

LOT 814 / 815 MILLARS ROAD, JARRAHDAL BUSINESS CASE

Prepared for the Shire of Serpentine Jarrahdale
October 2022



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This project was supported by funding from the Shire of Serpentine Jarrahdale and the State Government.

EXECUTIVE SUMMARY

Shire landholdings in Jarrahdale have been identified as an opportunity for a multi-use tourism accommodation destination which leverages popular trails tourism and timber milling heritage.

Lot 814 and 815 Millars Road (the subject site) are two adjacent, undeveloped freehold lots located on the edge of the Jarrahdale townsite. The site retains several historical structures and worker cottages and is currently used as an RV stopover area.

There is a strong opportunity for the subject site to help to accommodate the current and growing need for different land uses. In particular, the site was demonstrated to have the following advantages:

- Reasonable exposure and access;
- Dual frontage and scale which supports land use configuration flexibility;
- Existing heritage assets on the site;
- Proximity to trails; and
- A degree of land use flexibility under the draft Local Planning Scheme.

There are nonetheless a number of environmental and servicing challenges. The most significant challenge is the lack of deep sewer and implications for onsite disposal and treatment. Furthermore, significant site excavation works could be challenging given hard laterite ground conditions.

Additionally, the existing vegetation reduces the development footprint for the site significantly and requires increased levels of bushfire protection measures than suburban areas.

Whilst these challenges can be managed through the design process, they have informed the assessment of land use options alongside the following market and regional context considerations.

- There are limited development sites within Jarrahdale, with the subject sites representing the only undeveloped sites of scale within the townsite. As such, the Jarrahdale townsite has limited opportunities to increase permanent and short stay accommodation options.
- The local residential population is approximately 4,850 residents which limits the viability of a range of additional convenience retail and population services within the subject site.
- Serpentine-Jarrahdale is a growing tourism destination, with overnight visitation increasing to record highs in 2021 of 863,000 nights and day trips relatively stable at 631,000 trips. Private accommodation is however the main accommodation type in the study area which highlights the lack of formal, diverse accommodation options in the region.
- Jarrahdale has a high self drive visitor segment attracted to the variety of trails to suit all kinds of hikers and travellers. This includes mountain bike trails, short walking trails, and longer trails surrounded by the local flora and fauna of the area.
- Property values are relatively affordable in Jarrahdale, with land values averaging \$182,500 for a median lot size of 1,065 square metres.

There is apparent community support to activate this unique land holdings and there are limited opportunities to develop permanent and short stay

accommodation options to meet current and future demand within Jarrahdale. Additionally, as a growing trails destination, there is a need to expand tourism services within Jarrahdale to support future visitation growth. As such, this business case assessed four key land use opportunities based on consideration of subject site suitability, market competition and market viability – residential subdivision, food and beverage retail, short stay accommodation and trails centre / tourism services.

This business case considered the status quo versus six development options incorporating alternative land use configurations and development approaches. The six options were assessed against assessment criteria to determine which option best achieves the objectives of this project based on: review of strategies and policies; existing research of relevance; site assessment (with technical engineering advice); engagement with Shire staff and executive; high level feasibility analysis; and targeted research and external engagement.

A development mix consisting of short stay accommodation and integrated trails centre and food retail is considered the most viable and optimal outcome for this landholding; leveraging the growing trails tourism opportunity and natural and built features of the site.

Whilst there are a number of development models to support this outcome, it is recommended that:

- The Shire develop the combined trails centre / F&B, with external operator sought for F&B through EOI / RFP process; and
- Once the precinct is established (e.g. within 4-5 years), ground lease the short stay site to a proponent through EOI / RFP process.

EXECUTIVE SUMMARY (CONT.)

The recommended development mix and approach is considered the most optimal outcome due to the following.

- This approach increases the viability and development opportunity for short stay accommodation given the enabling works and trails centre (as well as other trails projects in the area and proposed activation of mill site) help activate the area and give it a more prominent visitor profile.
- This option is expected to deliver superior economic and social development outcomes due to the deliver of tourism amenities and services and creation of a tourism asset for the region.
- This option has strong linkages with the strategic aspirations for Jarrahdale and protection and enhancement of the natural and built heritage of the area.
- This approach has relatively low risk and funding requirements.
- This option aligns with recommendations of the Jarrahdale Trail Town Business Case and Implementation Plan.

The residential subdivision scenario was not considered a favourable option given the significant uncertainties regarding the viability (a significant subsidy was estimated as a requirement to support this outcome) and site attributes considerations (e.g. lack of sewer, need to underground powerlines, bushfire and environmental constraints). This scenario would also support reduced broader economic and tourism outcomes.

The sale of part of the site would trigger the need for powerlines being undergrounded and would provide

limited control on the outcomes for site (except through planning controls). Additionally, the future value through the investment of the trails centre and enabling works may not be appropriately captured. As such, this option is not recommended.

A land use concept was developed to help illustrate a potential development outcome for the recommended development option. This concept was developed to help understand potential yield, mix and layout and should not be viewed as the preferred nor fixed development outcome. Detailed design processes for both the trails centre and short stay development opportunities will be undertaken in the future.

This concept illustrates that the site could accommodate a mixture of chalets, powered caravan bays and camp sites alongside an integrated trails centre and food retail development and public amenities such as parking, picnic areas and playground facilities. A development cost of approximately \$16 million was estimated, including \$770,000 for enabling works (road upgrades and service extensions), \$4.5 million for the integrated trails centre / food retail / public amenities and a \$10.8 million short stay accommodation development.

Overall, the recommended land use option is expected to:

- **Support a competitive and sustainable visitor destination** with a range of tourism amenities, attractions, experiences day and night;
- **Celebrate the natural attributes and heritage of the subject site** to ensure the preservation, integration and promotion of local environment, culture and history;

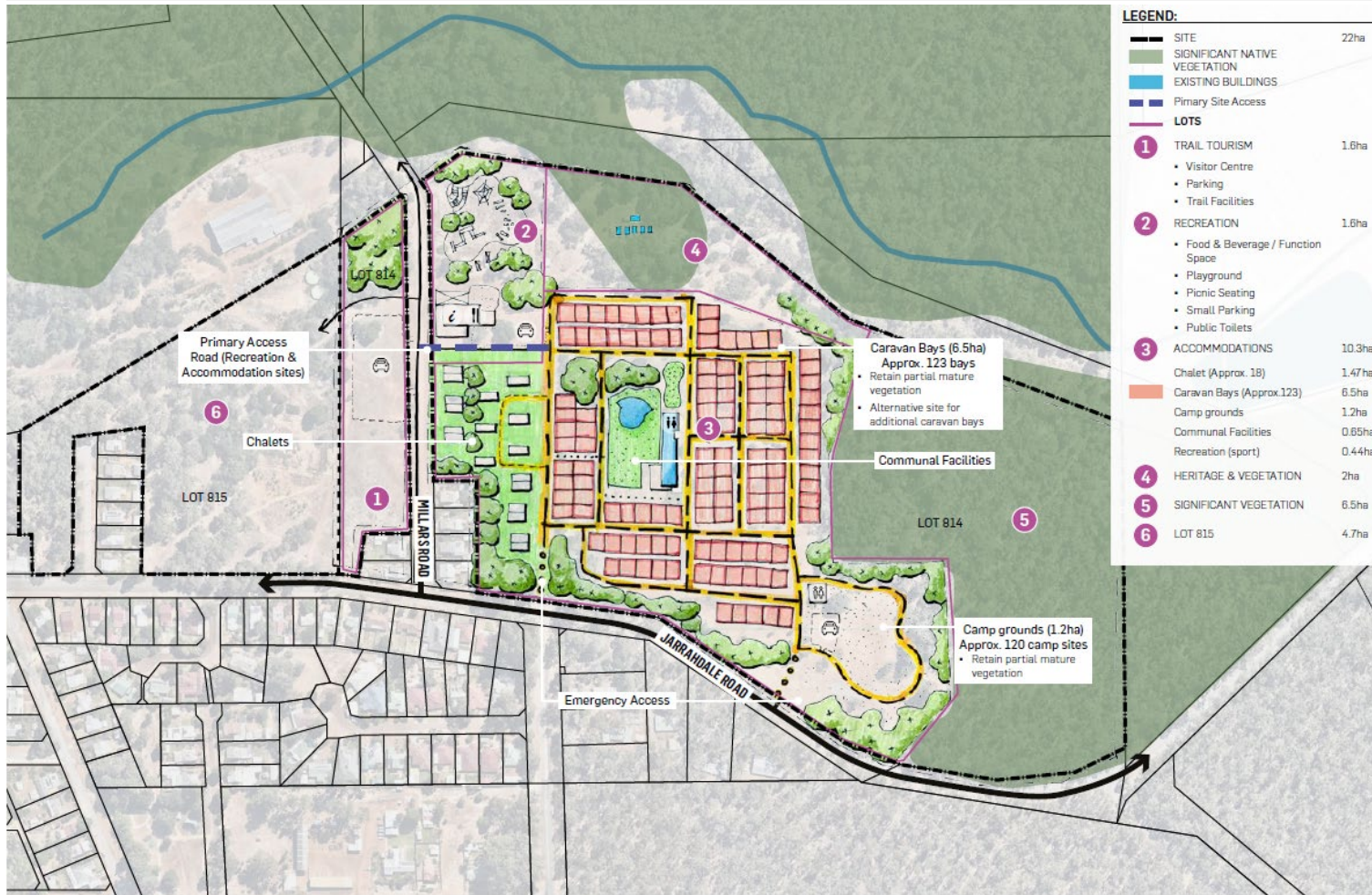
- **Promote Jarrahdale's unique sense of place and community** with clear flow-on benefits from the subject site's activation;
- **Support the economic development of the Shire** through catalyst investment in the subject site (with an estimated ongoing employment impact of 108 jobs and flow on impacts to local businesses); and
- **Optimise property assets** to support financial sustainability and deliver social, environmental and economic outcomes.

To deliver these benefits, this business case includes the following recommended next steps.

1. Undertake engagement with key stakeholders such as potential funding partners.
2. Undertake concept design and approval tasks for trails centre and enabling works.
3. Explore interim activation of short stay accommodation site (in addition to existing RV stopover).
4. Implement soft marketing of short stay accommodation site within prospectus material and through liaison with TourismWA.
5. Develop grant application/s to support co-funding of enabling works and trails centre.
6. Commit required funding to deliver enabling works and trails centre.
7. Following operation of trails centre, undertake EOI for short stay development opportunity.

EXECUTIVE SUMMARY (CONT.)

Concept Illustration for Recommended Development Option



Example built form outcomes (Dwellingup, Gilgara Retreat, Lilydale Pine Hill Caravan Park)

INTRODUCTION

BUSINESS CASE PURPOSE

Whilst the development of Lots 814 and 815 Millars Road, Jarrahdale (the subject site) is intended to create long term benefits, a business case was required to interrogate the opportunities, the feasibility of alternative development scenarios, the ability to attract private sector investment, optimal development models, servicing and budget implications and implementation strategies.

As such, Urbis was engaged to prepare a business case to guide decision making for the future of the subject site.

This business case was undertaken by a team of property economists, strategic advisors, town planners, urban designers and engineers and included targeted engagement with key stakeholders.

This business case sought to:

- Understand the opportunity and need for tourism amenities;
- Demonstrate the ability to attract private investment;
- Highlight budget implications and strategic and stakeholder considerations;
- Provide the optimal scale, timing and delivery model for the project; and
- Support the activation and development of Lots 814 and 815 Millars Road Jarrahdale.

BUSINESS CASE STRUCTURE

This business case includes the following sections.

- **Project Background and Purpose:** Description of the project and its objectives.
- **Site and Market Considerations:** Identification of the opportunities and constraints of the subject site and broader regional context and market drivers.
- **Options Assessment:** Comparative analysis of development options and identification of preferred option.
- **Budget and Funding Strategy:** Identification of funding options to support the delivery of the preferred option.
- **Economic Evaluation:** Analysis of the economic and social benefits of the preferred option.
- **Implementation Plans:** Identification of implementation strategies and actions to deliver the project.

Additional analysis which informed this business case is appended to this document.

01

PROJECT BACKGROUND AND PURPOSE

PROJECT BACKGROUND AND PURPOSE | BACKGROUND AND HISTORY

Overview

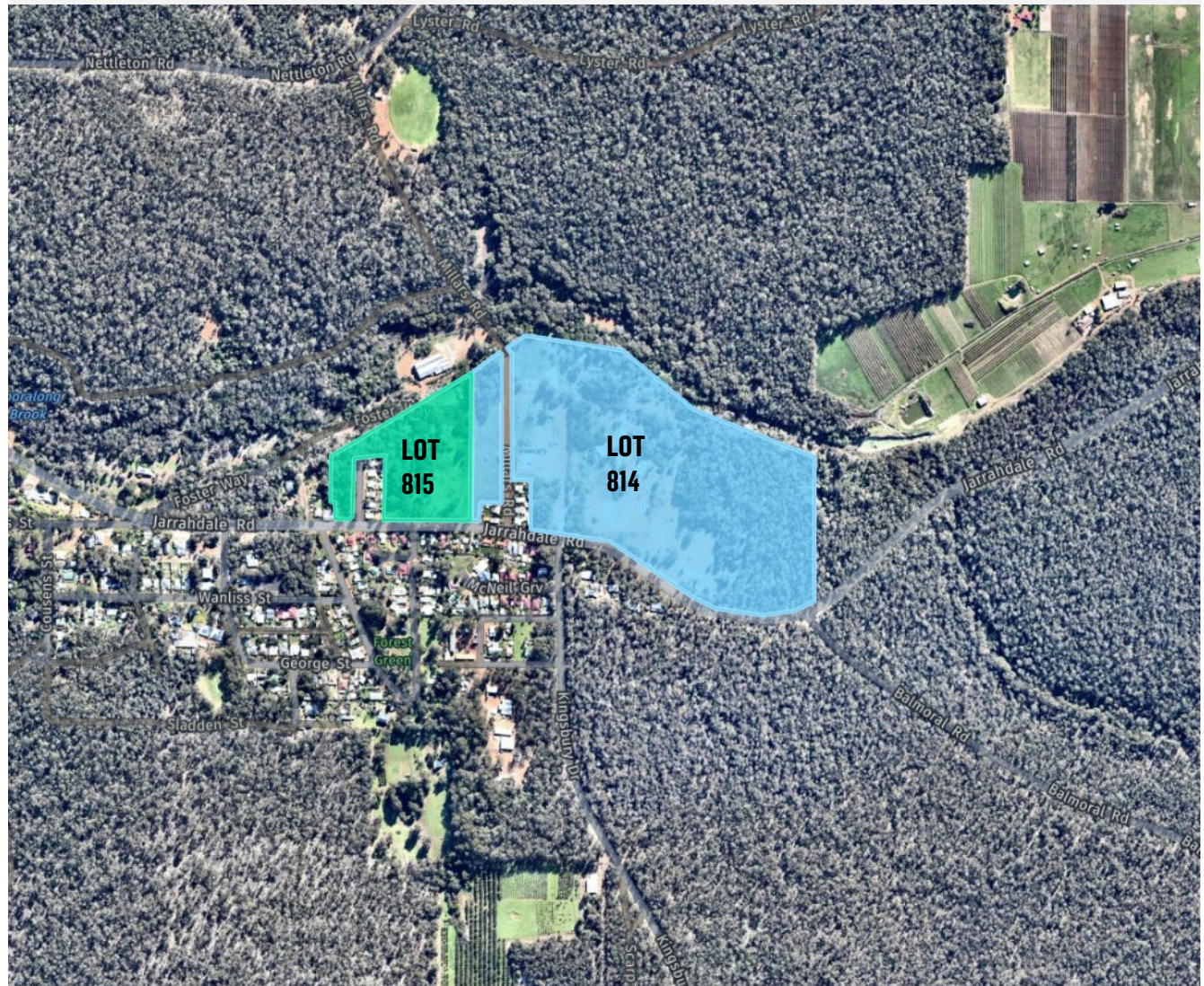
The subject site (~27 ha), Lot 814 and Lot 815 Millars Road, is located adjacent to the Jarrahdale townsite.

Historically, the subject site was used as a timber mill from the 1880's and was subsequently purchased by the Shire of Serpentine Jarrahdale in 2000.

The subject site is currently owned in freehold and is used as a RV stopover area with a chemical toilet drop and freshwater standpipe facilities. The subject site still retains several production buildings and worker cottages left over from its previous uses. The existing buildings are in needs of repair and maintenance to restore them to its original state.

There have been previous attempts to transform the site for multi-use tourism and accommodation purposes as to benefit the local economy and tourism sector (an expression of interest in 2018 identified a preferred proponent however the Shire did not execute a draft Heads of Agreement). Although this transformation has potential to be highly beneficial to the Jarrahdale community, previous attempts have failed.

Subject Site Location



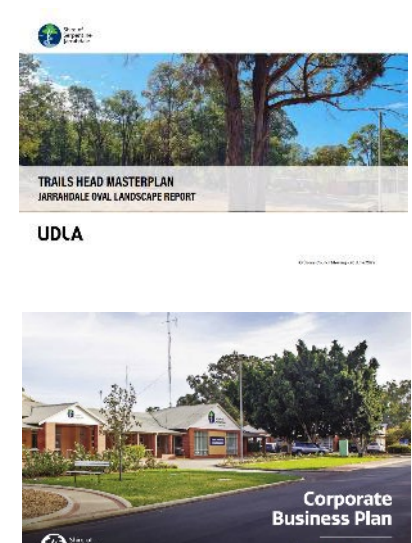
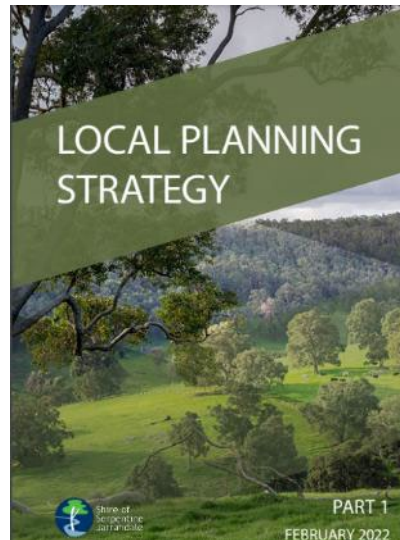
PROJECT BACKGROUND & PURPOSE | POLICY AND STRATEGIC CONSIDERATIONS

Relevant Policy and Strategy Considerations

Representing a major long term strategic investment, the decision on the land use and delivery options will have long term social, community and economic impacts, benefits and opportunity costs.

Informing the preferred option are the aims of the following key policies.

- Strategic Community Plan (2017 – 2027)
- Equine Trails Master Plan (2022)
- Local Planning Strategy (2022)
- Trails Head Master Plan (2022)
- Tourism Strategy (2018 – 2023)
- Economic Development Strategy (2018 – 2023)
- Corporate Business Plan (2022 – 2026)
- SJ 2050 (2016)



PROJECT BACKGROUND AND PURPOSE | POLICY AND STRATEGIC CONSIDERATIONS (CONT.)

Jarrahdale Trail Town Business Case and Implementation Plan

The Jarrahdale Trail Town Business Case and Implementation Plan (Draft) established the need for a trails centre at the subject site.

A trails centre can provide visitor services such as:

- Equipment hire;
- Food and beverage;
- Retail spaces for local products;
- Relevant accommodation;
- Visitor-related and trail information;
- Secure parking;
- Visitor amenities such as toilets and showers; and
- Shade, picnic tables and bike racks.

The subject site was considered an optimal candidate to house the proposed Jarrahdale trails centre due to its central location near the townsite and proximity to trails in the area. Moreover, a trails centre is a requirement for Trail Town accreditation.

Of key relevance to this business case are the following recommendations from the Trail Town Business Case and Implementation Plan.

Recommendation 3.2

Develop a master plan including costings for the establishment of the Jarrahdale Trail Centre at Lot 814, Jarrahdale. This Trail Centre should comprise of accommodation in the form of caravanning and camping, a café that also provides visitor information particularly focusing on trails and associated services, retail services, equipment hire, public ablutions and amenities including showers, hireable lockers, parking including for horse floats

and trails, secure bike storage, shelter, wash bays for bikes and horses, rest areas and maintenance services/tools. This Trail Centre should also integrate a trails head for the trails that start/finish in Jarrahdale.

Recommendation 12.3

Incorporate a BMX/pump track and mountain biking skills park within the design for the proposed Trail Centre in Jarrahdale (Lot 814) to educate and develop the skills of mountain bike riders and provide for recreational activities.

Recommendation 16.4

Encourage pop-up locations for mobile vendors e.g. food trucks at key sites such as Jarrahdale Oval and the proposed Trail Centre at Lot 814 and potentially the upgraded parking area at the Kitty's Gorge Trail Head.

Recommendation 19.1

Include the provision of a RV Park that provides horse float parking, stables and water troughs as a component of the planning for the Trail Centre proposal at Lot 814.

Recommendation 19.4

Include budget accommodation options (bunk house, camp sites) as a component of the planning for the trail centre proposed at Lot 814.



PROJECT BACKGROUND AND PURPOSE | POLICY AND STRATEGIC CONSIDERATIONS (CONT.)

DevelopmentWA RDAP Application

In recognition that part of the subject site may be able to be developed into a residential subdivision, the Shire officers met with DevelopmentWA to explore funding possibilities to undertake residential and tourism development on the subject site. DevelopmentWA advised that an application should be submitted to the Regional Development Assistance Program (RDAP).

Representatives advised that if the Shire partnered with DevelopmentWA to develop the site via the application process, it should enter the process appreciating that it is unlikely to receive a financial return from the development of the site.

The Shire officers noted that there are some benefits of partnering with DevelopmentWA (should the application be successful) to develop this site, such as:

- DevelopmentWA's successful track record and strong branding / presence in the development sector could contribute significantly in creating long term economic and community benefits to the Jarrahdale site and surrounding Shire area;
- This approach could reduce the financial risk and burden on the Shire's already limited resources;
- DevelopmentWA have experience in developing complex sites such as this location;
- Given the challenges of services in Jarrahdale it is more likely that Development WA could assist in advocating for State Government investment in the upgrade of services benefiting not only this site but potentially the town;
- DevelopmentWA's involvement and interest in the site may assist in attracting funding for other Jarrahdale Trails Town initiatives.

Given above, the Shire are considering submitting an application for RDAP to formally determine DevelopmentWA's interest in partnering with the Shire to develop the site.

This business case is considered complementary to above as it enables a more holistic comparison of land use options and the best approach to be followed.



Application form

Regional Development Assistance Program

Supporting Regional Communities



Shaping our State's future

DevelopmentWA

PROJECT BACKGROUND AND PURPOSE | PROJECT PURPOSE

Overview






There is apparent community support to activate this unique land holdings and there are limited opportunities to develop permanent and short stay accommodation options to meet current and future demand within Jarrahdale. Additionally, as a growing trails destination, there is a need to expand tourism services within Jarrahdale to support future visitation growth.

As such, this project aims to achieve the following key objectives:

- **Support a competitive and sustainable visitor destination** with a range of tourism amenities, attractions, experiences day and night;
- **Celebrate the natural attributes and heritage of the subject site** to ensure the preservation, integration and promotion of local environment, culture and history;
- **Promote Jarrahdale's unique sense of place and community** with clear flow-on benefits from the subject site's activation;
- **Support the economic development of the Shire** through catalyst investment in the subject site; and
- **Optimise property assets** to support financial sustainability and deliver social, environmental and economic outcomes.

These objectives guided the identification of preferred option.

Business Case Objectives

	OBJECTIVE	DESCRIPTION
	Competitive and Sustainable Visitor Destination	Create a sustainable visitor economy within Jarrahdale and surrounds by delivering services and amenities that support visitation growth and expenditure, including day and night visitation, non-peak and weekday visitation.
	Natural Environment and Heritage	Contribute to the promotion, enhancement and conservation of the natural landscape and heritage within the subject site (such as the men's quarters) to capitalise on the unique experiences it affords and the cultural identity of Jarrahdale.
	Jarrahdale Community	Ensure the activation of the subject site provides positive flow-on benefits to the Jarrahdale community through improved connectivity, public spaces and amenities and increased opportunities to live, work and / or play.
	Economic Development	Support an innovative, commercially diverse and prosperous economy across the Shire with increased opportunities for new businesses, employment and quality investment.
	Property Asset Optimisation	Support land use and development opportunities within the subject site that support financial sustainability and deliver social, environmental and economic outcomes aligned with strategy and policy objectives, aspirations and priorities.

02

SITE AND MARKET CONSIDERATIONS



SITE AND MARKET CONSIDERATIONS | SITE ATTRIBUTES SUMMARY

Site Overview

The subject site was historically used for timber milling and storage and contains dilapidated workers' cottages that are connected to mains electricity and water; dilapidated milling storage sheds and associated infrastructure including concrete footings and machinery.

The western part of the site is currently used as a Recreation Vehicle (RV) stopover and contains a chemical toilet drop off point and freshwater standpipe which is connected to mains potable water supply.

Electricity power lines and street lighting are situated along Millars Road and within the RV area.

Approximately 7ha of remnant mature vegetation occurs on the eastern site boundary. There is also significant vegetation throughout Lot 815.

In 2019, the Shire commissioned a preliminary site investigation for Lot 814 by Cardno (see appendix). Edgeloe Engineering additionally provided advice throughout the development of this business case.

Separately, the Shire sought preliminary advice from DFES which highlighted the extreme bushfire hazards in Jarrahdale and that a Bushfire Hazard Level (BHL) Assessment should be undertaken and a Bushfire Management Plan prepared.

Advice was additionally sought from DPLH regarding the status of the site and the Native title/ILUA matters. The response from DPLH confirmed that there are not obligations and the site is not under consideration as part of the Noongar land estate

Site Attributes Summary

ATTRIBUTE	DESCRIPTION
Planning Policies	<ul style="list-style-type: none"> ▪ The majority of site is zoned Urban within Metropolitan Region Scheme. The easternmost extent of the site is zoned Rural and identified within a Water Catchment reservation. The Water Catchment reservations protect high quality public water supply and have strict controls on land use to avoid pollution of the water resource. ▪ The portion of the site located on the eastern side of Millars Road is zoned 'Special Use – Historic Precinct'. <ul style="list-style-type: none"> ➢ Permitted uses currently include single house, car park, civic building and recreation-public. ➢ Other relevant uses that may be approved at the discretion of Council include the following: Industry-cottage, exhibition centre, bed and breakfast, aged and dependent persons dwellings and holiday accommodation. ➢ Relevant uses requiring advertising include market, office, restaurant, shop, interpretative/tourist centre, educational establishment, private recreation, saw mill, industry – light and industry – service. ▪ The portion of the site located west of Millars Road is zoned 'Special Use – Historic Precinct' and also identified within an 'Area of Historical Interest'. <ul style="list-style-type: none"> ➢ Uses that may be approved at the discretion of Council include: car park, civic building, cottage industry, market, office, public recreation, residential, restaurant, shop, studio, museum and interpretative/tourist centre. ▪ Draft Local Planning Scheme No. 3 Seek to rezone the entirety of the site 'Special Use – Jarrahdale Heritage Precinct' <ul style="list-style-type: none"> ➢ Relevant uses that may be approved at the discretion of Council include the following: art gallery, civic use, community purpose, convenience store, educational establishment, shop and single house. ➢ Uses requiring advertising include: aged care facility, bed and breakfast, brewery, child care premises, cinema/theatre, holiday accommodation, holiday house, market, motel, reception centre, recreation – private, restaurant/café, road house, small bar, tavern, telecommunications infrastructure and tourist development.
Current Site Use	<ul style="list-style-type: none"> ▪ Recreation Vehicle (RV) Stopover ▪ Vacant
Heritage Listings On-site	<ul style="list-style-type: none"> ▪ Jarrahdale Townsite & Heritage Park – Place No. 08488 ▪ Jarrahdale Heritage Park – Place No. 17287

Source: Urbis

Ordinary Council Meeting - 17 June 2024

SITE AND MARKET CONSIDERATIONS | SITE ASSESSMENT SUMMARY

Key Findings

There is a strong opportunity for the subject site to help to accommodate the current and growing need for different land uses. In particular, the site was demonstrated to have the following advantages:

- Reasonable exposure and access;
- Dual frontage and scale which supports land use configuration flexibility;
- Existing heritage assets on the site;
- Proximity to trails; and
- A degree of land use flexibility under the draft Local Planning Scheme.

There are nonetheless a number of environmental and servicing challenges. The most significant challenge is the lack of deep sewer and implications for onsite disposal and treatment. Furthermore, significant site excavation works could be challenging given hard laterite ground conditions.

Additionally, the existing vegetation reduces the development footprint for the site and requires increased levels of bushfire protection measures than suburban areas.

Whilst these challenges can be managed through the design process, they have informed the assessment of land use options.

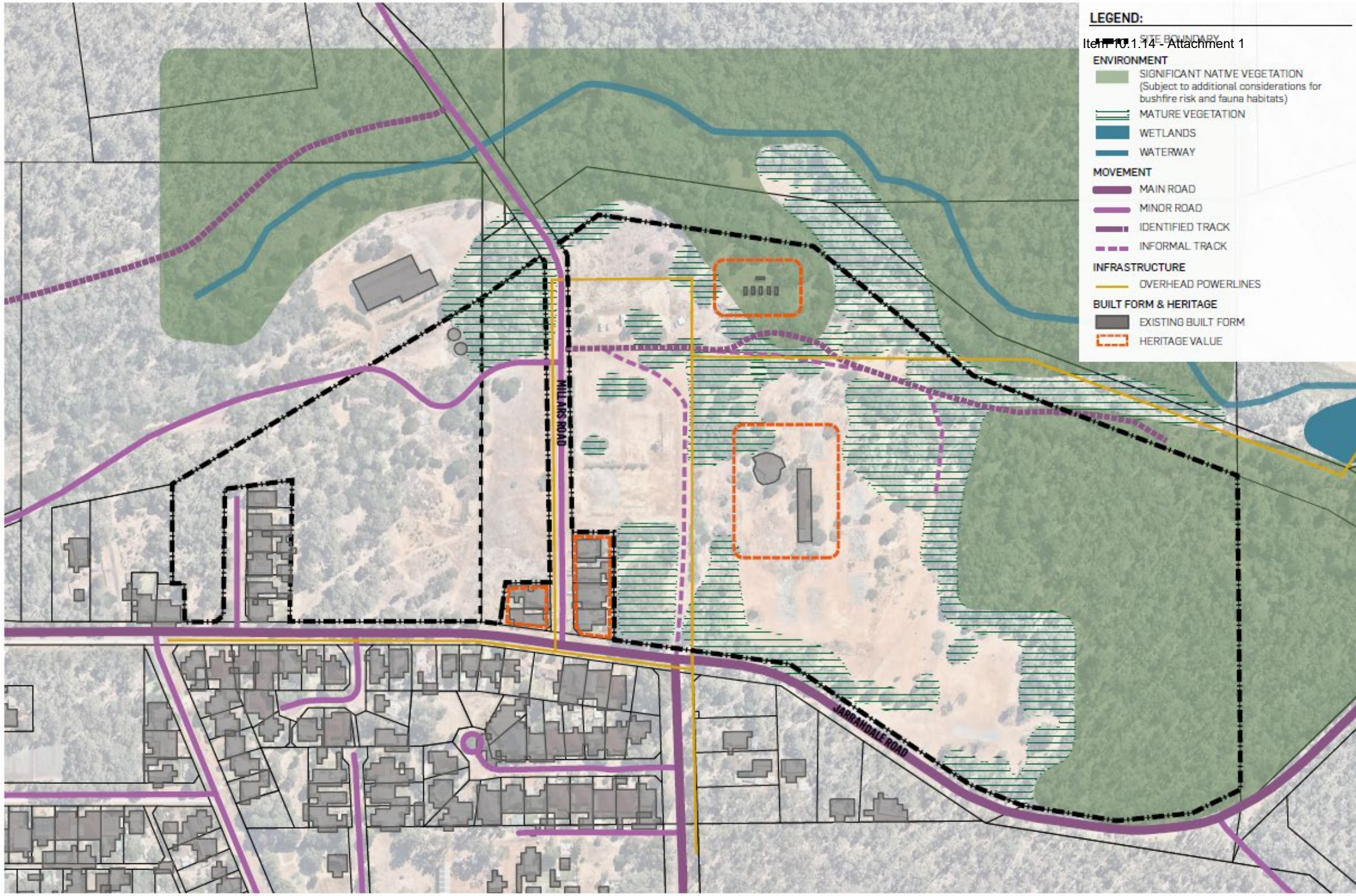
Site Opportunities Summary

OPPORTUNITY	DESCRIPTION
Co-Location	<ul style="list-style-type: none"> ▪ Opportunities to leverage off heritage housing aesthetic on Millars Road and to utilise existing structures on-site where appropriate – understanding of the condition of these structures (pergola/ shed/ cabins) would be required. ▪ The site can leverage off proposed development adjacent to the site at old mill. ▪ The Jarrahdale Trail Town Business Case and Implementation Plan established the need for a Trail Centre at the subject site given accessibility of this site to trails.
Land Use Flexibility	<ul style="list-style-type: none"> ▪ Existing land use permissibility's are complex and land use definitions are out of date however Draft LPS 3 expands the land use permissibility for the site and brings in new definitions. Draft LPS 3 seeks to rezone the entirety of the site 'Special Use – Jarrahdale Heritage Precinct' ▪ Draft LPS 3 also includes new development/built form provisions through SCA8.
Environment	<ul style="list-style-type: none"> ▪ Development footprint constrained by established vegetation within the east of the site (circa 7.5ha). Low quality vegetation can be cleared if not cockatoo habitat. ▪ The site is identified as being within a Bushfire Prone Area and will require the preparation of a Bushfire Attack Level assessment to determine appropriate locations for new development and setbacks. Might need supplementary fire tanks and fire system. ▪ The easternmost extent of the site is zoned Rural and identified within a Water Catchment reservation. The Water Catchment reservations protect high quality public water supply and have strict controls on land use to avoid pollution of the water.
Servicing & Site Works	<ul style="list-style-type: none"> ▪ Subdivision of the site into lots smaller than 10ha requires re-location of powerlines into road reserve or undergrounding of infrastructure. ▪ Heavy water uses would trigger upgrades. ▪ Lack of deep sewer would limit small residential lots (less than 1-4 ha depending on public drinking water status and soil type – unless strata subdivision with shared septic system pursued). If separate titles are created for each land use then separate treatment and disposal system will be needed for each. Proximity to creek means high level of treatment will be required for any sewer treatment system. ▪ Drainage will be easy enough to deal with but hard laterite ground conditions will make excavations expensive. Basins and treatment areas will be needed at downslope areas before discharge to the creekline.
Access	<ul style="list-style-type: none"> ▪ Preferred if all major access was via Millars Road and just have exits onto Jarrahdale Road for fire and emergency exits. Millars road would need upgrading. ▪ If you bring out more traffic opposite Kingsbury Drive then might need an intersection treatment, this is busy already as main road to Serpentine Dam and not good to put more traffic on this crossroad.

LEGEND:

Item 10.14 - Attachment 1

- ENVIRONMENT**
 - SIGNIFICANT NATIVE VEGETATION
(Subject to additional considerations for bushfire risk and fauna habitats)
 - MATURE VEGETATION
 - WETLANDS
 - WATERWAY
- MOVEMENT**
 - MAIN ROAD
 - MINOR ROAD
 - IDENTIFIED TRACK
 - INFORMAL TRACK
- INFRASTRUCTURE**
 - OVERHEAD POWERLINES
- BUILT FORM & HERITAGE**
 - EXISTING BUILT FORM
 - HERITAGE VALUE



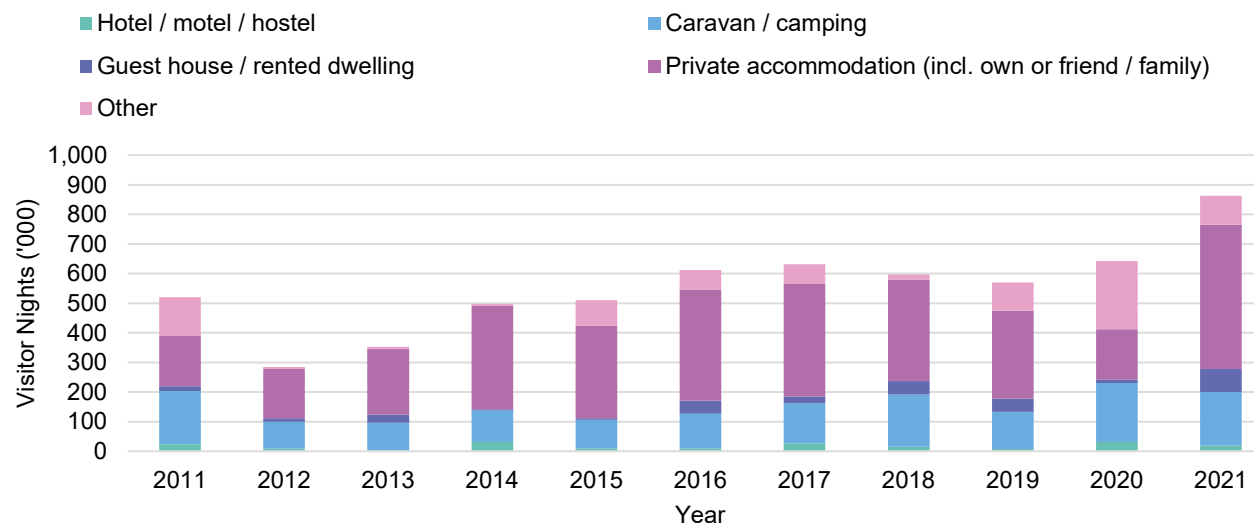
SITE AND MARKET CONSIDERATIONS | MARKET AND REGIONAL CONTEXT

Key Findings

A review of market conditions and drivers was undertaken (see appendix) and identified the following key considerations.

- There are limited development sites within Jarrahdale, with the subject sites representing the only undeveloped sites of scale within the townsite. As such, the Jarrahdale townsite has limited opportunities to increase permanent and short stay accommodation options.
- The local residential population is approximately 4,850 residents which limits the viability of a range of additional convenience retail and population services within the subject site.
- Serpentine-Jarrahdale is a growing tourism destination, with overnight visitation increasing to record highs in 2021 of 863,000 nights and day trips relatively stable at 631,000 trips. Private accommodation is however the main accommodation type in the study area which highlights the lack of formal, diverse accommodation options in the region.
- Property values are relatively affordable in Jarrahdale, with land values averaging \$182,500 for a median lot size of 1,065 square metres.

Visitor Nights By Accommodation Type, Study Area, 2011-21



Source: Tourism Research Australia

SITE AND MARKET CONSIDERATIONS | MARKET AND REGIONAL CONTEXT (CONT.)

Key Findings

The area offers a variety of trails to suit all kinds of hikers and travellers. This includes mountain bike trails, short walking trails, and longer trails surrounded by the local flora and fauna of the area. Key trails include:

- Jarrahdale Heritage Parkrun;
- Mundimup Timber Trail;
- Langford Park; and
- Kitty's Gorge Walk Trail.

All of the trails listed above are located within 5 kilometres of the subject site.

Key other attractions include, for instance:

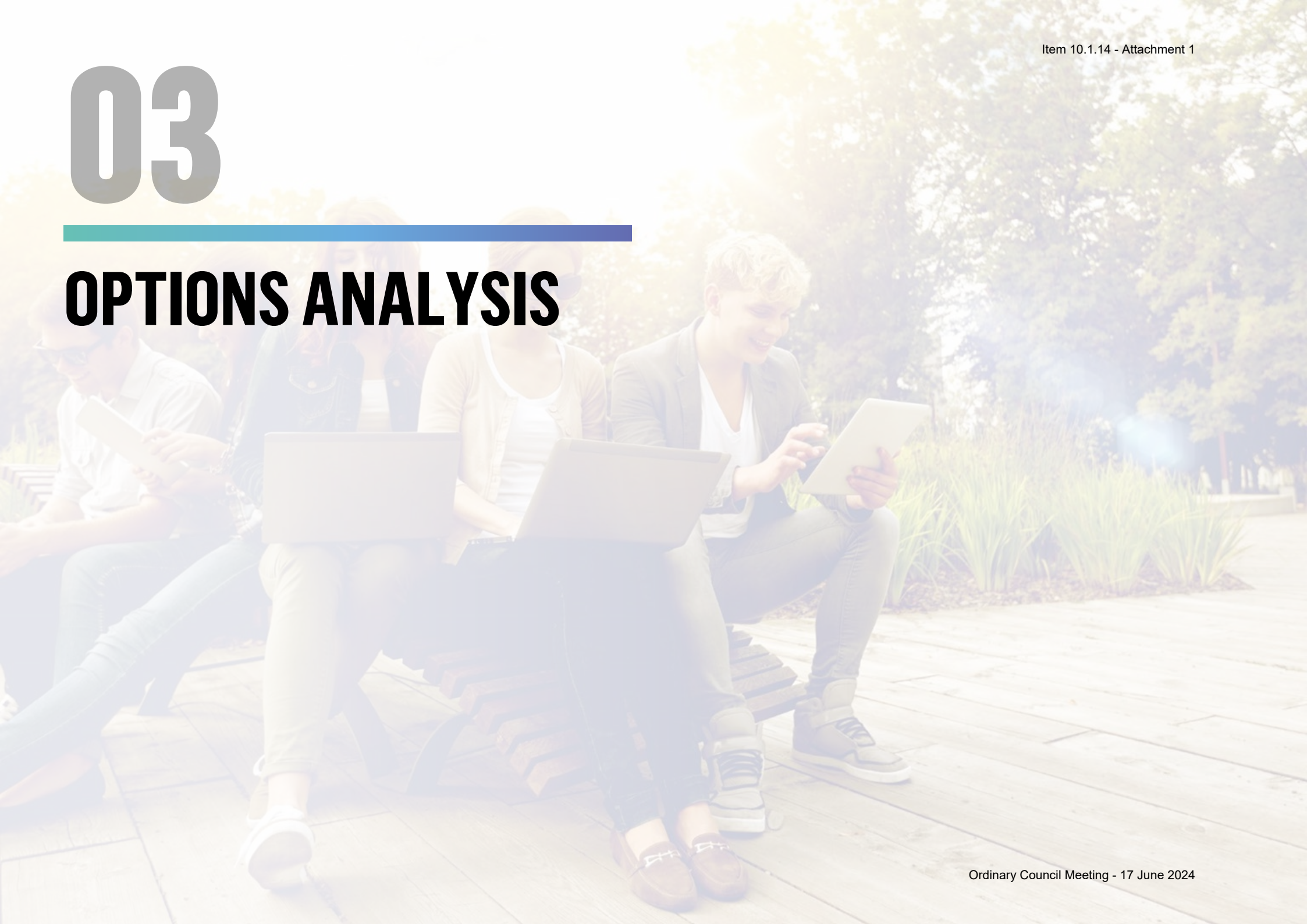
- **Serpentine National Park:** The main attraction within the Park is Serpentine Falls, a large picturesque waterfall that features a viewing platform. The park also features multiple trails and Serpentine Dam, and is located 15 kms from the subject site.
- **Millbrook Winery:** Millbrook Winery is a boutique winery and restaurant located on Chestnut Farm, 3 kms from the subject site.
- **Whittnish Cottage and Jarrahdale Heritage Mill:** These two attractions are both heritage listed sites that tie in with the Jarrahdale Townships history. Currently the Whittnish Cottage is a museum that features the town's history. Both attractions are located within 2kms of the subject site.

Key Attractions



03

OPTIONS ANALYSIS



OPTIONS ANALYSIS | LAND USE CONSIDERATIONS

Overview

This business case considered four key land use types for the subject site based on consideration of subject site suitability, market competition and market viability.

Alternative uses such as convenience retail were not shortlisted uses for consideration given the lack of market scale and lack of evident sufficient viability of these uses.

The following summarises market and feasibility analysis of these uses.

- **Residential:** The site has significant constraints on the scale and mix of residential and triggers the need to underground the powerlines on the site. The expected lot pricing and development costs imply that a large subsidy would be required to undertake the subdivision (see appendix).
- **Food and Beverage Retail:** The degree and viability of F&B would be contingent on accommodating trails centre and / or short stay uses to drive visitation to the area. This use could be accommodated as an integrated offering or stand-alone development.
- **Short Stay Accommodation:** Whilst there is some uncertainty regarding investor interest, a variety of accommodation could be accommodated on the site such as chalets, powered caravan bays and camp sites. A high-level feasibility (see appendix) supports the viability of this use against the backdrop of increasing visitation to the area.
- **Trails Centre / Tourism Services:** The subject site was considered an optimal candidate to house the proposed Jarrahdale trails centre due to its central location near the townsite and proximity to trails in the area.

Land Use Descriptions

LAND USE	DESCRIPTION
 Residential	Subdivide Lots 814 and 815 Millars Road and create residential lots.
 Food and Beverage Retail	Provide a small scale food and beverage offering on site for those accessing the trails.
 Short Stay Accommodation	Provide short stay accommodation such as caravan bays, chalets and campgrounds for those accessing trails on overnight trips.
 Trails Centre / Tourism Services	Develop a trail centre for visitor services such as equipment hire, food and beverage, relevant accommodation, visitor-related and trail information, parking and visitor amenities such as toilets and showers for those using the trails in the area.

LAND USE OPPORTUNITIES | LAND USE CONSIDERATIONS (CONT.)

Land Use Market and Site Considerations

RESIDENTIAL	FOOD AND BEVERAGE	SHORT STAY ACCOMMODATION	TRAILS CENTRE / TOURISM SERVICES
<ul style="list-style-type: none"> ▪ There is circa 10ha of residential developable area within Lot 814 after allowing for vegetation retention, heritage area and the trails centre. Allowing for roads, POS and other considerations, approximately 70% could be developed as residential lots. ▪ It could be challenging to argue the need for lots in Jarrahdale given there is significant urban zoned land supply in Mundijong (10 mins away). ▪ Residential subdivision could be challenged given regulatory constraints (e.g. septic), high servicing costs / requirements, overhead powerlines, lack of evident demand for small lots and significant subsidy required per lot. 	<ul style="list-style-type: none"> ▪ There is sufficient area for a food and beverage offering to be developed at the subject site. Different offerings could be co-located with other uses such as short stay accommodation or tourism services given the site area. ▪ There is a proposed micro brewery adjacent to Lot 814 which could pose as competition for a food and beverage offering. Alternatively, it could be co-operated with a café' offering at the subject site. ▪ No sufficient market gap nor catchment size for new convenience retail (e.g. supermarket) and population services (e.g. GPs). There is an evident lack of F&B offerings which could provide the market opportunity for the site to accommodate restaurants integrated or co-located with short stay accommodation. 	<ul style="list-style-type: none"> ▪ A variety of accommodation could be accommodated on the site such as chalets, powered caravan bays and camp sites. There is also enough space to provide communal amenities to service these types of accommodation such as toilets and showers. ▪ There is very limited short stay accommodation with Jarrahdale. Only AirBnB's are available in Jarrahdale with the closest caravan park located off South Western Highway in Serpentine. ▪ Given the lack of short stay accommodation in the area, there is an opportunity to bring short stay accommodation to the subject site. This could be co-located with the trails centre or food and beverage offering. 	<ul style="list-style-type: none"> ▪ Currently there are no trail centres in Jarrahdale. ▪ A trails centre can be accommodated on the site however a key challenge is the distance of the site from the start of the trails. Therefore, it would need to be co-located with other tourism amenities such as a food and beverage offering or short stay accommodation. ▪ There has been significant investment to make Jarrahdale a trails centre given its accessible from a number trails. There is an opportunity to co-locate trails centre and F&B site however there is likely more merit in going to the market with both F&B and short stay site opportunities to provide flexibility for respondents.

OPTIONS ANALYSIS | DEVELOPMENT APPROACH CONSIDERATIONS

Key Findings

There are six key development model approaches for this site. These are summarised on the table to the right and the merits and cons are identified at a high level on the following page.

Whilst there are permutations to the above options, each has advantages and disadvantages in terms of financial return, risk, control over project outcomes, funding obligations, market appetite and strategic alignment.

A core element of several development models is partnerships. There are a range of benefits of partnering with the private sector such as; it enables benefiting from the capabilities and expertise of the private sector and reducing funding requirements. Alternatively, there are approaches whereby the Shire leads the development given the merits of greater control and potential retention of asset (for financial and / or broader economic and social development benefits).

A consideration of alternative development model approaches informed the subsequent options definition and evaluation.

Development Model Option Summaries

OPTION	DESCRIPTION
Joint Venture (SPV Structure)	The Shire and a developer establish a special purpose vehicle (SPV) which is responsible for delivering the project. The Shire provides a capital contribution (such as the land or funds) and returns comprise of dividends paid out of SPV (based on capital contribution split). These returns could comprise of sale of property upon completion, fixed payments or lease revenue if the asset is not sold.
Ground Lease	A ground lease (or land lease) is an agreement whereby the head lessee is permitted to develop a property during the lease period and at the end of the lease period, the land and all improvements are turned over to the Shire. The ground lease term would likely need to be a sufficient term in order to provide confidence and sufficient returns on capital for the head lessee. This would require support from WAPC if more than 20 years.
Master Land Developer (MLD)	The Shire deliver site works to create lots that are sold to developers.
Development Management Agreement (DMA)	A contractual arrangement between the Shire and a developer to deliver the project. The Shire could receive payments linked to the gross realisation from sale of built form upon completion, fixed payments or lease revenue if the asset is not sold.
Outright Sale	The sale of the site in one-line.
Shire-Developed and Owned	The Shire would (with the assistance of external development / project management) develop the project. It would need to fund the construction through internal and / or external sources. Upon completion, the Shire could utilise external management for the operation of the land use (if required).

Source: Urbis

OPTIONS ANALYSIS | DEVELOPMENT APPROACH CONSIDERATIONS (CONT.)

Development Model Option Considerations

ATTRIBUTE	DESCRIPTION
Control	<ul style="list-style-type: none"> A Shire-developed approach, followed closely by a joint venture, affords the Shire the greatest control over the built form and land use mix. Ground lease has the ability to control built form and use through contract conditions. Under the MLD and DMA options, the Shire has limited control. The MLD approach allows for control of public realm, infrastructure delivery and timing of lots to the market but not the lot development outcomes (except through policy controls). The aforementioned is under the control of the developer through a DMA however contractual conditions can be applied. Under the outright sale approach the Shire cedes all control over project outcomes and timing except that available through the planning system.
Risk	<ul style="list-style-type: none"> Outright sale is the lowest risk as all project risks are effectively passed onto the buyer of the site. Under the MLD approach, the Shire retains the risks associated with delivering the infrastructure and public realm works but is alleviated of risk exposure once individual lots are sold to developers. The DMA option exposes the Shire to credit risk and developer default risk, thus has a moderately higher risk rating than the MLD model. Ground lease additionally carries lessee credit risk. The Shire is exposed to cost and sales / leasing risk for the Shire-developed and joint venture approach. Whilst this risk is shared with the development partner for the joint venture, this option brings with it a high degree of developer default risk, a reduced degree of security over financial return, increased credit risk and potentially a higher degree of liability.
Financial Return	<ul style="list-style-type: none"> The Shire-developed and joint venture options are expected to generate the highest level of financial return on capital as the Shire is participating in built form development and will receive development profit in addition to land value (in a build to sell scenario). Financial returns are expected to be lower under the DMA option than the MLD option as under a DMA approach, the developer is likely to factor in risk and development management costs relating to the delivery of infrastructure and public realm works and there will be limited scope for the Shire to benefit from rising values across the development lifespan. Any land value received for outright sale will likely be discounted to reflect development risk and holding costs.
Funding	<ul style="list-style-type: none"> Outright sale places little or no funding requirements on the Shire. The DMA approach places limited responsibility for funding project costs for the Shire as the developer is responsible for delivering and funding all infrastructure, public realm and built form works. Under the MLD option, the Shire bears full responsibility for funding infrastructure and public realm works. Whilst under the joint venture option, these are shared with the development partner. The Shire-developed approach requires the Shire to acquire all funding for the construction.
Market Appetite	<ul style="list-style-type: none"> There is a small but strong pool of developers capable of delivering the project under the DMA, ground lease and joint venture models. This however is subject to market sounding to determine interest. The MLD approach with subsequent DMA, ground lease and joint venture models may expand the market but is subject to competitive risks regarding the timing and development outcomes of other users.

Source: Urbis

OPTIONS ANALYSIS | OPTIONS OVERVIEW

Overview

This business case considered the status quo versus six development options.

The subsequent assessment of each option was based on:

- Review of strategies and policies;
- Existing research of relevance;
- Site assessment;
- Engagement with Shire staff and executive;
- High level feasibility analysis; and
- Targeted research.

Options Summary

OPTION	LAND USE/S	DESCRIPTION
Status Quo	<ul style="list-style-type: none"> ▪ Vacant 	Leave subject sites undeveloped.
Option 1	<ul style="list-style-type: none"> ▪ Food and Beverage ▪ Short Stay ▪ Trails Centre / Tourism Services 	Shire develop short stay, F&B and trails centre (with external operator/s sought through EOI / RFP process)
Option 2	<ul style="list-style-type: none"> ▪ Food and Beverage ▪ Short Stay ▪ Trails Centre / Tourism Services 	Ground lease short stay and F&B sites (either to one or two proponents through EOI / RFP process) and Shire develop separate trails centre
Option 3	<ul style="list-style-type: none"> ▪ Food and Beverage ▪ Short Stay ▪ Trails Centre / Tourism Services 	Ground lease short stay site (to one proponent through EOI / RFP process) and Shire develop combined trails centre / F&B (with external operator sought for F&B through EOI / RFP process)
Option 4	<ul style="list-style-type: none"> ▪ Food and Beverage ▪ Short Stay ▪ Trails Centre / Tourism Services 	Shire develop combined trails centre / F&B (with external operator sought for F&B through EOI / RFP process) and, once precinct establishing / established (e.g. within 4-5 years), ground lease short stay site (to one proponent through EOI / RFP process)
Option 5	<ul style="list-style-type: none"> ▪ Residential 	Develop residential (survey strata) lots (potentially Shire developed, JV or other entity such as DevelopmentWA)
Option 6	<ul style="list-style-type: none"> ▪ Food and Beverage ▪ Trails Centre / Tourism Services ▪ TBC 	Shire develop combined trails centre / F&B (with external operator sought for F&B through EOI / RFP process) Outright sale of remainder of site

OPTIONS ANALYSIS | ASSESSMENT APPROACH

Approach Overview






The six options were assessed against assessment criteria to determine which option best achieves the objectives of this project.

The key considerations included:

- **Visitor destination**, extent to which the option contributes to supporting sustainable visitation growth;
- **Environment and heritage**, extent to which the option enhances natural environment and heritage features of the site;
- **Community**, extent to which the options deliver flow-on benefits to the Jarrahdale community;
- **Economic development**, extent to which the options support economic growth and opportunities; and
- **Asset optimisation**, extent to which the option maximises site opportunities.

Each option was assessed against the above criteria and a score of 1 (low) to 5 (high) was given against each criterion, with the higher the score the better the alignment of the option with the criterion. The total score was used to determine the preferred option.

Assessment Criteria

	CRITERION	DESCRIPTION
	Competitive and Sustainable Visitor Destination	<ul style="list-style-type: none"> ▪ The ability of the option to create a sustainable visitor economy within Jarrahdale and surrounds by delivering services and amenities that support visitation growth and expenditure.
	Natural Environment and Heritage	<ul style="list-style-type: none"> ▪ The ability of the option to contribute to the promotion, enhancement and conservation of the natural landscape and heritage within the subject site ▪ The ability of the option to capitalise on the unique experiences the subject site affords and the cultural identity of Jarrahdale.
	Jarrahdale Community	<ul style="list-style-type: none"> ▪ The ability of the option to ensure the activation of the subject site provides positive flow-on benefits to the Jarrahdale community through improved connectivity, public spaces and amenities.
	Economic Development	<ul style="list-style-type: none"> ▪ The ability of the option to support an innovative and commercially diverse economy within the Shire. ▪ The ability of the option to provide opportunities for new businesses, employment and quality investment.
	Property Asset Optimisation	<ul style="list-style-type: none"> ▪ The ability of the option to maximise land use opportunities on the site.

Source: Urbis

OPTIONS ANALYSIS | ASSESSMENT FINDINGS

Key Findings

Option 4 is considered the most optimal outcome, with this option considered more suitable due to:

- The increased viability of supporting a land use outcome that maximises the site opportunity due to appropriate staging of development (through maximising the short stay opportunity once trails centre established);
- The strong economic and social outcomes due to the deliver of tourism amenities and services and creation of a tourism asset for the region;
- The strong linkages with the strategic aspirations for Jarrahdale and protection and enhancement of the natural and built heritage of the area; and
- The relatively low risk and funding requirements for this option.

Options 1, 2 and 3 are highly comparable and additionally have strong merit – albeit less than the preferred option.

The residential scenario of option 5 is not considered a favourable option given the significant uncertainties regarding the viability and site attributes considerations. This scenario would also support reduced broader economic and tourism outcomes.

The sale of part of the site would trigger the need for powerlines being undergrounded and would provide limited control on the outcomes for site (except through planning controls). Additionally, the future value through the investment of the trails centre and enabling works may not be appropriately captured.

A land use concept was developed to help illustrate a potential development outcome for the recommended development option. This concept was developed to help understand potential yield, mix and layout and should not be viewed as the preferred nor fixed development outcome. Detailed design processes for both the trails centre and short stay development opportunities will be undertaken in the future.

It is important to note that the proposed land use concept for the preferred option does not preclude the opportunity for residential development within the subject site. Lot 815 and the western edge of Lot 814 (west of Millars Road) are identified as areas for future development and this could include a residential subdivision. The Shire is considering submitting an application with the Regional Development Assistance Program (RDAP) in recognition of the significant cost and viability challenges delivering residential lots in this location. Alternatively, if residential lots are not pursued, this area provides an opportunity for subsequent expansion of tourism and trails infrastructure and amenities.

Assessment Summary

ASSESSMENT CRITERION	STATUS QUO	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5	OPTION 6
Competitive & Sustainable Visitor Destination	1	4	4	4	5	2	3
Natural Environment & Heritage	3	4	4	4	4	3	3
Jarrahdale Community	1	4	4	4	4	3	3
Economic Development	1	3	3	3	4	2	2
Property Asset Optimisation	1	2	4	3	5	2	2
Overall Score	7	17	19	18	22	12	13

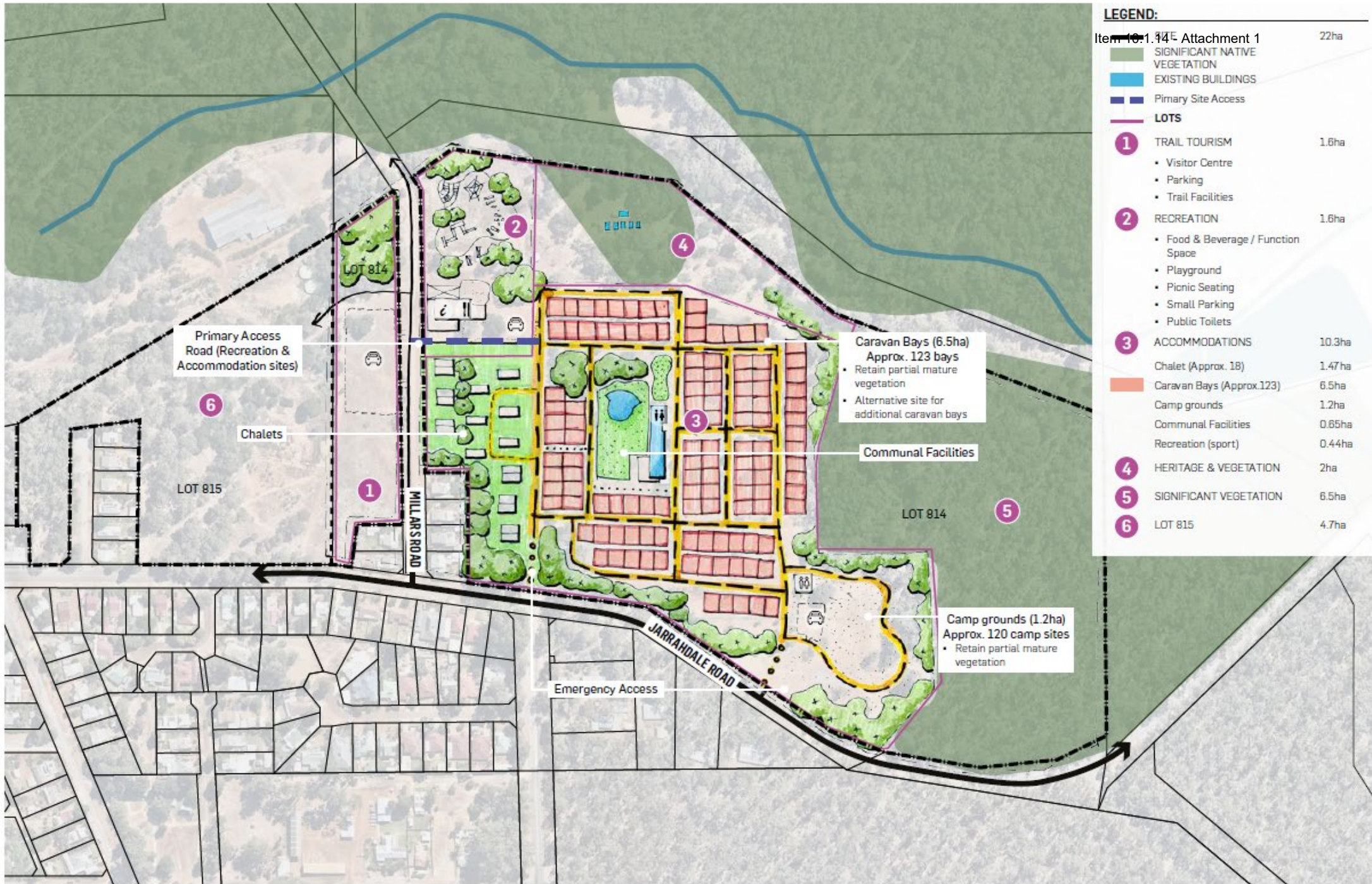
Source: Urbis

OPTIONS ANALYSIS | ASSESSMENT FINDINGS (CONT.)

Option Assessment Findings

ASSESSMENT CRITERION	ASSESSMENT FINDINGS
Competitive and Sustainable Visitor Destination	<ul style="list-style-type: none"> Option 4 is expected to deliver the highest impact on driving visitation as it is expected to support a greater scale of short stay accommodation offering than options 1, 2 and 3. Option 6 is expected to support notable visitation outcomes, albeit below options with short stay accommodation elements. Option 5 and the status quo are expected to have minimal visitation benefits.
Natural Environment and Heritage	<ul style="list-style-type: none"> Options 1-4 are expected to encourage promotion and enhancement of high quality vegetation and built heritage whilst clearing of lower quality vegetation is required. Minimal site works are expected for these options (i.e. limited civil works). Option 5 requires a number of measures to mitigate environmental risks and is not expected to support promotion of existing built heritage.
Jarrahdale Community	<ul style="list-style-type: none"> The status quo provides minimal activation apart from current RV stopover use. Community stakeholder consultation revealed low preferences for residential uses and supported tourism enabling uses.
Economic Development	<ul style="list-style-type: none"> Option 4 is expected to maximise employment and economic outcomes given it is expected to support a greater scale of short stay accommodation offering than options 1, 2 and 3. Residential uses are expected to provide minimal direct, ongoing employment opportunities.
Property Asset Optimisation	<ul style="list-style-type: none"> Option 4 is expected to maximise site development outcomes and financial return for the Shire. Option 1 provides greater control to the Shire however it presents a number of risks (such as funding and operation of short stay accommodation).

Source: Urbis



OPTIONS ANALYSIS | INTERIM ACTIVATION CONSIDERATIONS

Key Findings

To support the objectives of the project, the preferred option recommends delaying active marketing of the short stay accommodation site through a formal expression of interest / request for proposal process until the site has developed a profile as a visitor hub.

To complement this option, consideration should be given to interim activation of the short stay accommodation site (in addition to existing RV stopover) and area of the site highlighted for retention of vegetation (east of short stay accommodation site area).

This could include events and / or creation of low cost amenities such as BMX pump track.

Activation Examples



04

BUDGET AND FUNDING STRATEGY

BUDGET AND FUNDING STRATEGY | ENABLING WORKS COSTS

Key Findings

In order to support an multi-use tourism development outcome on the subject site, enabling infrastructure works are recommended.

These enabling works include:

- Upgrading of Millars Road from Jarrahdale Road down to the bridge (7.5m seal with kerns and piped drainage to a basin just near creek).; and
- Replacement of the short section of the water main in Millars Road with a new 100 dia PVC water main to the bridge.

The enabling works are expected to additionally support development to the old Timber Mill site which is anticipated to develop into a micro-brewery.

Costings for the enabling works were undertaken by Edgeloe Engineering (see appendix). There is the opportunity for the Shire to potentially undertake part / all of the works and reduce the costs.

Enabling Work Costs for Development

CONSTRUCTION COSTS	ESTIMATED TOTAL
Preliminary Costs	\$143,908.23
Stormwater Drainage	\$149,024.50
Roadworks	\$229,104.00
Water Supply	\$68,215.06
<i>Sub-Total (excl. GST)</i>	<i>\$590,251.79</i>
<i>GST Allowance</i>	<i>\$59,025.18</i>
Total Construction Contract (incl. GST)	\$649,276.97
<i>Construction Contingency (20%)</i>	<i>\$129,855.39</i>
Construction Total (incl. GST)	\$779,132.36
DEVELOPMENT FEES AND CHARGES	ESTIMATED TOTAL
Council Fees and Contributions (incl. GST)	\$6,239.12
Professional Fees (incl. GST)	\$64,256.62
Development Fees and Charges Total (incl. GST)	\$70,495.74
Total (incl. GST)	\$849,628.10
Total (excl. GST)	\$772,369.19

Source: Edgeloe Engineering

BUDGET & FUNDING STRATEGY | FUNDING STRATEGY

Overview

Whilst this business case is primarily concerned with the preferred development option and subsequent tasks will consider development designs and implementation requirements in more detail, a review of the potential funding implications of alternative approaches was undertaken.

Consideration was given to:

- Shire reserves and government grants to fund the enabling works for the project as well as the trails centre; and
- Private sector investment for the development of the short stay accommodation.

The enabling works and trails centre have strong economic merit and are expected to align with a range of state and federal strategies and grant programmes.

Capital Works Funding Strategy Overview

STAGE / ELEMENT	DESCRIPTION	FUNDING SOURCE/S	TOTAL (EXCL. GST)
Enabling Works	<ul style="list-style-type: none"> ▪ The commencement of the enabling works will benefit both the community as well as the commencement of the preferred option which aligns with government strategies and policy. 	Shire & Government Grant	\$772,370
Trails Centre	<ul style="list-style-type: none"> ▪ The trails centre will deliver a range of demonstratable social and economic benefits to the community which supports state and / or federal government funding support. 	Shire & Government Grant	\$4.5m*
Short Stay	<ul style="list-style-type: none"> ▪ There is a market opportunity to have the private sector develop and operate the short stay accommodation given the lack of competition in the area. 	Private Sector	\$10.8m

Source: Urbis

* Based on estimated building construction cost of Dwellingup National Trails Centre

BUDGET & FUNDING STRATEGY | FUNDING STRATEGY (CONT.)

Overview

Following practical completion, the Shire will be responsible for the ongoing maintenance of the trails centre and upgrade road infrastructure.

The Shire will need to undertake required maintenance as per the Shire's Asset Management Plan and fund and budget the required upgrades as required through its annual budget processes.

The maintenance of the short stay site is expected to be borne by the selected proponent.

A high level assessment of potential ongoing revenues and costs was undertaken to inform potential budget implications. This analysis was based on the following assumptions.

- The net impact on the maintenance of the road infrastructure is expected to be negligible over a ten-year timeframe.
- Food and beverage retail floorspace of 200 sq.m (linked to CPI) will be leased at \$150 / sq.m plus outgoings per annum.
- An ongoing lease management and building maintenance fee of 1.5% of capital costs per annum will be incurred.
- Staffing and on-costs for trails centre estimated at equivalent to \$200,000 per annum.
- Ground lease for short stay estimated at \$300,000 per annum (linked to CPI) with incentive period of five years at 50%.

Operating Revenue / Cost Considerations (10 year timeframe)

STAGE / ELEMENT	ONGOING REVENUE / COST CONSIDERATIONS	ESTIMATED COSTS (P.A.)*	ESTIMATED REVENUES (P.A.)*
Enabling Works	<ul style="list-style-type: none"> ▪ No expectation of ongoing revenue opportunities. ▪ Road upgrade will have implications for ongoing maintenance though cost implications are expected to be minimal given road is currently maintained by Shire. 	-	-
Trails Centre	<ul style="list-style-type: none"> ▪ The trails centre services could be Shire or externally managed and this has implications for staffing and on-costs. ▪ Building maintenance will need to be budgeted in line with Shire policies. ▪ Food retail floorspace to be determined through detailed design and lease rate would depend on market interest / valuation. ▪ There are other opportunities for revenue generation such as sale of goods. 	(\$267,500)	\$30,000
Short Stay	<ul style="list-style-type: none"> ▪ Ground lease with indicative term of 20 + 20 years assumed. Lease rate would depend on market response, with incentive expected in initial years given significant capital investment. 	-	\$225,000
Lot 815 and Remainder of Lot 814 (west of Millars Road)	<ul style="list-style-type: none"> ▪ To be determined based on future use. Fire breaks will need to continue to be managed. 	-	-
Operating Surplus*		(\$12,500)	

Source: Urbis

* Estimated cost / revenue averages per annum over ten-year timeframe. These are high level estimates to inform strategic business case recommendations.

BUDGET AND FUNDING STRATEGY | FUNDING STRATEGY (CONT.)

Key Findings

A combination of external grant funding, Shire reserves and debt financing was found to be most appropriate for this project for the following reasons.

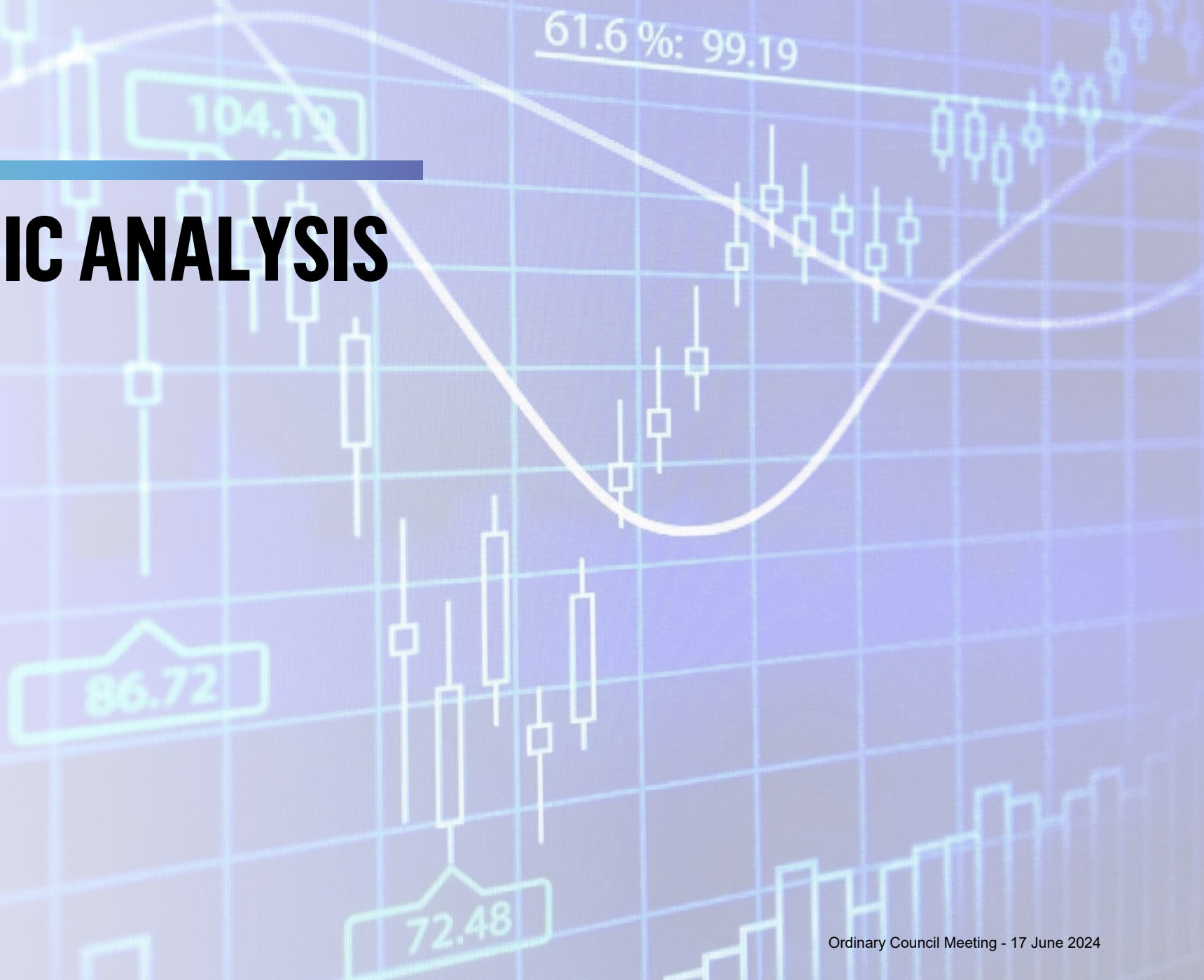
- The proposed options is expected to deliver a range of positive economic and social benefits to the local community and state's economy and aligns with numerous state and local government strategies.
- WATC debt financing is currently providing low cost financing which could be partly serviced by the future ground lease revenue.

Funding Options Assessment

FUNDING OPTION	ASSESSMENT FINDINGS
Shire Reserves	<ul style="list-style-type: none"> ▪ There is considered to be insufficient existing municipal reserves of this magnitude to cover the cost of the project. ▪ The current rate base is not yet established and there is limited capacity to raise rates in the short term.
Western Australian Treasury Corporation Loan	<ul style="list-style-type: none"> ▪ The WATC provides relatively low cost debt financing to local councils in Western Australia. ▪ There is a risk of being too highly geared, which would impact on further debt financing needs and future infrastructure investment, in which case pressure for rate rises and/or spending cuts may be evident. ▪ There is potential for higher long term interest rates due to higher debt burden which would limit future investment. ▪ Lease revenue could be quarantined to service debt interest and repayments. Dependent on market returns, the lease revenue could fully-cover the debt servicing requirements.
External Grant Funding	<ul style="list-style-type: none"> ▪ External funding opportunities are competitive in nature and generally have explicit requirements which may not be compatible with the project. ▪ There is considered to be political support for the project which is evidenced by the key involvement of government stakeholders. ▪ The trails centre will deliver a range of demonstratable social and economic benefits to the community which supports state and / or federal government funding support. ▪ There are a range of potential funding options that are aligned with this project (e.g. Lotterywest). ▪ The project is aligned with a range of state and federal government policy and strategic priorities.
Private Sector	<ul style="list-style-type: none"> ▪ The portion of the dedicated to the short stay accommodation could be developed by the private sector to contribute funding to the project.

05

ECONOMIC ANALYSIS



ECONOMIC ANALYSIS | CONSTRUCTION PHASE BENEFITS

Key Findings

The proposed project is estimated to have a total construction cost of around \$16 million (excluding GST).

On average, 48 FTE direct & indirect jobs are likely to be supported during construction of the project with the potential for many jobs to be supported locally. This employment will include training and apprenticeship opportunities.

Total direct and indirect Gross Value-Added to the economy is estimated at \$9.7 million over the construction period of the development in constant 2022 dollars.

Construction Phase Benefits



19

DIRECT FTE* JOBS

Avg. direct FTE jobs during construction



29

INDIRECT FTE* JOBS

Avg. indirect FTE jobs during construction



\$4.3 M

DIRECT GVA*

Avg. direct GVA to the State economy



\$5.4 M

INDIRECT GVA*

Avg. indirect GVA to the State economy

FTE = Full-Time Equivalent, GVA = Gross Value Added, Indirect benefits refer to supply chain effects, but not consumption effects. See definitions in the appendix for more information.

Costs are exclusive of GST.

Source: REMPLAN; Rawlinsons; Urbis (see appendix for more information)

ECONOMIC ANALYSIS | ONGOING EMPLOYMENT AND ECONOMIC BENEFITS

Key Findings

Upon completion, the project is estimated to support around 87 jobs (full-time and part-time) directly. This will include a range of staff across the trails centre, food and beverage offering and short stay accommodation.

These jobs will be ongoing over the life of the asset with that activity in turn creating permanent jobs elsewhere through the economy. The operation of the trails centre and short stay is estimated to induce a further 21 additional jobs within Western Australia as a result of flow-on effects.

There will be an estimated \$13.2 million per annum in direct and indirect GVA contribution generated from the daily operation and management of the trails centre, food and beverage offering and short stay accommodation to the economy.

Ongoing Employment and Economic Benefits



Total direct jobs on an ongoing basis at capacity



Total indirect jobs supported by on-site employment



Annual direct GVA to the State economy



Annual indirect GVA to the State economy

* Direct jobs as a result of increased tourism expenditure. Not all jobs accommodated on site.

**GVA = Gross Value Added, Indirect benefits refer to supply chain effects but not consumption effects. See definitions in the appendix for more information.

Source: REMPLAN; DPLH; Urbis (see appendix for more information)

ECONOMIC ANALYSIS | COST BENEFIT ANALYSIS

Key Findings

A high level cost benefit assessment was undertaken to understand the potential broader economic benefits of the preferred option. The assessment considered the additional visitor benefits versus the enabling works and trails centre costs of approximately \$5.3m (ex GST). Scenarios including and excluding the short stay were undertaken.

The CBA results reveal that the project could provide significant ongoing benefits. At the adopted discount rate of 7%, the net benefit is estimated to be approximately \$51.1 million (dependent on attracting private investment to deliver the short stay accommodation scenario in a staged manner with operation open in 2029 onwards).

This study uses a net benefit approach. This only analyses the incremental, or additional, benefits and costs that can be estimated with a degree of accuracy. This approach is considered to be the most appropriate to assess the net economic benefits that accrue from the project as it enables direct comparisons with alternative proposals.

Cost Benefit Assessment, Preferred Option (at 7% discount rate)

IMPACT CATEGORY	EXC. SHORT STAY	INC. SHORT STAY (BASE CASE)
Costs (NPV)	\$4.7m	\$4.7m
Benefits (NPV)	\$21.3m	\$67.9m
Net Impact (NPV)	\$13.1m	\$51.1m
Benefit Cost Ratio	2.8	11.0

Source: Urbis

ECONOMIC ANALYSIS | ADDITIONAL ECONOMIC AND SOCIAL DEVELOPMENT BENEFITS

Key Findings

The construction of the trails centre, food and beverage offering and short stay accommodation will generate significant and ongoing benefits not necessarily quantified in the cost benefit analysis, including:

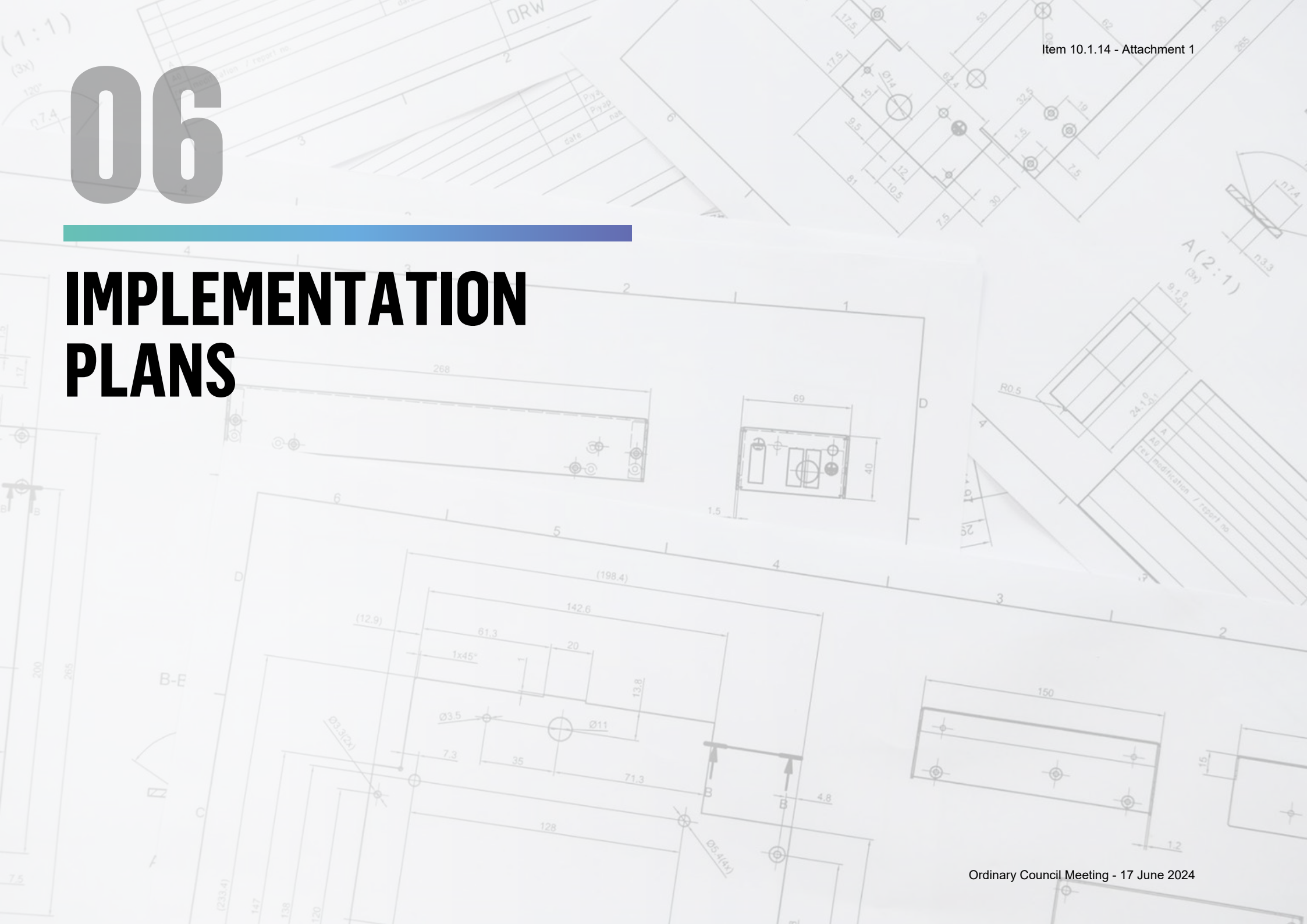
- **Preservation of heritage** through knowledge sharing;
- **Increased active transport in the area** through promotion of trails;
- **A stronger sense of community** through improved environmental landscape and amenity; and
- **Improved vibrancy and activation of the town centre** through quality built form development and investment.

Additional Benefits

BENEFIT	DESCRIPTION
Promotion / Preservation of Heritage	Building a trails centre will promote the historical aspect of both the site as well as the Jarrahdale Town Centre. This could increase visitation within the areas.
Active Transport Outcomes	Improvements to the area are expected to encourage active transport modes such as walking and cycling through the provision of improved paths and trails and physical leisure activity amenities (both exercise equipment and wet and dry play spaces).
Environmental Management	Improved areas often promote the protection of the surrounding environmental area.
Sense of Community	Improved areas and environmental landscapes lead to a stronger attachment to community and sense of place.
Improved Town Centre Vibrancy	Amenity improving enhancements which cater for the social and community space needs of current and future residents, increase the visual appeal of areas, as measured by increases in property values. This enables developments to occur earlier than may otherwise be the case due to improved development viabilities.

06

IMPLEMENTATION PLANS



IMPLEMENTATION PLANS | PROJECT PLAN

Overview

Key milestones and anticipated timeframes were identified to support the project delivery. Key tasks include:

- Endorsement of this business case;
- Ongoing engagement with stakeholders, including potential funding partners;
- Activation of short stay accommodation site (in addition to RV stopover);
- Soft marketing of short stay accommodation site through prospectus and TourismWA engagement;
- Concept design and cost estimation for trails centre and enabling works, taking into consideration the needs of trails centre / F&B and short stay site;
- Funding decisions;
- Infrastructure, building and site works approvals;
- Contract procurement and award;
- Construction of enabling works and trails centre; and
- Expression of interest campaign for short stay site.

A more detailed timeline should be developed on as part of the development of a project management plan, following endorsement of the business case.

The timeframes will depend on the procurement approach, with a design and construct tender potentially shortening the timeframe.

Key Milestones

MILESTONE	TIMING	STATUS
Initial engagement with key stakeholders	September 2022	Completed
Preparation of business case	October 2022	Completed
Endorsement of business case	November 2022	-
Engagement with potential funding providers	December 2022 to January 2023	-
Activation of short stay accommodation site	December 2022 – ongoing	-
Soft marketing of short stay accommodation opportunity	December 2022 – ongoing	-
Concept design for trails centre / enabling works	February to June 2023	-
Funding decision	July 2023	-
Works approvals	October 2023	-
Contract procurement	November 2023 to February 2024	-
Contract award	March 2024	-
Construction commences	April 2024	-
Trails centre operational	June 2026	-
Short stay site EOI / RFP	June 2029	-

IMPLEMENTATION PLANS | STAKEHOLDER ENGAGEMENT

Key Findings

The nature of this project means that buy-in and participation from key stakeholders is essential for the project to be successful and to maximise positive community outcomes.

Targeted engagement was undertaken for this business case in order to better understand the needs of the Shire's resident population, the market interest and site approvals considerations. This information was used to inform the land use assessment and options.

Engagement was undertaken with:

- Jarrahdale Heritage Society;
- Jarrahdale Community Collective;
- Department of Planning, Lands and Heritage; and
- Pendulum Capital.

Alongside above, this project was advertised on the Shire website and allowed for interested residents / businesses to get in touch with the Shire.

Future engagement activities will be guided by the communication plan in the following section.

Key Stakeholder Roles

STAKEHOLDER	POTENTIAL ROLES / OPPORTUNITIES
Peel Development Commission	<ul style="list-style-type: none"> ▪ Provide funding for required planning tasks and contributions to capital costs. ▪ Support promotion of development opportunity for short stay development opportunity.
Resident Community	<ul style="list-style-type: none"> ▪ Key users of Millars Road, food retail establishment, trails centre and public amenities. ▪ Support promotion of tourism / visitation opportunity and profile / brand of area.
Local Businesses	<ul style="list-style-type: none"> ▪ Potential suppliers for trails centre and / or short stay and potential food retail operator within trails centre. ▪ Potential to showcase local businesses / services at trails centre.
Department of Planning, Lands and Heritage & Western Australian Planning Commission	<ul style="list-style-type: none"> ▪ Approval of ground lease term above 20 years.

IMPLEMENTATION PLANS | COMMUNICATION PLAN

Overview

The Shire of Serpentine Jarrahdale seeks to encourage community participation in decision-making processes, communicate information to stakeholders and the community generally and to ensure decision-making transparency. It therefore utilises a range of mechanisms to target a broad cross-section of the community to both engage and then inform residents, incorporated associations, community groups and business and industry stakeholders.

Communication of Shire initiatives, including proposal prior to final approval, generally involves online information provision and feedback mechanisms, traditional print advertising, direct mail both random and targeted, as well as information provision through outstation locations and direct community access to both informally and formally convened communication opportunities.

These communication activities are guided by the Shire's Community Engagement Policy (5.3.4). This policy applies to all Shire staff and contractors that deliver services, or undertake projects, that impact Shire community and stakeholders.

Preliminary promotion and communication mechanisms are recommended to be implemented by the Shire in relation to this project. These initiatives should be reviewed and amended as required during detailed planning for this project.

Further, the communication plan will need to align with any financial agreement requirements if external financing is provided.

Communication Plan

INITIATIVE	DESCRIPTION
Project Factsheets and Updates	Key project information and timelines presented in a simple fact sheet will be developed and made available on the Shire's website, through social media and other communication platforms and from the administration office and other distribution points.
Expression of Interest (EOI)	An expression of interest (EOI) or similar process will help to identify potential tenants for F&B and / or trails centre operator. Following this process and exclusive negotiations, leasing contracts should be executed prior to construction commencing.
Funding Announcement	Funding partners and relevant stakeholders will publicly announce the funding for the project and project timeline. The Shire will work with relevant government agencies to develop joint media statements.
Milestone Celebrations	Ceremonial events to mark project milestones, including sod-turning, lock-up, practical completion and grand opening/re-opening events. Related announcements, media statements and speeches will acknowledge the funding support of partner agencies.
Promotional Materials	The Shire will explore the use of promotional materials such as flyers and signage to acknowledge the benefits of the project and funding partners involved.

IMPLEMENTATION PLANS | PROJECT MANAGEMENT AND GOVERNANCE

Overview

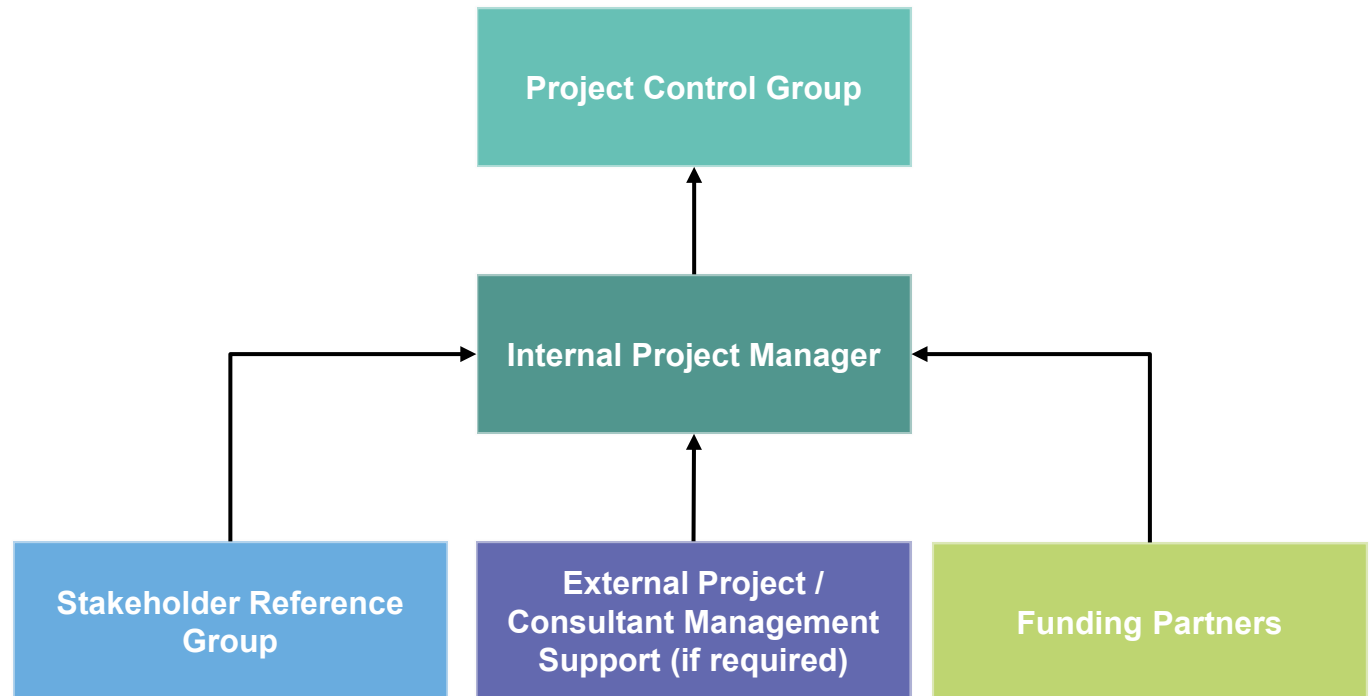
In the development of the project, the Shire will appoint a suitably qualified project manager to oversee project delivery. The project manager will be responsible for project scheduling, cost control, procurement, project delivery, construction supervision and project reporting and will be responsible for the administration of all contracts awarded to deliver the project.

Minimum reporting arrangements will exist whereby monthly progress reports, issues log and progress payment authorisation requests are provided to a project control group which would meet as required and quarterly as a minimum.

The project control group will be responsible for: monitoring the project deliverables and milestones, ensuring probity compliance, ensuring procurement and contract policies are consistent with the Shire's policies (and that of any funding partners) and reviewing and recommending any contract variations.

A project management plan for the construction of the preferred option will be developed to describe in detail the project management, governance, procurement, communication and risk procedures.

Project Governance Model



IMPLEMENTATION PLANS | PROCUREMENT PLAN

Overview

The Shire of Serpentine Jarrahdale is committed to delivering best practice in the purchasing of goods, services and works that align with the principles of transparency, probity and good governance. The Shire has an established Procurement of Goods or Services through Public Tendering Policy (3.2.5). The purpose of this policy is to ensure consistency for purchasing and procurement across all the Shire's operational areas.

For services and goods below \$250,000 in value, procurement is guided by the Purchasing Policy (3.2.4).

Procurement Services will compile and be responsible for the tender package, comprising the specifications received from the authorised officer and based on the Shire's standard terms and conditions of contract and decision matrix.

The Shire has strategies in place to prevent the misappropriation of funds and inappropriate use of public property that include a comprehensive Annual Audit Plan providing a balanced mix of financial, operational and information technology audits. In addition, risk management is considered an integral part of the annual business planning approach and risks are managed and monitored at all levels.

Potential Services Required to Deliver Project

#	SERVICE REQUIRED	SERVICE PROVIDERS
1	Stakeholder engagement	Shire officers or external engagement consultant
2	Project management	Shire officers or external project management consultant
3	Leasing EOI and negotiations	Shire officers with support from property management agency
4	Concept design	Architect and required technical consultants (e.g. engineering, environmental etc.)
5	Cost estimation	Quantity surveyor
6	Building approval	Shire officers or external planning consultant
7	Contractor procurement	Shire officers or external project management consultant
8	Building works supervision	Shire officers or external project management consultant

IMPLEMENTATION PLANS | ASSET MANAGEMENT PLAN

Overview

The Shire of Serpentine Jarrahdale will be responsible for the ongoing maintenance of the project once complete. Its management of this building will be guided by the Shire's Asset Management Policy (2.0.1).

This policy guides how the Shire can ensure that the development will continue to function to the level of service required by Council.

A key component of asset performance is asset life – the greater the performance of an asset component, the longer the life. The Shire will therefore conduct maintenance services as required.

Asset Management plans will be prepared in accordance with the recommended format of the Institute of Public Works Engineering Australia's (IPWEA) International Infrastructure Manual. This will include long term (20 year) financial modelling of the renewal profile of each asset class and will be underpinned by long term financial plans.

Asset Management Policy Principles

#	PRINCIPLE
1	Philosophy of renewing assets before acquiring new assets and, where possible, rationalising assets that are no longer used or do not provide the necessary level of service required to sustainably deliver the service for which the asset was acquired.
2	<p>Prior to consideration of any major refurbishment, improvement to an existing asset, construction or acquisition of a new asset, a critical review of the following shall occur as part of the evaluation and prioritisation process:</p> <ul style="list-style-type: none"> ▪ Need for facility (short and long term) ▪ Legislative requirements ▪ Opportunities for rationalisation ▪ Future liability including ultimate retention/disposal ▪ Opportunities for multiple use
3	All capital projects will be evaluated in accordance with a Capital Evaluation model and take into account capital cost, ongoing cost of maintenance, refurbishment, replacement and operating cost ("whole of life" cost assessment).
4	Management of assets utilising a team approach supported by the multi discipline cross-functional asset management working group.
5	Developing and implementing a 10 year "rolling" financial plan that incorporates infrastructure renewal requirements as identified within the various Asset Management Plans.
6	The commitment to involve and consult with the community and key stakeholders when determining service levels.
7	Training in asset and financial management will be provided for councillors and relevant staff.

IMPLEMENTATION PLANS | RISK MANAGEMENT PLAN

Overview

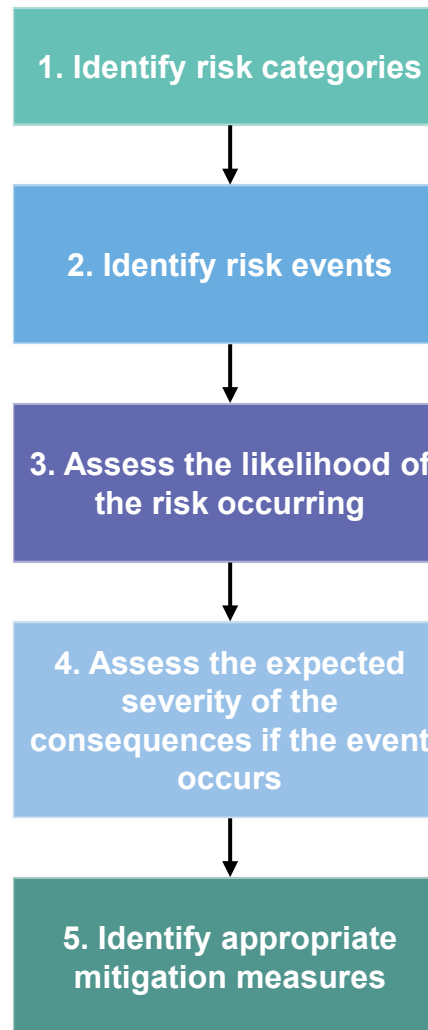
The Shire of Serpentine Jarrahdale manages and mitigates risks in accordance with its Risk Management Policy (3.3.3). The objective of this policy is to outline the strategies and processes applied in implementing an effective risk management system. This policy applies to all risk processes within the Shire and is subject to regular monitoring through the Audit, Risk and Governance ('ARG') Committee and Council.

To guide the effective risk management of the project, a risk identification process should be undertaken. This could include a risk workshop by the project director / manager as part of the development of the project management plan.

The overall objectives of the risk management and assessment process should be to identify risks to the successful delivery of the project and construction contract (and associated mitigation measures) in respect to:

- Financial risks;
- Regulatory risks;
- Procurement risks;
- Site / construction risks;
- Public perception / stakeholder risks; and
- Operational risks.

Risk Analysis Process



IMPLEMENTATION PLANS | MONITORING AND EVALUATION PLAN

Overview

This Monitoring and Evaluation (M&E) Plan describes a proposed M&E process for the project. This plan helps to track and assess the results of the projects and provides timely insights that will inform the delivery of this project and future projects. It is a living document that should be referred to and updated on a regular basis.

The distinction between evaluation and monitoring can sometimes be blurred since both involve some form of data collection, analysis, and reflection on the implications for action. However, monitoring tends to be a continuous process, while evaluation is typically periodic and involves a greater element of analysis and reflection. Monitoring is critical for insightful evaluation because it provides a sufficient base of information about how a project or program was implemented, including whether and in what ways it deviated from its intended design.

Evaluation is an opportunity to reflect upon the approaches that worked well and those that did not work as well, to identify the reasons for success or failure, and to learn from both. This plan describes the conceptual outline of the M&E process for the project through the identification of potential performance measures and measurement approaches for each project objective identified in section one of this business case.

The Shire of Serpentine Jarrahdale will be responsible for implementing the M&E Plan. The Shire will work with relevant partner organisations to ensure information is accurately and cost-effectively obtained.

Project Outcomes and Measurement Methods

OBJECTIVE	PERFORMANCE MEASURE	MEASUREMENT METHOD/S
Competitive and Sustainable Visitor Destination	The number, attributes and spending profile of additional visitation to Jarrahdale and role of the subject site amenities.	<ul style="list-style-type: none"> Visitation and expenditure numbers Investment in short stay accommodation and tourism services.
Natural Environment and Heritage	Improvements in the ecological and heritage attributes of the subject site.	<ul style="list-style-type: none"> Quality of natural characteristics and built form heritage.
Jarrahdale Community	Demonstrated flow-on benefits to the Jarrahdale community through improved connectivity, public spaces and amenities and increased opportunities to live, work and / or play.	<ul style="list-style-type: none"> Community sentiment and feedback.
Economic Development	Increased opportunities for new businesses, employment and quality investment.	<ul style="list-style-type: none"> Number of jobs and businesses within subject site.
Property Asset Optimisation	Successful unlocking of value to support financial sustainability and deliver social, environmental and economic outcomes aligned with strategy and policy objectives, aspirations and priorities.	<ul style="list-style-type: none"> Contractual agreement with private sector provider with long term financial returns.

09

APPENDICIES



APPENDIX A DEVELOPMENT OPPORTUNITIES ANALYSIS



APPENDIX A | STUDY AREA DEFINITION (CONT.)

Key Findings

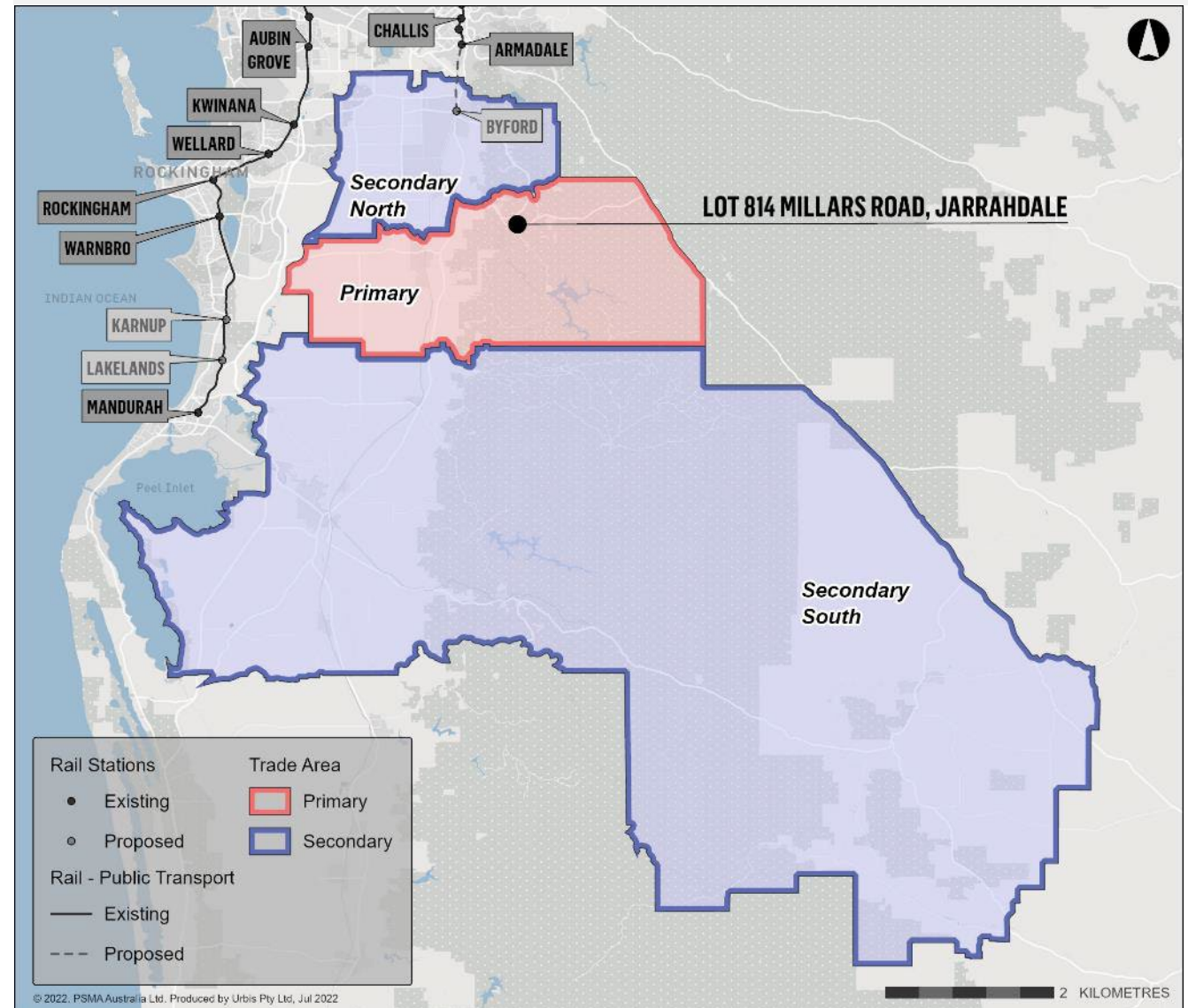
A study area was defined to assist with determining key opportunities for the subject site.

Overall, the site is considered to have a strong and captive core primary catchment of adjacent urban areas and two secondary catchments to the north and south respectively. The site, as demonstrated by the broader visitation attributes of the area, additionally has a high level of tertiary draw (i.e. patronage from residents outside the main trade area).

The study area was developed having regard to:

- DPLH's Urban Land Use Development Outlook 2020/21 for future residential development;
- High-level mobile phone GPS data analysis;
- The accessibility of the area and proximity to competition;
- Physical and manmade barriers; and
- Urbis' internal catchment surveys for comparable sites.

Defined Study Area



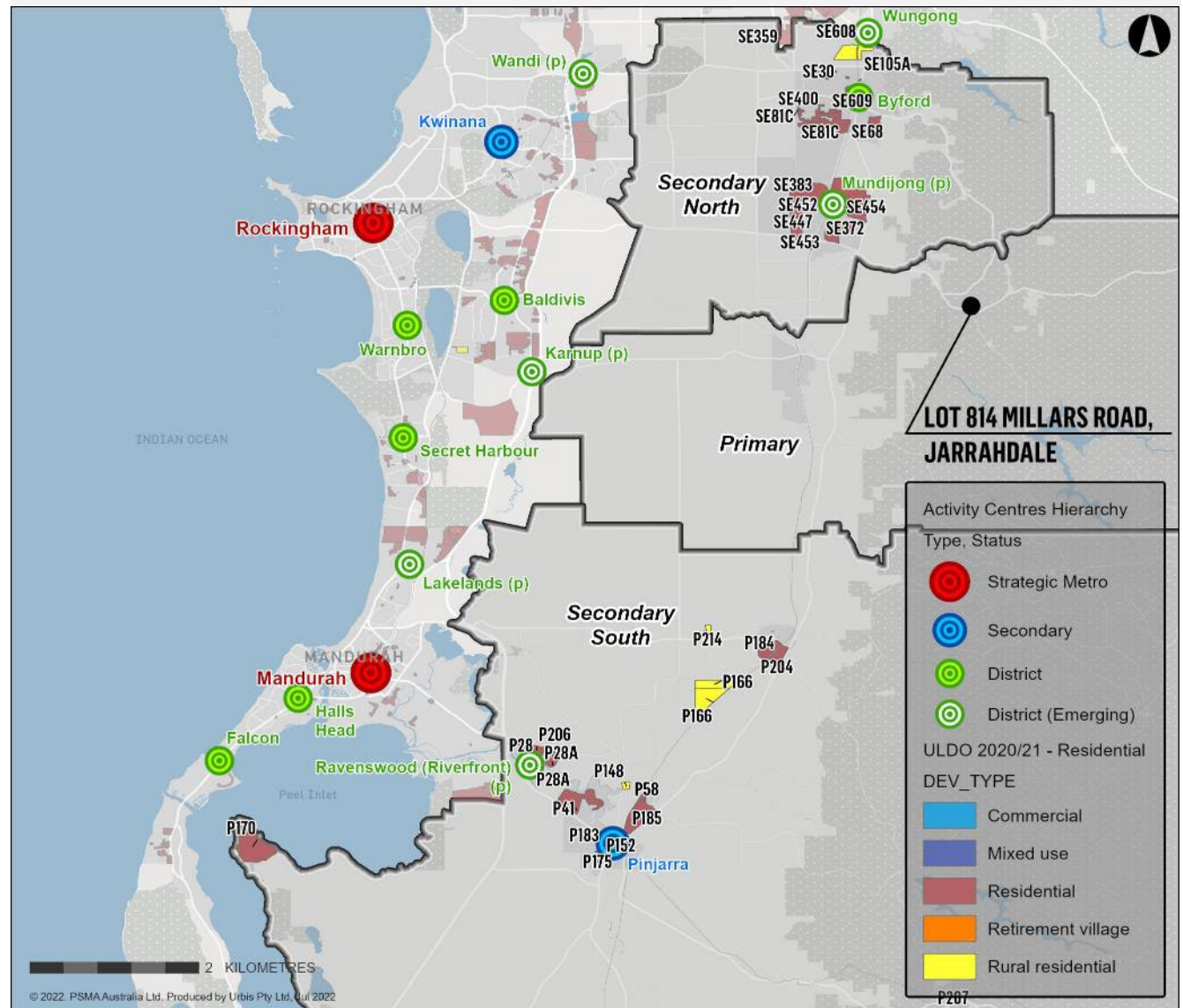
APPENDIX A | POPULATION OUTLOOK

Key Findings

There are highly limited opportunities to accommodate future residential growth in the Jarrahdale township and surrounds. As such, population growth is expected to be limited in the primary study area.

More broadly, there are large undeveloped and developing urban areas such as Byford, Mundijong and Pinjarra.

Map of Planned Residential Land Development



APPENDIX A | POPULATION OUTLOOK (CONT.)

Key Findings

In recent years, population growth has primarily been accommodated in Byford within the study area.

Looking forward, the extension of the Tonkin Highway is expected to encourage greater land development in Mundijong and areas around Pinjarra are expected to develop at a faster rate over the longer term.

Overall, the study area's population is expected to more than double over the next two decades.

Estimated Resident Population, Study Area, 2016-2041

YEAR	PRIMARY	SECONDARY NORTH	SECONDARY SOUTH	TOTAL
2016	4,539	23,157	12,436	40,132
2021	4,853	30,425	12,935	48,213
2026	4,894	38,776	16,625	60,295
2031	4,945	47,340	23,371	75,656
2036	5,047	57,294	35,169	97,510
2041	5,168	68,511	53,634	127,313

Source: Urbis, Forecast.id, DPLH ULDO

APPENDIX A | DEMOGRAPHIC PROFILE

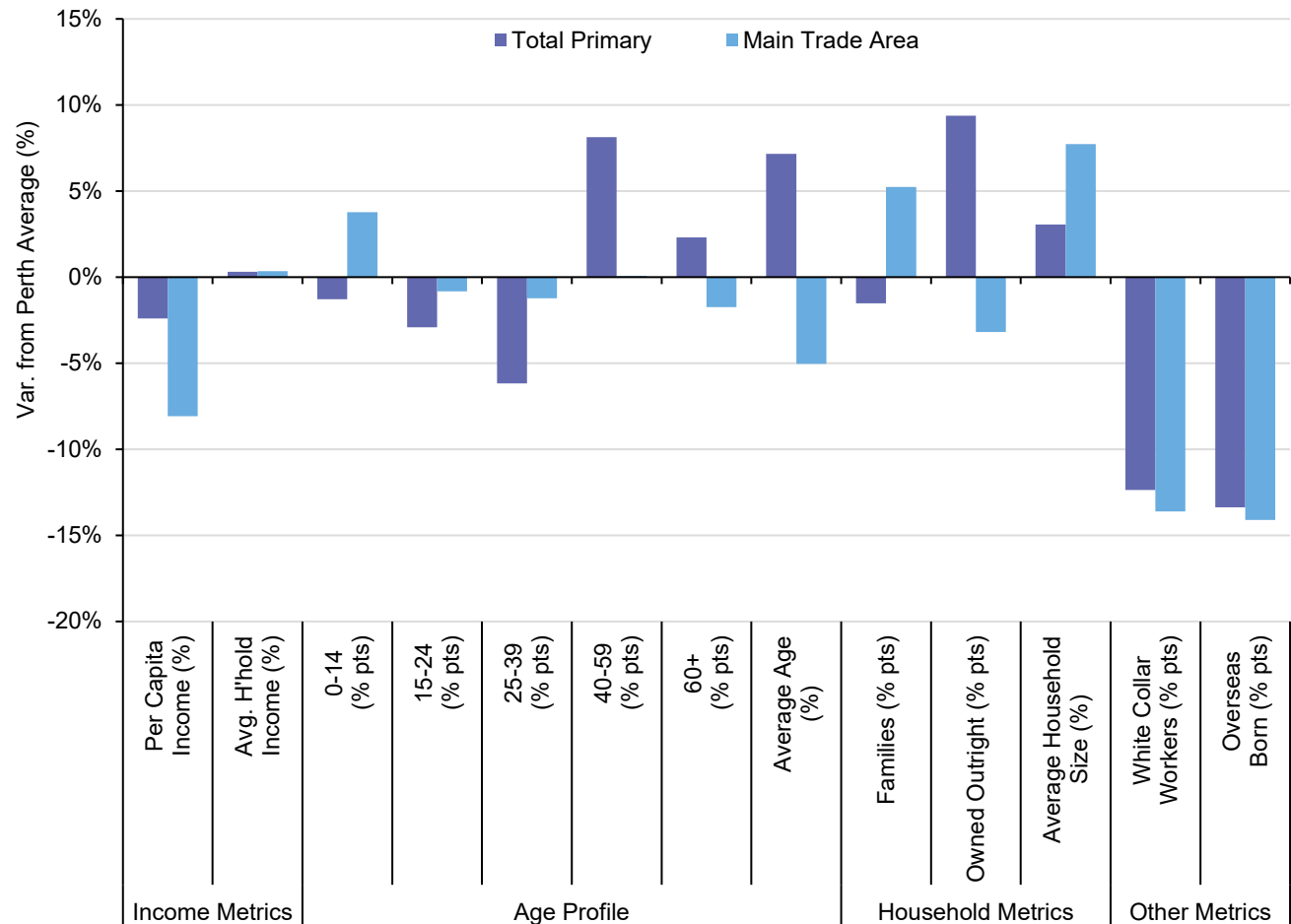
Key Findings

The level of future expenditure and retail demand in the trade area will be influenced by the socio-economic profile of current and future residents.

Based on data from the 2016 Census compared to Perth metropolitan averages, the following attributes were noted as relevant.

- **Average Incomes:** Residents have significantly lower per capita and household incomes compared with the Perth average which will influence the level of discretionary spending. This can be linked to the significantly lower percentage of white-collar workers in the area as compared to Perth. This displays that overall the socio-economic conditions are poorer as compared to Perth.
- **Age Profile:** Residents within the total primary area are slightly older on average relative to the rest of Perth which has implications for the need for health, education and retail services however the established Main Trade Area catchment has a moderately older population.
- **White Collar Workers:** Residents in the total primary and main trade area less likely to be white-collar workers than the Perth average.
- **Ethnicity:** The percentage of residents in the study area that were born overseas is significantly lower than the Perth average.

Key Socio-Economic Attributes, Study Area, 2016



Source: ABS

APPENDIX A | ESTABLISHED RESIDENTIAL MARKET

Key Findings

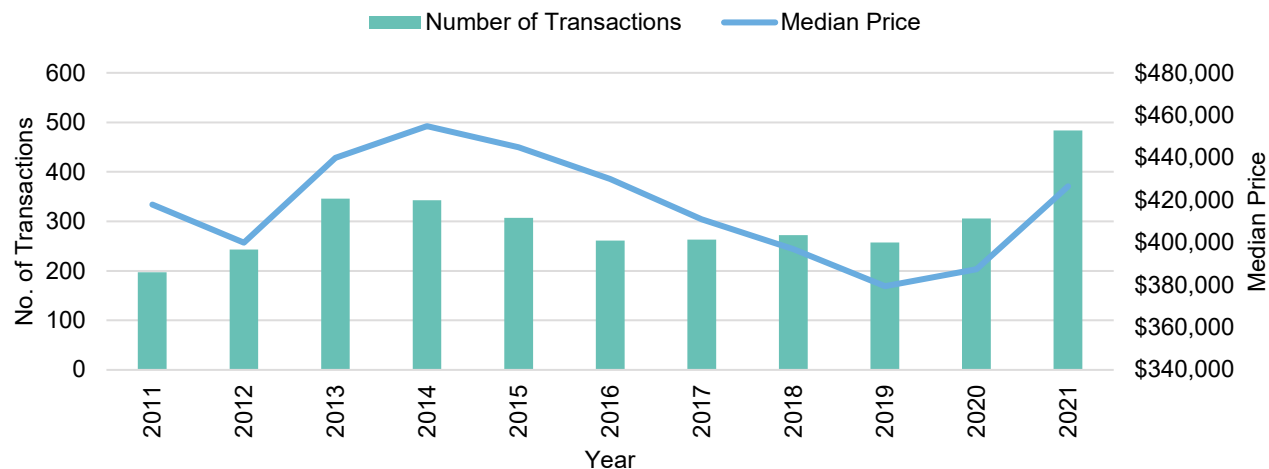
The property markets across Western Australia have experienced a cyclical upswing over the past two years as a result of government incentives, population growth, low interest rates and COVID-19 stimulus measures.

The sales volumes in the Shire of Serpentine-Jarrahdale has seen significant increases since 2019. Capital values have also recently recovered from the extended market downturn. The median sale price for houses sits below the median price for Greater Perth (\$525,00) at \$440,000.

The residential market in Jarrahdale is extremely limited, with less than 20 sales in 2021. Sales volumes have been decreasing since 2013 with capital values slowly recovering since 2020.

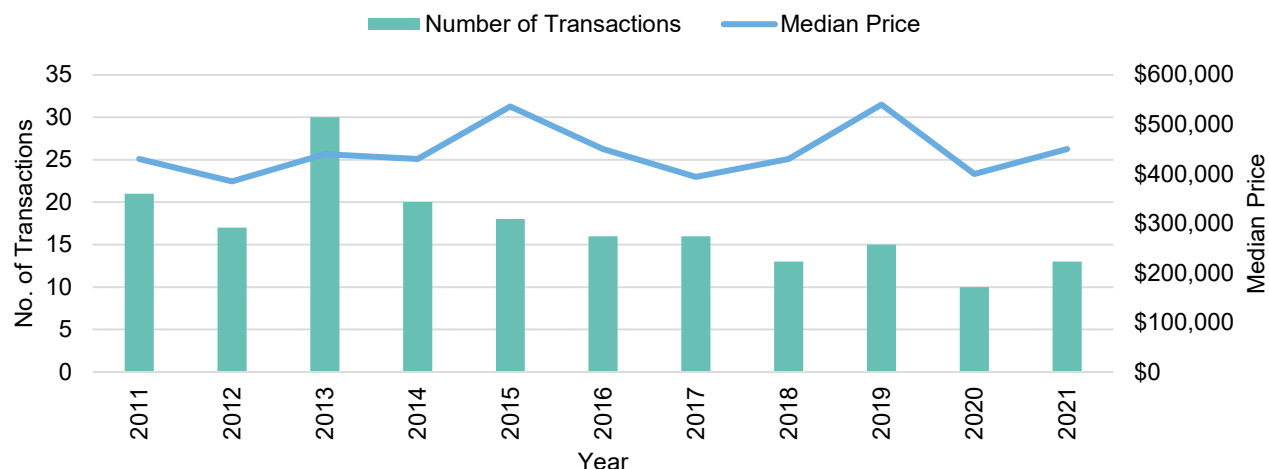
A review of land sales in Jarrahdale (for lots less than 2,000 sq.m) was undertaken and identified limited sales activity. Of the seven sales over the past five years, the median rate per square metre was \$125 (for a median lot size of 1,065 square metres).

House Sales and Median Price, Shire of Serpentine-Jarrahdale, 2011 – 2021



Source: Pricefinder

House Sales and Median Price, Jarrahdale (Suburb), 2011 – 2021



Source: Pricefinder

APPENDIX A | PRIVATE RENTAL MARKET

Key Insights

Improving labour market and economic conditions have coincided with a current lack of rental stock. This has translated to a tight rental market of with a low vacancy rate in Serpentine of 0.6% in the 2022 March quarter.

It is noted that there are significantly less renters in Serpentine-Jarrahdale compared to WA. The percentage of renters in the Serpentine area is 12.6% which is significantly lower than the WA rate of 27.3% (ABS Census 2021). This is due to the semi-rural nature of the region and the small size of the urban settlement in Jarrahdale in particular.

Vacancy Rate, Serpentine (Post Code 6125), June 2016 – March 2022



Source: SQM

n.b. The Vacancy Rate data has been sourced from SQM Research which have collected the data by postcode rather than by suburb. As such, the postcode as been adopted in this analysis.

APPENDIX A | VISITOR MARKET

Key Findings

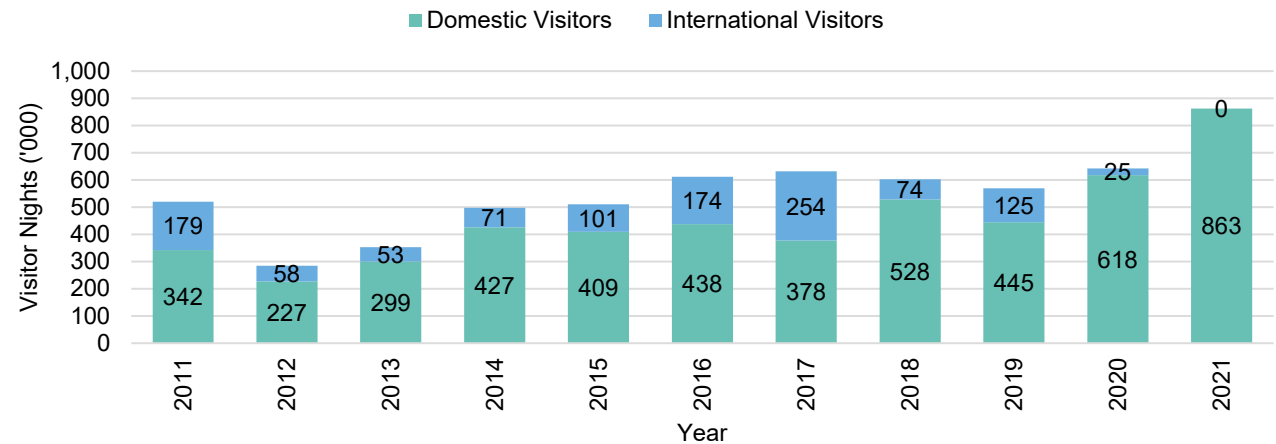
Serpentine-Jarrahdale is a growing tourism destination and an increase in the visitor economy is identified as an important channel for economic development across the region.

The tourism market is largely made up of domestic visitors, with relatively limited international visitor nights even before the onset of the Covid-19 pandemic.

Since the adoption of border controls due to Covid-19, many areas across Western Australia have benefitted from increased intrastate tourism – and this trend has played out in Serpentine-Jarrahdale. According to Tourism Research Australia, domestic visitor nights (i.e. excluding day trips) were at record highs in 2021.

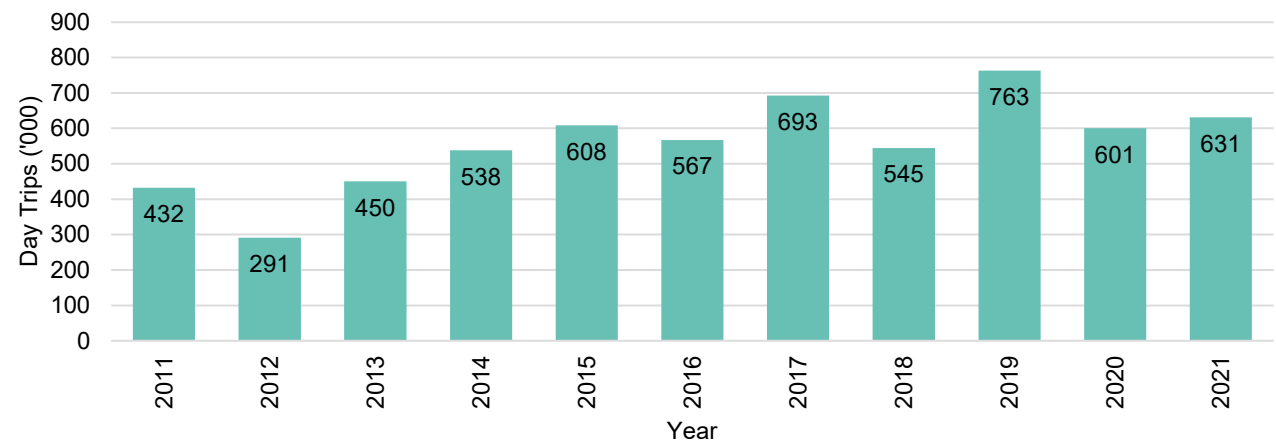
While domestic visitor nights increased significantly in 2021, domestic visitor day trips remained at the same level as 2020.

Visitor Nights by Origin, Study Area, 2011-21



Source: Tourism Research Australia

Domestic Visitor Day Trips, Study Area, 2011-21



Source: Tourism Research Australia

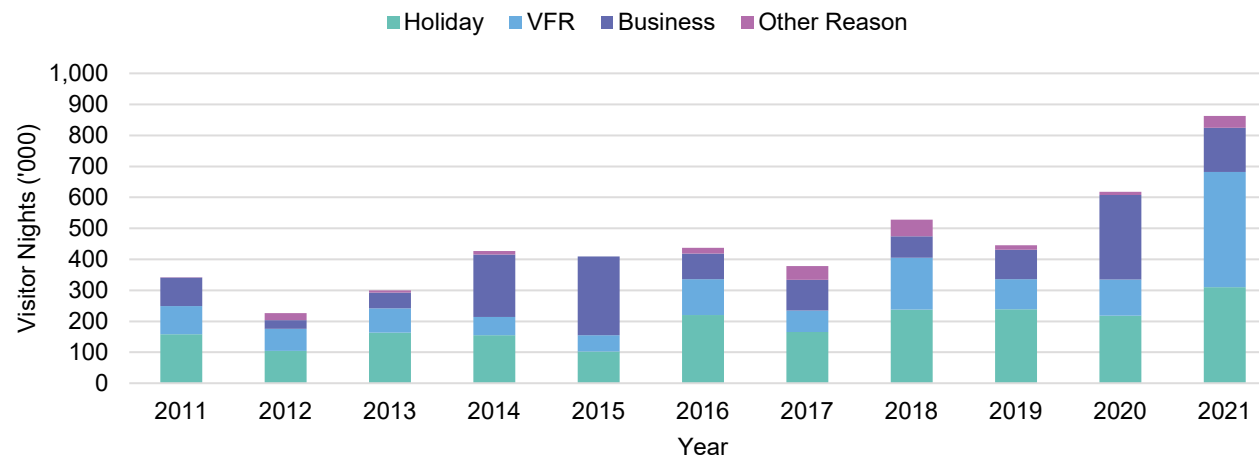
APPENDIX A | VISITOR MARKET (CONT.)

Key Findings

Naturally, due to its location, the study area attracts a high proportion of self-drive visitors for holidays.

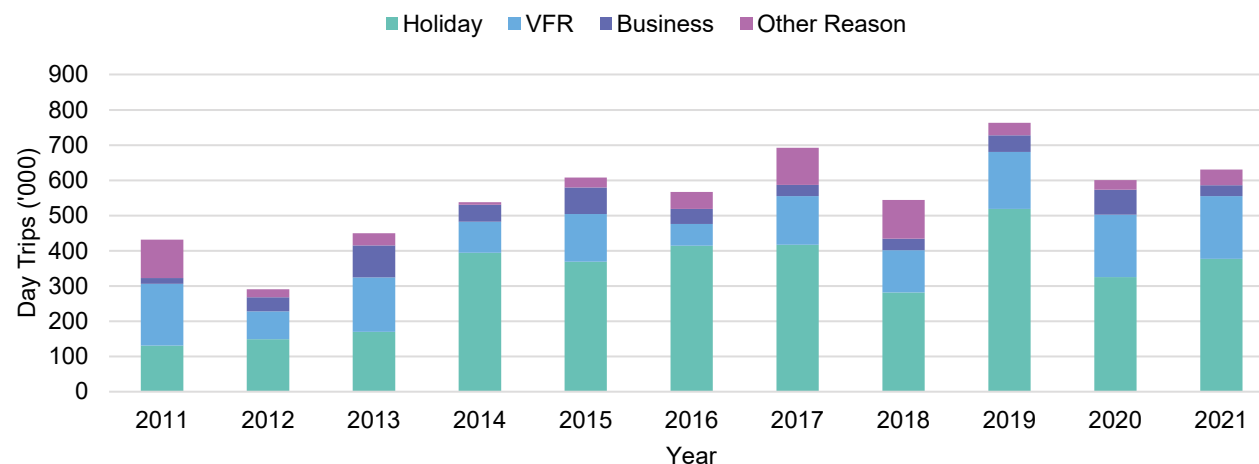
Of note, whilst domestic holiday visitation increased to record highs in 2021, visitation for friends and relatives purposes increased substantially. This is reflective of the impact of Covid-19 in the region in 2021.

Domestic Visitor Nights by Purpose, Study Area, 2011-21



Source: Tourism Research Australia

Domestic Day Trips by Purpose, Study Area, 2011-21



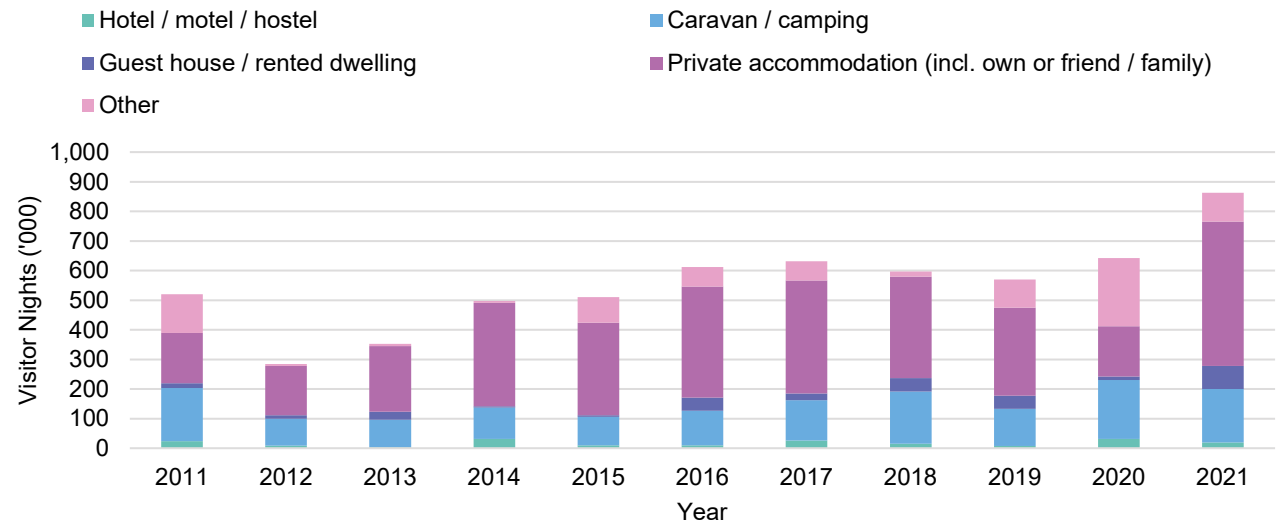
Source: Tourism Research Australia

APPENDIX A | VISITOR MARKET (CONT.)

Key Findings

As per the Tourism Research Data, private accommodation is the main accommodation type in the study area. This highlights the lack of formal, diverse accommodation options in the region.

Visitor Nights By Accommodation Type, Study Area, 2011-21



Source: Tourism Research Australia

APPENDIX A | VISITOR MARKET (CONT.)

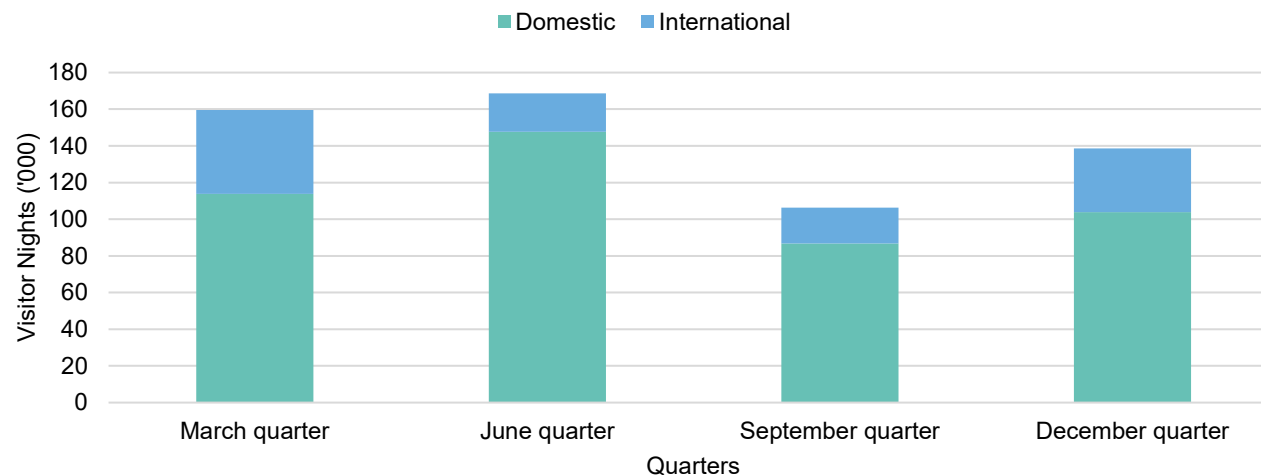
Key Findings

As the Tourism Research Australia data indicates, visitor nights and day trips are relatively seasonal. For international visitor nights, the peak quarters include March and December, while the peak quarters for domestic travellers are in the June and March quarters.

Domestic visitor day trips tend to peak in the June and March quarters, with the September quarter having significantly less day trips.

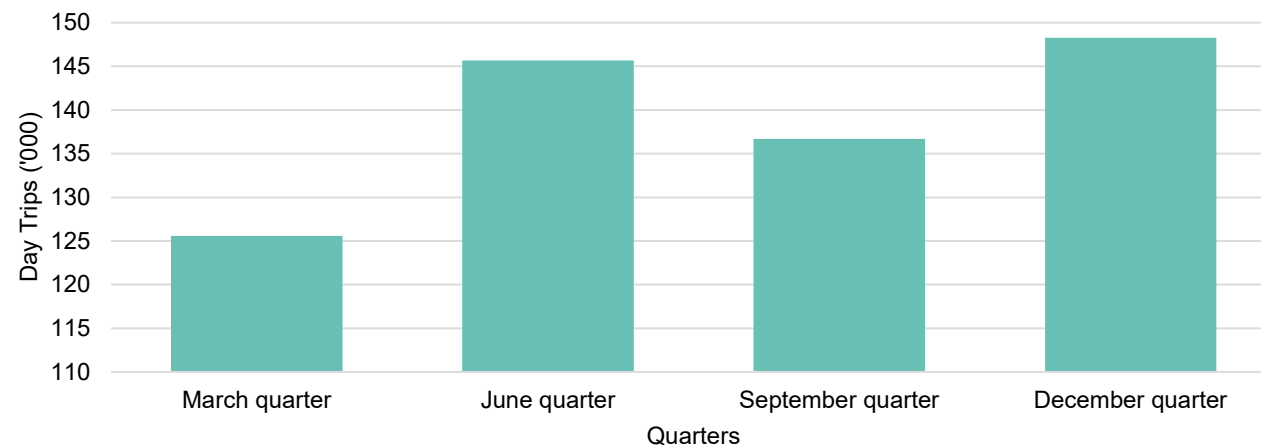
This seasonality has implications for the performance and viability of accommodation establishments and broader tourism and population services. For instance, many accommodation providers would operate on low occupancy levels during the off-season months and have to downsize staff during this period to manage costs and overheads.

Visitor Nights by Quarter, Study Area, 2011-21 (Average)



Source: Tourism Research Australia
International figures excludes 2020 onwards due to Covid-19 restrictions

Domestic Visitor Day Trips by Quarter, Study Area, 2011-21 (Average)



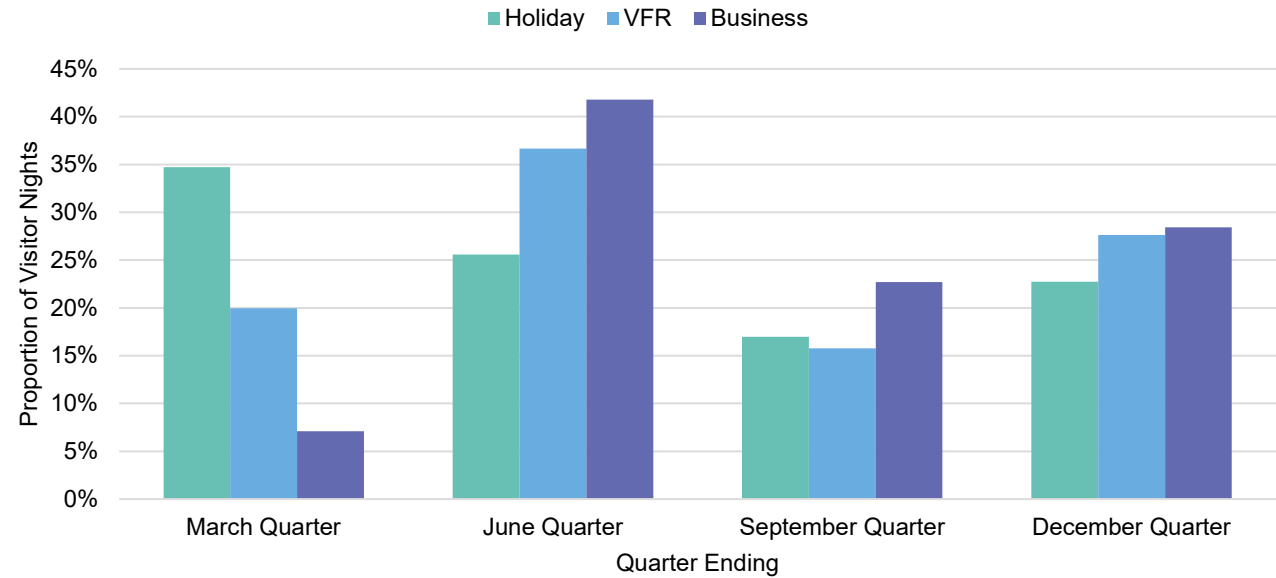
Source: Tourism Research Australia

APPENDIX A | VISITOR MARKET (CONT.)

Key Findings

The study area has a highly seasonal visitor market. For VFR and business visitors, the highest annual visitation occurs in the June quarter. The March quarter sees the highest amount of holiday related visitors. The off-peak season would be in the September as it has the lowest amount of visitors.

Visitor Nights by Quarter, Study Area, 2011-21 (Average)



Source: Tourism Research Australia

APPENDIX A | TOURISM ASSETS

Key Findings

Trails in the area

- Jarrahdale Heritage Parkrun
- Mundimup Timber Trail
- Langford Park
- Kitty's Gorge Walk Trail

All of the trails listed above are located within 5 kilometres of the subject site. The area offers a variety of trails to suit all kinds of hikers and travellers. This includes mountain bike trails, short walking trails, and longer trails surrounded by the local flora and fauna of the area.

Serpentine National Park

The main attraction within the Park is Serpentine Falls, a large picturesque waterfall that features a viewing platform. The park also features multiple trails and Serpentine Dam, and is located 15 kms from the subject site.

Millbrook Winery

Millbrook Winery is a boutique winery and restaurant located on Chestnut Farm, 3 kms from the subject site.

Cohunu Koala Park

This attraction houses a wide variety of native wildlife available for visitors to hand feed and take photos with and is located 17 kms from the subject site.

Whitnash Cottage and Jarrahdale Heritage Mill

These two attractions are both heritage listed sites that tie in with the Jarrahdale Townships history. Currently the Whitnash Cottage is a museum that features the town's history. Both attractions are located within 2kms of the subject site.

Key Attractions



APPENDIX A | TOURISM ASSETS (CONT.)

Existing Attractions, Study Area

FACILITY NAME	SUBURB	DRIVING DIST. FROM SITE	TYPE	COMMENTS
Primary Study Area				
Serpentine National Park (Serpentine Falls and Serpentine Dam)	Serpentine	15.3 km	Nature attraction	Includes Serpentine Falls, Serpentine Dam, multiple trails and picnic areas.
Millbrook Winery	Jarrahdale	3.8 km	Winery	Boutique winery in Chestnut Farm and located close to the subject site.
Trails in the area	Jarrahdale	5 km radius	Nature attraction	Jarrahdale Heritage Parkrun Mundimup Timber Trail Langford Park Kitty's Gorge Walk Trail
Secondary Study area				
Cohunu Koala Park	Byford	16.4 km	Zoo	Features variety of native wildlife for visitors to feed, and koalas to take pictures with.

Source: Urbis

APPENDIX A | VISITOR SEGMENTS

Key Findings

Tourism markets can be segmented in a variety of ways.

This study considered a range of market segments informed by TourismWA definitions. Of key relevance to Jarrahdale are:

- Grey explorers – a cornerstone of the visitor market;
- Dedicated Discoverers – a popular short break destination; and
- Adventure and eco tourism – short break, purposeful visitation for natural amenities and experiences.

Visitor Market Segments

SEGMENT	SUB-SEGMENT	YIELD	GEOGRAPHIC	ACCOMMODATION CATEGORY
Aspirational Achievers	Drive	High	Inter-region, Intrastate	Resort, Hotel / Motel
Dedicated Discoverers	Adventure Tourism	High	Intrastate, Interstate, International	Hotel / Motel, Caravan Park, Vacation Rentals, Camping
	Eco Tourism	High		
	Short Break	Medium	Inter-region, Intrastate	
	Youth	Low	Interstate, International	Backpacker, Caravan Park, Camping
Grey Explorers		Low	Intrastate, Interstate	Caravan Park, Camping
Family Connectors		Low	Inter-region, Intrastate	Vacation Rentals
Business		Medium-High	Intrastate	
Corporate		High	Intrastate, Interstate	Resort, Hotel / Motel

Source: TourismWA, Urbis

APPENDIX A | ACCOMMODATION

Existing Accommodation, Study Area

FACILITY NAME	SUBURB	DRIVING DIST. FROM SITE	ROOMS	PRICE	AMENITIES
Primary Study Area					
Tasman Holiday Parks	Serpentine	13.9 km	42	\$30-\$200	Camp kitchen and BBQ Pool Amenities block including laundry Campfire area
Serpentine Camping Centre	Serpentine	8.6 km	120	-	Pool and outdoor areas Meeting hall Dining room Activities inc. climbing wall and mini golf Full catered
Secondary Study Area					
Pinjarra Resort	Pinjarra	47.8 km		\$140	Pool Function/meeting rooms Restaurant
Fairbridge Village	Pinjarra	45.1 km	350		Meeting rooms Function halls Dining rooms Activities inc. climbing wall and mini golf
Pinjarra Caravan Park	Pinjarra	49.2 km		\$90	Pool Games room Laundry Camp kitchen

Source: Urbis



APPENDIX B FEASIBILITY ASSESSMENT

APPENDIX B | RESIDENTIAL FEASIBILITY

Key Findings

To inform this business case, a hypothetical residual land value approach was undertaken for a residential subdivision on Lot 814.

Capital values indicate market prices for small strata lots would likely be approximately \$150,000 for 450 sq.m in this location (freehold lots would attract higher price). This was based on a review of recent land sales for 1,000 sq.m and above lots in the townsite which ranged from \$190,000 and up.

The residual land value feasibility was undertaken for the following three scenarios. This feasibility assessment excludes some key costs such as commercial septic system, upgrading Millars Road and undergrounding of powerlines (more than \$1m). This assessment additionally placed no value on the site (i.e. no purchase price).

The assessment was run for private sector returns and the DevelopmentWA threshold which is the weighted average cost of capital. The assessment demonstrated that there is insufficient sales revenue from the lots and – with other costs included – a significant subsidy of more than \$150,000 per lot could be required.

Hypothetical Residential Lot Feasibility

SCENARIO	AVERAGE LOT SIZE	NO. OF LOTS	AVERAGE PRICE	RESIDUAL LAND VALUE (PRIVATE SECTOR)	RESIDUAL LAND VALUE (DWA THRESHOLD)
One	300 sq.m	24	\$120,000	-\$2,250,000	-\$1,835,000
Two	450 sq.m	16	\$150,000	-\$800,000	-\$450,000
Three	700 sq.m	10	\$180,000	-\$550,000	-\$370,000

n.b. This feasibility assessment excludes some key costs such as commercial septic system, upgrading Millars Road and undergrounding of powerlines (more than \$1m).

APPENDIX B | SHORT STAY CAPITAL COST AND HYPOTHETICAL FEASIBILITY

Overview

This study undertook high level development feasibility analysis to understand what development outcomes are currently viable, marginal and unviable for different scenarios

This approach involved:

- Estimating development costs (e.g. construction costs, fees etc.);
- Estimating operating revenue (e.g. occupancy rate, average daily / weekly rate) and expenses (e.g. maintenance, operator management fee);
- Estimating annual net operating income; and
- Estimating internal rate of return (IRR) and net present value (NPV).

This study drew on the previous analysis and market sounding to inform assumptions regarding development costs, operating costs, occupancy rates and average daily rates. In addition, this study included sensitivity testing for alternative construction cost, subsidy and operating assumptions.

It is important to note that no land acquisition cost was adopted. Any acquisition cost would reduce estimated returns (e.g. development margins).

Additional assumptions are over the page.

Development Option Summaries

DEVELOPMENT FEASIBILITY	BASE OPTION
Revenue	\$2,140,164
Expenses	\$1,187,941
EBITDA	\$952,226
Margin	44%
Capital Costs	\$10,809,993
Debt / Equity	50:50
Interest Rate	7%
Revenue Growth	2% p.a.
Ground Lease (\$ p.a.)	-
IRR	2%
Equity IRR	9%
NPV (at 7%)	\$861,169

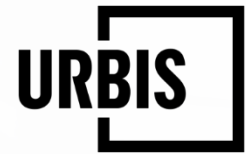
APPENDIX B | SHORT STAY CAPITAL COST AND HYPOTHETICAL FEASIBILITY (CONT.)

Estimated Short Stay Capital Costs

DEVELOPMENT COST	BASE OPTION
Building Construction - Chalets	\$1,861,200
Building Construction - Caravan	\$4,114,350
Building Construction - Camping	\$1,003,500
Parking Construction	\$369,000
Landscape	\$500,000
<i>Total Construction</i>	<i>\$7,848,050</i>
<i>With Regional Price Escalation</i>	<i>\$8,240,453</i>
Professional Fees	\$824,045
Contingency Allowance	\$824,045
Site Works / Fit-Out	\$824,045
Statutory Fees	\$82,405
Holding Cost	\$15,000
External site works	-
<i>Total Development Cost</i>	<i>\$10,809,993</i>

Hypothetical Feasibility for Short Stay Accommodation

ACCOMMODATION	ASSUMPTION	
	Peak	Off-Peak
Occupancy	70%	40%
Chalet	\$185	\$175
Caravan Site (powered)	\$40	\$40
Camping Site (unpowered)	\$25	\$25
Event Booking Income	-	-
Housekeeping / staffing	Assumes 1FTE per 10 rooms at \$80k p.a. plus 4 FTE for reception / management plus on-costs of 25%	
Utilities	Assumes \$100 per site per year	
Linens, toilet and kitchenette amenities	Assumes \$50 per week per room	
Booking fees	Assumes average of 6% of revenue	
Breakage and allocation to renovation	Assumes a 2% breakage, renovation and replacement budget	
Other misc. operational expense (e.g. insurance, rates)	Assumes 7% misc. opex	
Marketing and promotion	Assumes 10% of revenue	



APPENDIX C CASE STUDIES



APPENDIX C | SHORT STAY ACCOMMODATION EXAMPLES

Dwellingup Trails and Visitor Centre

Operator – Shire of Murray

Number of Rooms – N/A

Year Built - 2020

Services

Features state-of-the-art technology virtual reality experiences, interactive touch maps and information screens, up-to-date trail maps and information and the iconic fully restored 1938 Mack Truck fire tender.

Project Description

- The centre is located centrally in the Dwellingup townsite and is surrounded by a variety of accommodation options. Dwellingup is located an hour south of Perth.
- The centre provides local expertise to travelers – this includes information about local Birdwatching, Camping, Canoeing/Kayaking, Cycling, Fishing, Four Wheel Driving, Hiking, Horse Riding, Mountain Biking, Swimming, Walks
- Facilities at the centre include Cafe/Kiosk/Restaurant, Carpark, Coach Parking, Interactive Centre, Lockers, Picnic Area, Public Toilet, RV Parking, Shop / Gift Shop, Showers.



Tasman Holiday Parks, Serpentine Falls

Operator – Tasman Holiday Parks

Number of rooms – 42

Services

Holiday homes, cabins, camping and RV sites, indoor camp kitchen, BBQ area, swimming pool, amenities block (bathrooms and showers for campers), laundry, bike and scooter trails, winter campfires, reception and ample parking.

Project Description

- This is located close to the Serpentine town center and near multiple trails and attractions, namely Serpentine National Park.
- Tasman Holiday Parks in Serpentine Falls features a range of accommodation options to suit wide variety of travelers. Accommodation options include studio cabins, ensuite cabins, deluxe 2-bedroom cabins, super deluxe 1-bedroom cabin, 1- and 2-bedroom holiday homes, powered sites on slab/gravel for RV's, powered site on grass for campers, and unpowered site on grass for campers.
- The target market is campers and low budget travelers. The site is advertised per friendly. Pricing ranges from \$30-\$200 a night depending on the accommodation type.



APPENDIX C | SHORT STAY ACCOMMODATION EXAMPLES

Travellers Rest Motel

Location – Mundaring

Number of Rooms – 11

Pricing - \$140/night

Services

Spacious self-contained suites surrounded by bushland, gazebo with BBQ facilities and a seating area.

Project Description

- The Travelers Rest Motel is located in Mundaring close to the town center and is a 30-minute drive from Perth.
- This accommodation is located close to John Forrest National Park which features many bush walks and trails. Other attractions located near the motel include the Mundaring Weir and Lake Leschenaultia.
- The motel has 11 suites that range from 1 to 3 bedrooms to suite all types of travelers. The target market is low budget travelers.
- Amenities in the suites include an ensuite bathroom, fully equipped kitchen, dining area, lounge room, laundry facilities and has wheelchair accessible facilities. The motel is also dog and truck friendly.
- The property is surrounded by nature and has a communal gazebo with BBQ facilities.



Mandoon Estate Accommodation

Location – Caversham

Number of rooms – 32

Pricing - \$225 to \$315

Services

Homestead Brewery relaxed dining, Wild Swan fine dining restaurant, The Lawn restaurant, The Colony accommodation, and the Mandoon Estate winery.

Project Description

- Mandoon Estate is an award-winning winery located in Caversham, near multiple vineyard wineries.
- The Colony features luxury accommodation with amenities including room service, Wi-Fi, free parking, and high-quality bathroom ensembles. Rooms available include the deluxe rooms, superior rooms and executive suites.
- Mandoon Estate features multiple function rooms for events and weddings. Homestead brewery, Wild Swan and The Lawn also have capacity to host a wide variety of functions and events, making Mandoon Estate a prime wedding venue.
- Mandoon Estate hosts a variety of functions such as weddings, long table events, private events, and conferences.





APPENDIX D

ECONOMIC EVALUATION

APPENDIX D | ASSESSMENT APPROACH

Approach Overview





An assessment of the likely positive and negative economic and social impacts from the implementation of the preferred option was undertaken. The impacts of the project were measured using three approaches:

- **Construction phase impacts** – estimates of the economic effect of the construction activity;
- **Ongoing employment and economic impacts** – estimates of the employment and economic activity supported by the operation of the land uses; and
- **Cost benefit analysis** – estimates of the net economic and social benefits of the investment in the enabling works and trails centre.

All effects were assessed in terms of the incremental impact of implementing the project compared to not implementing the project (i.e. status quo).

This is a preliminary assessment as it is based on a range of assumptions as to the level and type of services that the site would accommodate.

Assessment Principles

	PRINCIPLE	DESCRIPTION
	Transparency is Paramount	Economic and social evaluations are heavily reliant on judgement. Because of this, it is crucial that the basis for analytical inputs, decisions and conclusions are properly explained and documented. A key benefit is it allows for more robust scrutiny of the analysis by other (independent) parties, thereby facilitating more informed debate and continual improvements over time.
	Assumptions Linked to Sound Evidence Base	Credible and current published literature of ex-ante and post-ante studies should be referenced to support assumptions.
	Guided by Government Guidelines	Assessments should closely adhere to government guidelines.
	Recognition of Risks	Many of the costs and benefits are uncertain and therefore involve an element of risk. Importantly, this should be explicitly accounted for in a cost benefit analysis, primarily through undertaking a sensitivity analysis of key risk elements.

APPENDIX D | ASSESSMENT APPROACH (CONT.)

Approach Summary

A Cost Benefit Analysis (CBA) is the most commonly used and most comprehensive of the economic evaluation techniques. It compares the monetised benefits and costs of a project to determine the desirability of a project.

This study uses a net benefit approach. This only analyses the incremental, or additional, benefits and costs that can be estimated with a degree of accuracy. This approach is considered to be the most appropriate to assess the net economic benefits that accrue from the project as it enables direct comparisons with alternative proposals.

The steps in CBA include:

- Identify the quantifiable benefits that are able to be monetised;
- Calculate the value (in monetary terms) of the quantified incremental benefits and costs in net present value (NPV) terms using the discount rates;
- Calculate the 30-year total net present value – the total present value of all net benefits minus the present value of economic costs to determine whether net benefits exceed (or undershoot) costs related with the project; and
- Sensitivity analysis based on alternative economic impact assumptions and discount rates.

Assessment Assumptions

ASSUMPTIONS	DESCRIPTION
Discount Rate	Discounting is the reverse of compounding (adding) interest. It reduces the monetary value of future costs and benefits back to a common time dimension – the base date (i.e. 2022). Discounting satisfies the view that people prefer immediate benefits over future benefits (social time preference) and it also enables the opportunity cost to be reflected. A real discount rate of 7% was adopted for this assessment. A sensitivity test involved utilisation of 4% and 10% discount rates.
Timeframe	The benefits were identified on an annual basis over a set period and calculated in net present value terms at the defined discount rate. For this study, a 30-year timeframe was assessed as this represents the notional life span of the improvements before significant future investment is required.
Benefit Escalation	This assessment assumed constant social impacts which is conservative in nature (i.e. no escalation was applied to the benefits).
Benefit Inputs	Incremental (i.e. net) visitor expenditure in the region was adopted as the sole benefit input.

Source: Urbis

APPENDIX D | GLOSSARY OF TERMS

Benefit Cost Ratios are indicators to determine whether the benefits of a project exceed the costs. A value greater than 1 implies there are net benefits.

Construction Cost is the estimated investment value for each development over the anticipated delivery period, measured in constant 2020 dollar (i.e. excluding inflation) excluding GST.

Direct Impacts are the initial round of economic output, employment and household income generated by an economic activity.

Discount Rates represent the view that people prefer immediate benefits over future benefits and additionally enable for opportunity costs to be reflected when making judgements about the value of a project.

Economic Output is a measure of the gross revenue of goods and services produced by commercial organisations and gross expenditure by government agencies.

Full-Time Equivalent (FTE) Job Years refers to the total number of full-time equivalent jobs that can be supported over a 12-month period.

Gross Value Added (GVA) is a measure of the value of goods and services produced in an area, industry or sector of an economy during a certain period of time. GVA is measured in constant 2020 dollar (i.e. excluding inflation) excluding GST.

Indirect Impacts are production-induced effects. Production-induced effects (Type I) are additional output, employment and household income resulting from re-spending by firms that receive payments from the sale of services to firms undertaking production. Consumption-induced effects (Type II) are additional output, employment and household income resulting from re-spending by households that receive income from employment in direct and indirect activities. These Type II effects were not assessed.

Induced Impacts are the expected outcomes of a project versus the business of usual approach whereby the project is not implemented.

Net Present Value is the sum of the present value of benefits and costs over a period of time.

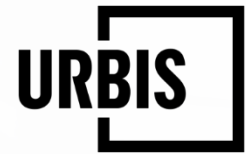
Present Value reflects the current dollar value using a prescribed discount rate.

APPENDIX D | REMPLAN METHODOLOGY

Analysis presented here uses REMPLAN economic modelling to assess current and potential economic impacts. REMPLAN is an Input-Output model that captures inter-industry relationships within an economy. It can assess the area-specific direct and flow-on implications across industry sectors in terms of employment, wages and salaries, output and value-added, allowing for analysis of impacts at the State of Western Australia level.

Key points regarding the workings or terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase.
- Outputs from the model include employment generated through the project and economic Gross Value Added (GVA) at the State level
- Outputs from the model include employment generated through the project at both the local and the state level.
- Employment generated is calculated over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated.
- Both the direct and indirect employment are modelled:
 - *Direct* refers to the effect felt within the industry as a result of the investment. For example, the construction phase will directly result in the creation of construction jobs.
 - *Indirect* effects are those felt within industries that supply goods to the industries directly affected.
- It should be noted that the results presented in this report are estimates only based on the existing state of economic activity in the area. Due to the static nature of input-output modelling, they have the potential to overstate the actual effects. Nonetheless, the analysis still reflects the fact that employment growth will be positive for the State and the local area.
- Urbis consider that in the absence of the investment package it is unlikely that similar projects would be undertaken within the same period, and therefore the investments can be considered additional.



APPENDIX E

PLANNING SNAPSHOT

LOT 814 & 815 MILLARS ROAD, JARRAHDAL

PLANNING CONTEXT

<p>METROPOLITAN REGION SCHEME & ZONING</p> <p>Urban Rural Rural Water catchment,</p>	<p>LPS 2 PERMITTED LAND USES – NOT EXHAUSTIVE, REFER TO PRECINCT PLAN</p> <p><u>P Use</u></p> <p>Single House Car Park Recreation – Public</p> <p><u>A Use</u></p> <p>Industry – Cottage Bed And Breakfast Holiday Accommodation Brewery Caravan Park Holiday House Market Restaurant/Café Small Bar Tavern Tourist Development</p>	<p><u>D Use</u></p> <p>Market Office Restaurant Shop Interpretive/Tourist Centre Educational Establishment Industry Light (restricted to small-scale light and service industrial uses such as, but not limited to, fine furniture manufacture, boutique breweries, fine food manufacture (ie cheeses, confectionary, preserves, bakery), art and craft workshops, clothing and footwear manufacture and printing at the discretion of the Council) Art Gallery Community Purpose Shop</p>
<p>LOCAL GOVERNMENT AREA</p> <p>Shire of Serpentine-Jarrahdale</p>	<p>PROHIBITED USES</p> <p>Hotel If it's not listed as a use in the Schedule, it is prohibited</p>	
<p>LOCAL PLANNING SCHEME & ZONING</p> <p>Shire of Serpentine-Jarrahdale Town Planning Scheme No.2 Special Use No. 3 (Historic Precinct) Special Use No. 7 (Historic Precinct)</p> <p>DRAFT LOCAL PLANNING SCHEME No.3</p> <ul style="list-style-type: none"> Special Use (SU7) – Jarrahdale Heritage Precinct 	<p>DRAFT LPS3 LAND USES</p> <p>Under the draft LPS3 the land use permissibility remains relatively consistent apart from the prohibition of all Industrial land uses and the inclusion of some additional tourism-related uses such as Motel.</p>	
<p>SITE AREA</p> <ul style="list-style-type: none"> 22.06Ha 	<p>HERITAGE</p> <p>Heritage - Area of historical interest - H7 (Serpentine-Jarrahdale) Jarrahdale Townsite & Heritage Park – Place No. 08488</p> <ul style="list-style-type: none"> Heritage Council Municipal inventory – Category 1B, conservation essential. Site partially within this precinct Jarrahdale Heritage Park – Place No. 17287 LGA heritage list 	
<p>RELEVANT DOCUMENTS</p> <ul style="list-style-type: none"> SPP 2.4 Basic Raw Materials Policy SPP 2.8 Bushland Policy for Metropolitan Perth SPP 3.7 Planning in Bushfire Prone Areas 		
<p>OTHER CONSIDERATIONS:</p> <ul style="list-style-type: none"> Local Heritage: Yes Gooralong Brook Water Reserve – all development in the reserve shall be referred to the Water Corporation for comment prior to final determination by the Council 		
<p>DRAFT LPS SCA8</p> <p>Jarrahdale Heritage Precinct</p> <ul style="list-style-type: none"> Preservation of character ... “To ensure the preservation of the Jarrahdale townscape, heritage and woodlot precinct character.” Architectural design detail should reflect the scale, style and spatial arrangements of existing buildings within SCA8 Earthy colours and low reflective materials Site disturbance minimised, cut and fill discouraged Utilisation of solar energy encouraged Encourages overall sustainability The local government may enter into agreements with the owners or occupiers of land in respect of a building or object for the purpose of ensuring its preservation or conservation. 		

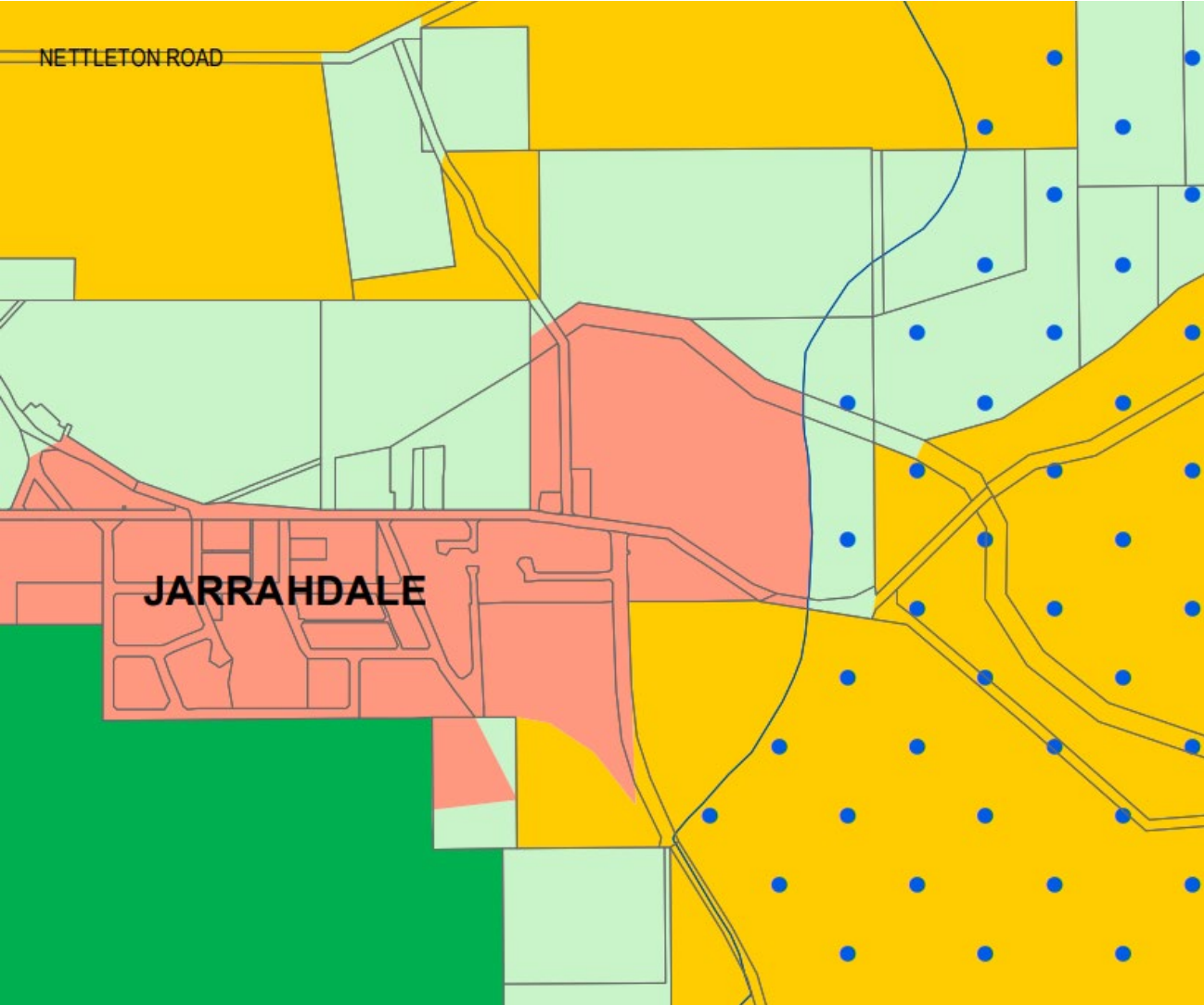
KEY DEVELOPMENT CONTROLS	
PLOT RATIO	Not applicable
SETBACKS	Not applicable
MAXIMUM BUILDING HEIGHT	Not applicable
CAR PARKING REQUIREMENTS	<p>LPS2 – Non Exhaustive</p> <p>Caravan Park</p> <ul style="list-style-type: none"> ▪ 1 space per caravan site plus 1 space per employee with 1 space per 20 caravan sites for visitors <p>Restaurant</p> <ul style="list-style-type: none"> ▪ 1 space per 4 persons accommodated <p>Shop</p> <ul style="list-style-type: none"> ▪ 1 space per 15 square metres gross leasable area <p>DRAFT LPS3 -Non Exhaustive</p> <p>Caravan park</p> <ul style="list-style-type: none"> ▪ 1 bay per caravan or cabin site and 1 bay for every 2 camp sites and visitor parking shall be provided at a minimum of 1 bay per 20 sites with a minimum of 2 bays. <p>Bed and breakfast</p> <ul style="list-style-type: none"> ▪ 1 bay per guestroom and 1 bay per 2 employees. <p>Holiday accommodation</p> <ul style="list-style-type: none"> ▪ 1 bay per unit and 1 bay per employee * <p>Hotel</p> <ul style="list-style-type: none"> ▪ 1 bay per bedroom, 1 bay per employee* and 1 bay per 4m2 of dining, drinking and/or lounge areas <p>Café/restaurant and tavern</p> <ul style="list-style-type: none"> ▪ 1 bay per 4m2 of dining, drinking and/or lounge areas and 1 bay per 4m2 of public assembly areas. <p>Shop</p> <ul style="list-style-type: none"> ▪ 1 bay per 20m2 of NLA. <p>*1 bay per employee means 1 bay for each of the maximum number of employees on the premises at any given time.</p>
LANDSCAPING	<p>LPS2</p> <p>In carparking areas</p> <ul style="list-style-type: none"> ▪ planting shall be selected and maintained so as to minimise foliage between 0.5 metres and 1.5 metres above ground level; ▪ the minimum width of landscaped areas shall be 1.5 metres and 2.0 metres when the landscaped area adjoins a street boundary; ▪ all landscaping strips shall provide at least one pedestrian crossing point for every continuous ten metres of length. <p>DRAFT LPS3</p> <p>10% in total, comprised of 5% of the front setback</p>

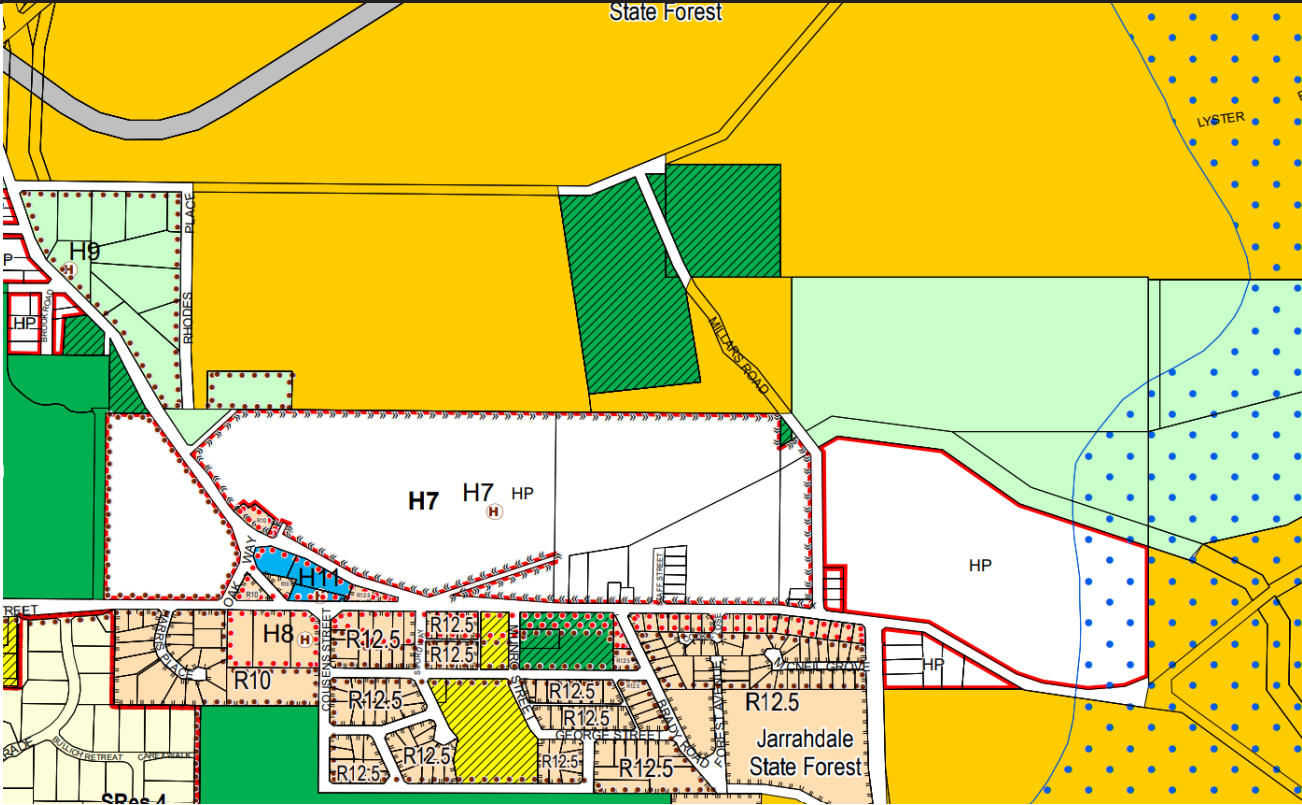
TREE PRESERVATION

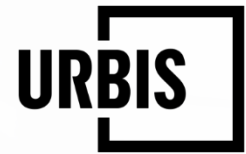
Trees greater than 4m high or a diameter of 150mm measured at a height of 1.2m above the natural ground level shall not be removed, destroyed or damaged.

Exemptions from tree preservation

- any tree or other vegetation which is not naturally growing and has a height of less than 4 metres and/or trunk diameter less than 150mm measured at a height of 1.2 metres above natural ground level;
- any tree which constitutes an immediate threat to life or property, the proof of which threat lies upon the person who removes, destroys, or damages the tree;
- any tree within:
 - three metres of any buildings;
 - a building envelope defined or accepted by the Council;
 - the perimeter line of a proposed building for which a building licence has been issued;
 - a firebreak required by a Regulation or By-law;
 - a one metre wide corridor for the purpose of erecting and maintaining a fence;
 - the area required for the construction of an effluent disposal system approved by Council; and
 - a vehicle accessory to a property.
- any tree having branches directly overhanging the roof of any building, but in that case the exemption applies only to the lopping of an overhanging branch;
- any tree within 2 metres of a sewer, water-main, effluent disposal system, stormwater or power network, where the tree has caused damage or blockage to the installation or equipment in question, proof of which damage lies upon the person removing, destroying or damaging the tree;
- trees grown for commercial purposes;
- where the removal, cutting down, destruction or damaging of the trees or naturally growing vegetation must necessarily be carried out to comply with conditions of subdivision approval; and
- where the removal, destruction or damaging of the trees or naturally growing vegetation is unavoidable in the lawful undertaking of a public work by a public authority referred to in S.6 of the Planning and Development Act 2005 (as amended).







APPENDIX F ENGINEERING COSTINGS



**PROPOSED JARRAHDALE ENABLING WORKS
PRELIMINARY OPINION OF PROBABLE COST
JOB NUMBER 22045**

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>UNIT</u>	<u>ESTIMATED QTY</u>	<u>ESTIMATED RATE</u>	<u>ESTIMATED TOTAL</u>
PRELIMINARIES					
ESTABLISHMENT					
	Mobilisation / Demobilisation	Item	1	\$ 15,000.00	\$ 15,000.00
	Contractors Site Facilities , Services and Security	Item	1	\$ 25,000.00	\$ 25,000.00
	Insurances	Item	1	\$ 2,678.06	\$ 2,678.06
AUTHORITIES AND FEES					
	Construction Industry Training Fund Levy (0.2% of Contract Sum)	Item	1	\$ 892.69	\$ 892.69
	Liaison and Coordination of Service Bodies for Service Installation	Item	1	\$ 1,200.00	\$ 1,200.00
TESTING					
	Specified Testing	Item	1	\$ 5,000.00	\$ 5,000.00
SURVEY/ SUPERVISION/ PROJECT MANAGEMENT					
	As Constructed Details	Item	1	\$ 6,000.00	\$ 6,000.00
	Survey / Supervision/Project Management	Item	1	\$ 35,707.48	\$ 35,707.48
	Service locations	Item	1	\$ 5,000.00	\$ 5,000.00
TRAFFIC MANAGEMENT					
	Traffic Management- preparation, submission and approval of Traffic Management Plan	Item	1	\$ 1,600.00	\$ 1,600.00
	Traffic Management- implementation of Traffic Management Plan to the satisfaction of council	Item	1	\$ 15,000.00	\$ 15,000.00
CONSTRUCTION WATER					
	Construction water from nearby hydrant/standpipe	Item	1	\$ 5,000.00	\$ 5,000.00
OCCUPATIONAL HEALTH AND SAFETY					
	Occupational Health and Safety Management	Item	1	\$ 2,000.00	\$ 2,000.00
	HSEQ Management Plan	Item	1	\$ 1,726.00	\$ 1,726.00
MANAGEMENT PLANS					
	Construction Management Plan	Item	1	\$ 1,000.00	\$ 1,000.00
	Dust, Noise and Vibration Management Plan	Item	1	\$ 1,200.00	\$ 1,200.00
	Sediment Erosion Control Plan	Item	1	\$ 2,100.00	\$ 2,100.00
CLEANUP					
	Street sweeping of external roads used for access during construction	weeks	8	\$ 870.00	\$ 6,960.00
	Final Clean-up	Item	1	\$ 5,844.00	\$ 5,844.00
OTHER					
	Other Items Necessary for Completion of the Works	Item	1	\$ 5,000.00	\$ 5,000.00
SUBTOTAL PRELIMINARIES					\$ 143,908.23
STORMWATER DRAINAGE					
PIPEWORK/ EXCAVATE/ SUPPLY / LAY TRENCHES UP TO 2M DEEP pipes					
	300 Dia Class 2	m	200	\$ 96.00	\$ 19,200.00
	375 Dia Class 2	m	150	\$ 169.64	\$ 25,446.00
	450 Dia Class 2	m	150	\$ 191.16	\$ 28,674.00
EXCAVATION IN OTHER MATERIALS					
	Remove and Dispose Clay and Backfill with Sand	m	500	\$ 60.00	\$ 30,000.00
PITS 1050 DIA TO SUIT PIPES UP TO 450 DIA					
	Bubble-up Pit with Raised Grated Lid and rock pitching complete	No.	1	\$ 4,165.00	\$ 4,165.00
	Side Entry Pits	No.	10	\$ 3,153.95	\$ 31,539.50
SUMPS					
	Excavate Drainage Sump and Dispose Surplus Spoil Off Site	Item	1	\$ 10,000.00	\$ 10,000.00
SUB TOTAL STORMWATER DRAINAGE					\$ 149,024.50

ROADWORKS

SUBGRADE

Subgrade Preparation/ box out of existing road to suit

m ²	3870	\$	15.00	\$	58,050.00
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PAVEMENT TYPES / FINISHES

Gravel

200 Thk Gravel base

m ²	3870	\$	15.90	\$	61,533.00
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SEAL TYPES

sprayed seals- prime and first coats

7mm prime seal

m ²	3600	\$	6.46	\$	23,256.00
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asphalt - black

25mm AC7

m ²	3330	\$	12.00	\$	39,960.00
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KERBING

Mountable Kerb

m	900	\$	26.45	\$	23,805.00
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VERGE BACKFILL

Grade Verges / Backfill to Kerbs

m ²	4500	\$	5.00	\$	22,500.00
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SUBTOTAL ROADWORKS

\$	229,104.00
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WATER SUPPLY

EXCAVATION OF COMMON SERVICE TRENCH IN ALL CLASSES OF MATERIAL

2.4m wide for all services (power, water, gas & Telstra/ NBN)

m	450	\$	54.62	\$	24,579.00
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PIPEWORK - SUPPLY, LAY, JOINT, TEST

100 Dia UPVC cl 16

m	450	\$	32.00	\$	14,400.00
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Remove Portion of Existing Main and Dispose

m	104	\$	50.00	\$	5,200.00
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HYDRANTS INCLUDING TEES, THRUST BLOCKS, RISERS, BOXES AND KERB / ROAD MARKERS

Hydrant for 100 Dia

No.	4	\$	1,250.00	\$	5,000.00
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Paint Hydrant cast iron lid white

No.	4	\$	98.31	\$	393.24
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Kerb Marking

No.	4	\$	98.31	\$	393.24
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FLUSHING POINT

Flushing point for 100 Dia

No.	1	\$	1,242.94	\$	1,242.94
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VALVES INCLUDING BOXES, FITTINGS, THRUST BLOCKS, EXTENSIONS AND

Sluice Gate Valve for 100 Dia

No.	1	\$	1,069.00	\$	1,069.00
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Kerb Marking

No.	1	\$	49.76	\$	49.76
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CAST IRON BENDS INCLUDING THRUST BLOCKS

Bend 100

No.	1	\$	609.00	\$	609.00
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SERVICES

Service Tapping off 100 dia pipe

No.	6	\$	40.00	\$	240.00
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25MM MDPE Long Single Complete

No.	2	\$	177.00	\$	354.00
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25MM MDPE Short Single Complete

No.	4	\$	177.00	\$	708.00
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remove and reconnect existing services

No.	6	\$	500.00	\$	3,000.00
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TEMPORARY BLANK ENDS AND FLUSHING POINT COMPLETE

100 dia

No.	0	\$	430.00	\$	-
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ROAD CROSSING AND REINSTATEMENT

Road crossing and reinstatement

no	1	\$	4,000.00	\$	4,000.00
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WATER COPORATION FEES

connection to existing

Prov Item	1	\$	3,700.00	\$	3,700.00
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OTHER

Disinfection of water mains

No.	1	\$	3,276.88	\$	3,276.88
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SUBTOTAL WATER SUPPLY

\$	68,215.06
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COUNCIL FEES AND CONTRIBUTIONS (incl GST)

COUNCIL FEES

Supervision Fees

%Rds and Dge (and of 15% of earthworks)	1	1.5%	\$	5,671.93
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GST on council fees

Item	0.1	\$	5,671.93	\$	567.19
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SUBTOTAL COUNCIL FEES AND CONTRIBUTIONS (INCL GST)

\$	6,239.12
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PROFESSIONAL FEES

Civil Design / Contract Administration

Item	1	6.00%	\$	35,415.11
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Licensed Surveyor

Item	1	\$	8,000.00	\$	8,000.00
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Geotech

Item	1	\$	15,000.00	\$	15,000.00
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GST

Item	0.1	\$	58,415.11	\$	5,841.51
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SUB TOTAL PROFESSIONAL FEES (incl GST)

\$	64,256.62
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PROPOSED JARRAHDALÉ ENABLING WORKS
 PRELIMINARY OPINION OF PROBABLE COST
 JOB NUMBER 22045

CONSTRUCTION COSTS	ESTIMATED TOTAL
PRELIMINARIES	\$143,908.23
STORMWATER DRAINAGE	\$149,024.50
ROADWORKS	\$229,104.00
WATER SUPPLY	\$68,215.06
SUBTOTAL (EXCL GST)	\$590,251.79
ADD GST ALLOWANCE 10%	\$59,025.18
TOTAL CONSTRUCTION CONTRACT (INCL GST)	\$649,276.97
CONSTRUCTION CONTINGENCY 20%	\$129,855.39
CONSTRUCTION TOTAL (INCL GST)	\$779,132.37
DEVELOPMENT FEES AND CHARGES	ESTIMATED TOTAL
COUNCIL FEES AND CONTRIBUTIONS (INCL GST)	\$6,239.12
PROFESSIONAL FEES (INCL GST)	\$64,256.62
DEVELOPMENT FEES AND CHARGES TOTAL (INCLUDING GST)	\$70,495.74
TOTAL INCLUDING GST	\$849,628.11
TOTAL EXCLUDING GST	\$772,389.19

NOTE : Excludes landscaping, lot fencing, fire breaks, entrance statements, marketing, project management, sales, planning, survey and scheme fees. Assumes works proceed in favourable

PRELIMINARY OPINION OF PROBABLE COST DISCLAIMER

The information provided in this estimate expresses the results of preliminary investigations only and represents an opinion of probable costs. It is based on preliminary design concepts only. It is provided to the reader as background material and to provide general assessment on possible project costs. No information in this estimate should be regarded as final or conclusive and the reader should not use this report as the basis for budgeting or investment decisions without obtaining independent analysis or detailed studies from the authors. The reader must acknowledge the underlying premise on which the information has been prepared may change

PRETENDER OPINION OF PROBABLE COST DISCLAIMER

The information provided in this pre-tender opinion of probable cost expresses the results of designs as submitted to service authorities for approval. These designs may be subject to amended at the request of the authorities. Line item rates are provided from Edgeloe Engineering databases, adjusted and augmented as required to suit the individual project. These rates are however subject to confirmation by way of tender. No information in this estimate

NAME OF TENDERER _____

ADDRESS OF TENDERER _____

DATE OF TENDER ____/____/____

Please note that the Priced Bill of Quantities does not necessarily list all items. The Tenderer is to add or delete items considered necessary.

COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

The data and information that informs and supports our opinions, estimates, surveys, forecasts, projections, conclusion, judgments, assumptions and recommendations contained in this report (Report Content) are predominantly generated over long periods, and is reflective of the circumstances applying in the past. Significant economic, health and other local and world events can, however, take a period of time for the market to absorb and to be reflected in such data and information. In many instances a change in market thinking and actual market conditions as at the date of this report may not be reflected in the data and information used to support the Report Content.

The recent international outbreak of the Novel Coronavirus (COVID-19), which the World Health Organisation declared a global health emergency in January 2020 and pandemic on 11 March 2020, has and continues to cause considerable business uncertainty which in turn materially impacts market conditions and the Australian and world economies more broadly.

The uncertainty has and is continuing to impact the Australian real estate market and business operations. The full extent of the impact on the real estate market and more broadly on the Australian economy and how long that impact will last is not known and it is not possible to accurately and definitively predict. Some business sectors, such as the retail, hotel and tourism sectors, have reported material impacts on trading performance. For example, Shopping Centre operators are reporting material reductions in foot traffic numbers, particularly in centres that ordinarily experience a high proportion of international visitors.

The data and information that informs and supports the Report Content is current as at the date of this report and (unless otherwise specifically stated in the Report) does not necessarily reflect the full impact of the COVID-19 Outbreak on the Australian economy,

the asset(s) and any associated business operations to which the report relates. It is not possible to ascertain with certainty at this time how the market and the Australian economy more broadly will respond to this unprecedented event and the various programs and initiatives governments have adopted in attempting to address its impact. It is possible that the market conditions applying to the asset(s) and any associated business operations to which the report relates and the business sector to which they belong has been, and may be further, materially impacted by the COVID-19 Outbreak within a short space of time and that it will have a longer lasting impact than we have assumed. Clearly, the COVID-19 Outbreak is an important risk factor you must carefully consider when relying on the report and the Report Content.

Where we have sought to address the impact of the COVID-19 Outbreak in the Report, we have had to make estimates, assumptions, conclusions and judgements that (unless otherwise specifically stated in the Report) are not directly supported by available and reliable data and information. Any Report Content addressing the impact of the COVID-19 Outbreak on the asset(s) and any associated business operations to which the report relates or the Australian economy more broadly is (unless otherwise specifically stated in the Report) unsupported by specific and reliable data and information and must not be relied on.

To the maximum extent permitted by law, Urbis (its officers, employees and agents) expressly disclaim all liability and responsibility, whether direct or indirect, to any person (including the Instructing Party) in respect of any loss suffered or incurred as a result of the COVID-19 Outbreak materially impacting the Report Content, but only to the extent that such impact is not reflected in the data and information used to support the Report Content.

This report is dated **October 2022** and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of **the Shire of Serpentine and Jarrahdale** (Instructing Party) for the purpose of a **Business Case** (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events including wars, civil unrest, economic disruption, financial market disruption, business cycles, industrial disputes, labour difficulties, political action and changes of government or law, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or made in relation to or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

Urbis acknowledges the important contribution that Aboriginal and Torres Strait Islander people make in creating a strong and vibrant Australian society.

We acknowledge, in each of our offices, the Traditional Owners on whose land we stand.

Urbis has made all reasonable inquiries that it believes is necessary in preparing this report but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

In preparing this report, Urbis may rely on or refer to documents in a language other than English which Urbis will procure the translation of into English. Urbis is not responsible for the accuracy or completeness of such translations and to the extent that the inaccurate or incomplete translation of any document results in any statement or opinion made in this report being inaccurate or incomplete, Urbis expressly disclaims any liability for that inaccuracy or incompleteness.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading bearing in mind the necessary limitations noted in the previous paragraphs. Further, no responsibility is accepted by Urbis or any of its officers or employees for any errors, including errors in data which is either supplied by the Instructing Party, supplied by a third party to Urbis, or which Urbis is required to estimate, or omissions howsoever arising in the preparation of this report, provided that this will not absolve Urbis from liability arising from an opinion expressed recklessly or in bad faith.

Urbis staff responsible for this report were:

Director	Tim Connoley
Associate Director	Dane Gaunt
Research Analyst	Katherine Rayner Christian Mazzone
Project code	P0040941
Report number	Version 1

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