the EFOP and/or increasing revenue

collected by the Operator from the operation of the EFOP in the next financial year ("Financial Improvement Strategy").

If the Town is satisfied with the Financial Improvement Strategy, the Operator must incorporate it into the next Annual Business Plan.

A financial projection has been provided in Appendix (B) for the five (5) years, which provides the following expected trading results (Excluding a transfer to the Sinking Fund of \$275k pa and loan repayments);

Year 1 \$ 8,792	Year 4 \$461,112
Year 2 \$425,734	Year 5 \$489,177
Year 3 \$436,996	

Total outflows after trading results, including annual transfer to "sinking fund" and loan repayments.

Year 1 -\$8,792	Year 4 -\$461,112
Year 2 -\$425,734	Year 5 -\$489,177
Year 3 -\$436,996	

In the event the facility is able to generate a profit (excluding Food & Beverage), any dividend provided to the Town will be used to offset the Treasury loan repayments mentioned above.

Please note that the above figures are a financial projection only across a forecast period and do not reflect the actual financial performance of the EFOP.

### Environmentally Sustainable

Belgravia Leisure provided in their tender submission the following information in relation to Sustainability;

*"In September 2021, Belgravia Leisure developed its second five-year sustainability plan. This plan focuses on key environmental initiatives, including waste minimisation and recycling, reduced corporate travel, reduced paper consumption and increasing our planet friendly purchases. Belgravia Leisure is investigating opportunities to become more energy efficient and reduce greenhouse gas emissions and water across our sites. Sustainability audits are conducted at sites we manage to assist in this process.*

*Our 5-Year Plan for Sustainability will complement Council's environmental, social and economic framework, ensuring an organisational focus on green initiatives reflects the community's goals and expectations.*

*Generically, our plan works to support Councils with the following environmental targets:*

- 1. Lower greenhouse gas emissions – our Bayswater head office certified carbon neutral by June 2023*
- 2. Reduce our emissions from corporate travel by 50% by 2021*
- 3. Develop an emissions reduction strategy by December 2022 and in partnership with venue owners reduce, measure and manage carbon emissions on a site by site basis*
- 4. Reduce single use plastics using a staged approach. Eliminate single use plastic straws, plastic cutlery, and plastic bags by August 2019*
- 5. Water efficiency- reduce our use of potable water by 15% within 5 years*
- 6. Waste minimisation – reduce food waste, reduce packaging waste, have recycling stations at all sites. Utilise State based container deposit schemes*



7. *Green Team – lead behavioural change at site and educate others in our circle of influence. Obtain ISO14001 Environmental Management accreditation by June 2024*
8. *ESG (Environmental, Social and Governance) update our procurement policy to ensure all our suppliers and partners meet our ESG requirements*
9. *Sustainable cleaning - Ensure sustainable cleaning systems and processes are in place at venues*
10. *Reduce paper consumption by 50% by July 2021”*

In addition, the Operator Agreement requires the operator to develop a **Sustainability Management Plan** on an annual basis for the Town's approval. This annual plan details the Operator's initiatives and strategies to operate and maintain the EFOP in the most energy efficient and environmentally responsible manner and minimise the environmental impact of services provided by the Operator.

#### Facility Operating Costs

Given the proposed operating model, the facility will operate independently of the Town, and therefore the Town will not be directly responsible for any operating costs. However, the Town may be required to contribute to any operating deficit.

#### **The expected effect on matters referred to in the local government's current plan prepared under section 5.56 (Strategic Community Plan) - 3.59(3)(d)**

##### **Strategic Community Plan - Priority Area 1 (Social)**

The East Fremantle Oval Precinct Redevelopment Project has been identified as a key priority by the community and council.

The achievement of this project will deliver on key Town priorities as expressed in our Strategic Community Plan under Priority Area 1 (Social) - ***“A socially connected, inclusive and safe community”***

##### ***Objective 1.2 - Inviting open spaces, meeting places and recreational facilities.***

##### ***Strategies***

***1.2.2 Provision of adequate recreational, sporting and social facilities.***

***1.2.3 Activate inviting open spaces that foster social connection.***

This project will enhance the liveability of the Town and the quality of life of its people, reaffirming their connection to place. It will improve the desirability of the Town as a destination and location of choice, and will have flow-on positive effects that will factor into decision making for those persons choosing East Fremantle as the place in which they choose to live, raise a family, invest, operate a business, visit, work, retire, play and recreate.

As well as the project's strong alignment to the Town's strategic priorities, a community perception survey was also undertaken in 2018, and it identified seven priority areas that the community would like the Town to focus on. The third highest ranked priority was:

***“For the Town to take action with the East Fremantle Oval Precinct”***

#### **The Town's ability to manage the undertaking or the performance of the transaction - 3.59(3)(e)**

All proposed agreements, leases, subleases and licences have been prepared by Jackson McDonald solicitors.

### Facility Management (Day-to-day operations)

Based on a review of industry trends, previous project experience and benchmarking of the proposed facility, five main options were examined in relation to the overall governance and management of the redeveloped East Fremantle Oval, these being:

- Management by Local Government (Town of East Fremantle).
- Management by a locally appointed not for profit Trust established solely for the purpose of operating East Fremantle Oval.
- Management by an external management agency.
- Management by a consortium representing the key tenant club(s) or users.
- Management by key user (e.g. East Fremantle Football Club).

Based on the analysis and market sounding, the appointment of an external Operator on a fee service basis was identified as the preferred option by Council due to the following reasons:

- An ability to gain specialist management expertise and appoint an entity with a strong resource and knowledge base.
- Ability for the entity to also manage and operate the commercial components of the facility such as a health club and food and beverage service.
- Ability to link the entity's management fee to the performance of the facility, meaning that the external Operator has a driver to ensure its success.
- Strong interest in managing the precinct displayed during the market sounding process by experienced recreation facility operators.

It is anticipated that the cost of the management arrangement will be offset by the commercial activities undertaken from the food and beverage facilities and the rent received from any commercial tenants of the EFOP.

The Operator will be solely responsible to manage the day-to-day operations of the facility and the precinct, and to ensure that the facility is driving traffic to the area and is performing adequately.

### Management Committee of Council

When considering responsibilities for the operations of the facility, two scenarios were considered. These included:

1. Direct responsibility and governance by the Town.
2. The Town facilitate the establishment of a Trust or similar entity such as a management committee. The Trust/Entity then has operational responsibility and governance over the facility, with the Town then having oversight of the Trust/Entity.

Subsequent legal advice provided to the Town in determining the appropriate structure was that a Committee as defined under Section 5.9(2)(c) of the *Local Government Act* 1995, would be the most suitable vehicle given the current circumstances.

### Committee Structure

It is proposed that the Committee consists of the following personnel:

- One (1) Chairperson (independent)

- One (1) Operator representative (non-voting member)
- Two (2) Town of East Fremantle employees or elected members
- One (1) member from East Fremantle Football Club (EFFC)
- One (1) member from East Fremantle Bowls Club (EFBC)
- One (1) member from East Fremantle Croquet Club (EFCC)
- One (1) member from the East Freo Playgroup Inc.
- One (1) local resident

It is proposed that the Committee will adhere to the following guidelines:

- The Chairperson is to be an independent Committee representative (like the local resident). It is anticipated that the Chairperson will have previous experience acting in the role of a Chairperson or other senior office bearer role on a board or similar management committee with responsibility for governance and management of community facilities and who and can therefore provide valuable insight into overall governance and management of the EFOP. It is recognised that a small stipend may be required to be paid to the Chairperson for his or her services (subject to facility finances).
- The professional manager (or representative of the appointed Operator) will be a nonvoting member (ex-officio capacity) and has responsibility to facilitate the operation of the Committee.

Roles and responsibilities of the Committee and its Members would include:

- **Strategic Planning:** Advising and supporting the paid professional management, clubs and recreational participants on the future direction of the redeveloped East Fremantle Oval Precinct.
- **Management of Financial Resources:** Determining the allocation of resources within their authority. Securing additional resources through commercial sponsorship opportunities or other sources.
- **Enhancing the public image:** Of the EFOP site, its facilities and its activities.

#### **Other matters - 3.59 (3)(f)**

The Town is not aware of any other matters that are relevant to the proposed transaction in relation to the requirements of section 3.59 of the *Local Government Act 1995*.

#### **Business Plan Access & Submissions**

The Business Plan is available from the Town's website [www.eastfremantle.wa.gov.au](http://www.eastfremantle.wa.gov.au). Alternatively you can request a copy by telephone (08) 9339 9339 or via email [admin@eastfremantle.wa.gov.au](mailto:admin@eastfremantle.wa.gov.au).

A hard copy of the Business Plan is available from the Town's Administration Centre at 135 Canning Highway, East Fremantle, WA, 6158.

Submissions related to this proposal are invited from members of the public. Any submissions received during the six-week advertising period will be considered by Council at a council meeting before Council makes a decision on whether to proceed with the Business Plan or not.

Any persons wishing to make a submission on matters contained in the Business Plan is to address the submission to the Chief Executive Officer, Town of East Fremantle, PO Box 1097, East Fremantle WA 6959, by the close of business on July 2023.

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## Appendix (A) – Expected Cashflow

EAST FREMANTLE OVAL PRECINCT - SUMMARY							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
<b>Revenue</b>							
Net F & B Revenue after Club Dividend	\$ -	\$ 375,430	\$ 394,202	\$ 413,912	\$ 434,607	\$ 456,338	\$ 2,074,489
Net Health Club Revenue	\$ -	\$ 534,023	\$ 1,028,253	\$ 1,070,830	\$ 1,108,592	\$ 1,150,444	\$ 4,892,142
Other Net Revenue	\$ -	\$ 207,420	\$ 217,791	\$ 228,681	\$ 240,115	\$ 252,120	
<b>Net Revenue</b>	\$ -	\$ 702,033	\$ 1,204,664	\$ 1,256,061	\$ 1,303,085	\$ 1,354,661	\$ 5,820,504
<b>Exepnses</b>							
Total Precinct Exepnses	\$ 294,000	\$ 768,706	\$ 858,167	\$ 902,264	\$ 929,332	\$ 957,212	\$ 4,709,682
<b>Profit/Loss</b>	-\$ 294,000	-\$ 66,673	\$ 346,496	\$ 353,797	\$ 373,753	\$ 397,449	\$ 1,110,822

The above Cashflow Model was provided by Belgravia in their Tender.

Year 0 relates to Pre-Opening Services and a revised budget of \$245,222 has been received.

The net profit/loss position shown excludes:

1. The sinking fund contribution of \$275,000 per year from Year 3(budgeted from year 3 as cash flow projections have assumed that there will be no cash flow surplus for sinking fund until at least year 3)
2. Contributions towards the Town's loan expenses of \$200,000 per year from Year 2
3. Distribution of any dividend of facility net profit to users

The net profit/loss position above does however include an indicative Food and Beverage payment to the East Fremantle Football Club and East Fremantle Bowling Club which is accounted for as an expense against the food and beverage business unit.

Given the above exclusions and the preferred food and beverage payment model, the following is an updated cash flow model:

EAST FREMANTLE OVAL PRECINCT - SUMMARY							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
<b>Revenue</b>							
Net Food and Beverage Revenue after Club Payment	0	450,895	473,440	497,112	521,967	548,065	2,491,479
Net Health Club Revenue	0	534,023	1,028,253	1,070,830	1,108,592	1,150,444	4,892,142
Other Net Revenue	0	-207,420	-217,791	-228,681	-240,115	-252,120	-1,146,126
<b>Net Revenue</b>	0	777,498	1,283,902	1,339,261	1,390,445	1,446,388	6,237,494
<b>Expenses</b>							
Total Precinct Expenses	245,222	768,706	858,167	902,264	929,332	957,212	4,660,904
<b>Trading Profit/(Loss)</b>	-245,222	8,792	425,734	436,997	461,113	489,176	1,576,590
Less:							
Sinking Fund Contribution				-275,000	-275,000	-275,000	-825,000
Less recovery of Pre-Opening Service Fee (Year 0)		-8,792	-236,430				-245,222
Less Town Payment (including loan repayment contribution - average of \$200k pa )			-189,304	-161,997	-186,113	-214,176	-751,590
(should town payment be less than \$200k in any given year, the town will recoup the amount in out years)							
<b>Amount Available for Distribution as a Precinct Dividend</b>		0	0	-0	-0	0	

The following key points are highlighted:

- The Year 0 deficit of \$245,222 is the Town's contribution towards pre-opening services, and this expense has been included in the Town's 2023/24 Budget and funded from general revenue.

- Taking into account contributions to the sinking fund, and the Town's loan expenses, the facility will not be yielding a surplus profit. As such, there will be no dividend of profit to stakeholders within the first five (5) years.
- The order of priority for contributions are:
  1. Sinking fund contribution of \$275,000 (budgeted from year 3 as cash flow projections have assumed that there will be no cash flow surplus for sinking fund until at least year 3)
  2. Loan repayment contribution up to \$200,000 per year from year 2
  3. Dividend payment to others

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**TOWN OF EAST FREMANTLE**  
**East Fremantle Oval Precinct Business Plan June 2023**  
**Schedule of Submissions**

No	Description /Address of affected Property	Submission	Response/Recommendations
1	82 A Allen Street Jonathon Rose	<p>I would like to thank you and all those who have been involved in not only writing this business plan, but getting the project to where it is today – a great achievement and very much appreciated.</p> <p>In terms of the leasing and other arrangements outlined between the Town of East Fremantle, the various clubs, health &amp; other facilities, and Belgravia Leisure as ‘the Operator’, I support the arrangements as stated in the business plan conditional on comments below.</p> <p>My overall comments are that this plan has dealt with many functional issues with an aim to ensure proper management of the facilities, grounds and purposes of the precinct, as well as attempting to deliver minimal or cost neutral or cost positive benefit for the Town of East Fremantle. I acknowledge the need for the Town to pay The Operator a ‘Pre-Opening Service Fee as well as the Monthly Mobilisation Fee for its 3 months after the opening of the Precinct &amp; facilities.</p> <p>I don’t have enough accounting knowledge, nor the actual cost/revenue in practice to make an informed comment on how the finances and operation of the precinct will work over time (although, while I may be mistaken, the financial projection appears to indicate it looks like it will cost the Town approx. \$1.8 million over the first five years (including the sinking fund).</p> <p><b>Issues for Consideration</b></p> <p><b>a) Differences between the Business Plan outlined in 2021, May 2022 Design Update and this latest Business Plan</b></p> <p>Understandably, there are several differences between the business plan outlined in 2021, as well as possibly the May 2022 Design Update. This includes financial differences as well as some possible design and landscape differences.</p>	<p>Emailed acknowledgement 7/8/23 IEM120040 / OEM59519</p> <p>The support for the Business Plan is acknowledged.</p> <p>Addressing the issues for consideration:</p> <p>The 2021 Plan was a very high level document based on a concept plan and included a design intent as follows:</p>

		<p>It would help if there was a summary of these difference along with a brief rationale for the each of these changes. This is important, particularly for those involved in the initial Re-development community consultations in 2018, for myself and others in those consultations to better understand the what and why of these changes. This could be included, possibly as a table, in an appendix.</p>	<div data-bbox="1294 303 1592 751"></div> <p>Construction costs in 2021 were estimated at \$25 million.</p> <p>Based on the 2023 plan, the intent between the concept above and the delivered proposal are similar. Whilst there have been reductions to the proposed facility primarily the inclusion of the play group into the facility, a reduction in commercial space and a multi-purpose hall, mens shed/ community garden. These were amended because of significant cost escalations. The primary deliverables of an integrated community facility is still provided and includes: Nature Playground, skate zone, basketball zone, dog park, refurbished playgroup, new bowls, croquet and football facilities, and a gym/ wellness centre facilities.</p> <p>It should be noted that because of significant cost escalations due to a heated building industry and a high inflationary market the design and the deliverables had to be carefully managed. An instance of this is the</p>
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			<p>community garden. Whilst this will not be delivered as part of this development, it is still a concept the Town is hoping to deliver and the Town is continuing discussions with relevant stakeholders relating to this.</p> <p>The Town will also continue to further landscape the area on a long term period as part of the Town's commitment to increasing the Town's urban forest canopy.</p>
		<p><b>b) Landscaping</b> While this business plan necessarily has aimed to deal with the operation and financial matters concerning the sporting clubs, facilities and the Operator, apart from saying the Operator is responsible for maintenance, it doesn't clearly articulate what is happening with landscaping. My understanding is some project areas needed to be cut back due to budgetary constraints regarding building costs (earthworks?). It has been rumoured that substantial cuts have been made to landscaping. Landscaping is a core element and expense of this project. Some landscaping detail was provided the May 2022 design update. As a major component of this project I would appreciate more detail, including for example some sort of plan regarding the landscaping, inclusion for example of the number of trees and shrubs to be planted, as well as other features of the landscaping. While the business plan specifies the Operator will be responsible for maintenance of the landscaping, it would be useful if there was some sort of guide or indication of what this might entail.</p>	<p>It is true that the projects landscaping was reduced to manage over project cost escalations, however as detailed above this landscaping delivery will be a long term strategy to deliver on the Town's commitment to increasing the Town's urban forest canopy. The Town purchased 30 trees in the previous growing season to allow to developed growth, these will be planted shortly in additional the landscaping plans for approximately 11,000 plants, shrubs, grasses and bushes, with an additional 162 trees, with the majority being over 100Litre trees planted in the Precinct. The planting within the Precinct will be an ongoing project that the Town will continue to deliver.</p>
		<p><b>c) Community Shed (formerly known as Men's Shed)</b> I thought we were going to have a 'Community Shed' but this seems to have vanished. I would like to see this at least as an ongoing possibility.</p>	<p>This item appeared on the original masterplan as a future development option if and when the Town was to consider relocation of its Depot.</p> <p>The Town is continuing to work with Stakeholders in the delivery of additional community services and infrastructure such as the community garden. This will be delivered outside the current project scope.</p>
		<p><b>d) Zip Line</b></p>	<p>There was never a design intent to include a zipline as part of this stage of the project, however the nature</p>



		 <p>The picture of this zip line was presented at one of the 2018 community consultations by a local 8-year-old boy. He also suggested a water slide with a pond and a cubby building area. The natural slope from Allen Street (possibly at the Northern End) would make an ideal area for a zip line, possibly similar to the very successful one at McFaul Park in Spearwood.</p>	<p>playground is currently being constructed with an illustration of one of the pieces identified below</p>  <p>The Town will continue to look at opportunities within the Precinct for continued improvements, including the use of a zipline on Allen Street.</p>
		<p><b>e) Outdoor fitness equipment</b> While I understand the Precinct intends to host Health Club facilities, not everyone wants or can afford to join a health club. In a precinct of this size, and due to the average age of the occupants of East Fremantle, as well as the fitness and wellbeing of residents, I feel it appropriate to include free, outdoor fitness equipment as in many other parks. Rather than competing with the health club, it may motivate people to take the next step.</p>	<p>There was never a design intent to include outdoor fitness equipment, however as noted above the Town will continue to look at opportunities within the Precinct for continued improvements.</p>
		<p><b>g) Skate Park usage</b> Will the skate park as well as other areas of the park have lighting and will there be any limitation of time-of-day use of the skate park?</p>	<p>Yes the skate park/ basketball zone will include lighting. There will be no limitations for the use of the skate zone and basketball zone, however it is noted the surrounding areas are residential zones, so impacts to amenity will be required to be monitored</p>
2	72 Allen Suzanne O'Neill	<p>I am responding to the online business plan for the East Fremantle Oval Precinct. I had difficulty locating a comment link for the plan so I have concerns other residents may have also had difficulty and therefore not</p>	<p>Submission acknowledged 7/8/23 IEM120104 / OEM59519</p>



		<p>submitted responses.</p> <p>I am concerned about what appears to be the over commercialisation of the precinct. I can't recall a large commercial presence being a request from the community consultation process.</p> <p>My concerns are as follow</p>	
		<p>: the business plan should not restrict community access to the precinct and in particular the dog exercise area, skate park and basketball court.</p>	<p>Agreed. The project attempts to remove all fencing with the exception of the playing field and dog exercise area, however access to these areas will remain open. Whilst it is proposed that at limited times the area surrounding the oval may be restricted, these have not been agreed and it is proposed even on these days, access to the dog park and skate zone will be maintained</p>
		<p>: in regard to commercial activities proposed in the plan there appears to be no limit regarding type of activity, size of activity ie crowd size, start and finish times, noise levels and other imposts. I believe these should be stipulated from the outset not left where revenue may become the dominant factor.</p>	<p>The Business Plan does not dictate day to day operations of the Precinct. Such matters as event approvals, opening times, sizes of the activities are all subject to Council approval and consultation. Amenity impacts such as noise, odour etc are regulated by various legislations and will be stipulated by administration where required.</p>
		<p>: it appears very few residents are aware of the business plan and their expectations are largely in line with the guiding points of the extensive community consultations and are unaware of omissions and additions that have been made since.</p>	<p>The East Fremantle Oval Precinct Facility Operator plan was advertised for a six (6) week period between June and August 2023. The Town had the Plan advertised on its home page for those six weeks, newspaper adverts were run every week alternating between the Fremantle Herald and Perth Now and the Town provided social media posts about the Plan. The Town has provided regular e-news reports, hard copy publications and social media information to ensure the community are informed however it is agreed there may have been better opportunities to provide extensive community engagement regarding modifications to the project. It is noted however the Town is delivering, whilst in some areas in a reduced scope, the services and community infrastructure committed to upon commencement of the project.</p>
		<p>: it appears very few residents are aware of the business plan and their expectations are largely in line with the guiding points of the extensive</p>	<p>The East Fremantle Oval Precinct Facility Operator plan was advertised for a six (6) week period between June</p>

		community consultations and are unaware of omissions and additions that have been made since.	and August 2023. The Town had the Plan advertised on its home page for those six weeks, newspaper adverts were run every week alternating between the Fremantle Herald and Perth Now and the Town provided social media posts about the Plan. The Town has provided regular e-news reports, hard copy publications and social media information to ensure the community are informed however it is agreed there may have been better opportunities to provide extensive community engagement regarding modifications to the project. It is noted however the Town is delivering, whilst in some areas in a reduced scope, the services and community infrastructure committed to upon commencement of the project.
		: people have expected a large organic and well planned dog exercise area which appears to be smaller than expected which could lead to problematic behaviour due to confined space.	The dog exercise area is still being planned. Council removed this from the project deliverable scope. Council considered the original concepts of the dog exercise area unsuitable at 1000sqm. The dog park is now being delivered by the Town's administration, guided by Council. The dog park is proposed to be significantly increased in size to in excess of 4000sqm.
		The business plan does not appear to be under the Community Consultation Plan. Given this development is the largest one undertaken by the town I believe it is essential that the town ensures proactive engagement with the community at all stages throughout.	
3	Marshall Taylor	Thanks for the opportunity to voice my opinion on the East Fremantle football precinct redevelopment plan.	No Address provided IEM118907 /OEM59525 Submission acknowledged 7/8/23
		To be honest I can't believe someone could design such a plan which has many flaws. I can't believe that they are designing a Skate Park and a car park at the end of the ground where footballs are kicked at the goals. How many cars will be damaged and potential risk of injury to children playing in the skate park	
		Now let's talk Television facilities. A camera deck barely wide enough for one camera to operate from with protection from the weather is unacceptable. All WAFL games have 2	The venue is anticipated to host two or three WAFL games per year that would be broadcast on Free to Air TV. The facility has been designed as a community facility

		<p>cameras on the main deck on all broadcasts.</p> <p>It is Important to have these undercover, if it rains your main camera coverage is affected if the lenses have rain on them, you can't see the game.</p> <p>Seriously, it's 2023 and you are not future proofing your venue, I would not be surprised if broadcasters refuse to broadcast from the venue.</p> <p>Such a shame that TV broadcasts are not considered to showcase a new venue.</p> <p>What about TV cable ductwork? to avoid patrons tripping over loose cables.</p> <p>I hear your answer is hiring a scaffold with no protection from the weather, no WAFL games have a budget for this, I won't be surprised if Service providers refuse to operate from this venue.</p> <p>By the way, I do work in the media. This should make a very Interesting Story for the media and public to hear about.</p>	<p>and the requirements to host WAFL have been balanced against community needs.</p> <p>The move of WAFL and WAFLW to livestreaming games has been catered for within the design. Broadcast for free-to-air will be managed by event overlay with the associated costs being operational costs rather than a capital cost that will have minimal usage and provide minimal benefit to the community.</p>
4	51 Moss Street Mike and Wendy Rosenstreich	<p>Thank you for the opportunity to review the East Fremantle Oval business plan and make submissions ahead of the Council's consideration of this plan.</p> <p>The plan and the inherent assumptions appears well supported by a credible operator in Belgravia which addresses many of the typical business risks for what is essentially a 'start-up' venture.</p> <p>On the basis of the business risks as underscored by the cash flow estimates provided, I would like to make two submissions. The first relates to the estimated cash flows and potential impact on rate payers and the second on 'other activities' the Operator may pursue at the oval facilities which could impact the local community:</p> <p>1. Delay the payment of F&amp;B Dividend: The document states that no dividends are paid out ahead of the Sinking Fund and Loan repayments. However, that is not the case because there is a 'dividend' being paid to the sporting clubs from the Food &amp; Beverage</p>	<p>IEM120129 / OEM59528 Submission acknowledged 7/8/23</p> <p>Your comments are noted.</p> <p>No agreement has been reached regarding the payment of any financial dividend or otherwise to the clubs. It is</p>

		<p>revenues. Given that the majority of the football club members live outside of the Town of East Fremantle (TEF) (not sure about the Bowls or Croquet club) I submit that no F&amp;B dividends are paid to the until say two or three years has passed, and a track-record established for the cash flows. These F&amp;B Dividend funds (if any) could be directed to reduce the rates impost on TEF ratepayers by reducing the operating deficit forecast in the cashflow estimates, especially in the first few years – or accelerating debt repayment.</p> <p>The sporting clubs have effectively contributed nothing to the building costs and have no risk to the ongoing costs. On that basis, it seems reasonable that their cash receipts are sub-ordinated, for at least the early years whilst the ‘operation’ gets itself established.</p> <p>Alternatively – subordinated until each member group has contributed a certain amount pro-rata to the size of the membership group.</p> <p>2. Increased Community Representation As proposed in the Business Plan, the Representative Committee would comprise nine members (one non-voting). The committee composition is dominated by the sporting groups.</p> <p>However, the redevelopment was presented as a ‘sports ground or club(s)’ on a community facility. Many local residents whilst supportive of the new facility are also concerned about the impacts on their general amenity e.g., traffic and noise. I don’t consider that one voice in nine is fair representation of those concerns, particularly if the Operator is motivated to push for more ‘impactful’ activities to boost revenue.</p> <p>Therefore, I submit that the community representation should increase to two members.</p>	<p>agreed that the sporting clubs have effectively contributed a very limited amount to the building costs and have no risk to the ongoing costs. The town continues discussions with the clubs.</p> <p>However, it must be noted that the clubs should be incentivised to utilise the facility, therefore any dividend would be based solely on each individual clubs ability to push revenue through the facility as a percentage of that clubs income (eg members purchases).</p> <p>Your comments are noted.</p> <p>No agreement has been reached regarding the membership of the Representative Committee. The Town is acutely aware of the potential for bias on the committee and will continue to work with Stakeholders regarding the final representation.</p> <p>In response to your comment <i>the Operator is motivated to push for more ‘impactful’ activities to boost revenue</i>, the revenue for the facility will be set each year by Council and such matters as event approvals, opening times, sizes of the activities are all subject to Council approval and consultation in the future.</p>
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8 MATTERS BEHIND CLOSED DOORS

9 CLOSURE