

ITEM LATE REPORT - GM - 08/07/13 - REGIONAL DEVELOPMENT AUSTRALIA FUND - ROUND FIVE LATE SUPPLEMENTARY REPORT

REPORT FROM: R BAILEY - GENERAL MANAGER

REFERENCE

NIL

SUMMARY

This report is to provide additional information in relation to the projects that have been suggested for Round Five of the Regional Development Australia Fund where it has been announced that Lithgow has been allocated \$344,635 in funding.

Whilst the amount of funding has been allocated Council is still required to make application for projects under this funding.

COMMENTARY

The Australian Government has announced that it is releasing a further \$150 million for local community infrastructure development through RDAF Round Five. This Round is to give eligible councils the opportunity to build new community infrastructure and renew existing infrastructure in partnership. Lithgow City Council has been allocated \$344,635 in this funding Round.

Funding is being provided for additional capital infrastructure projects, including the construction of new infrastructure and the refurbishment or renovation of existing infrastructure. Unsuccessful applications under previous rounds of RDAF may be applied for in Round Five. However, if a project received funding under a previous RDAF round, an application under Round Five must be for a discrete and further stage of the project.

Outcomes of the RDAF program are:

- sustainable regional economic development, economic diversification, and increases to the economic output of local and regional economies
- strong, dynamic and progressive regional communities which support social inclusion and "Closing the Gap on Indigenous Disadvantage" and are underpinned by quality recreational, arts, cultural and social facilities, and
- development of sustainable partnerships across Australian, state and local government, the private sector and the not-for-profit community to support a shared vision and joint investment in regional communities.

To be funded, applications must satisfy the following criteria:

Funding Criterion 1: The applicant must be an eligible organisation.

- Eligible organisations are local governments that received funding under the General Purpose component of the local government Financial Assistance Grants in 2012–13.
- Applicants may be supported by a consortium and projects may be delivered by the consortium. Consortium members may include other local governments, state or territory governments, not-for-profit organisations, business and industry organisations, universities and technical colleges, Regional Organisations of Councils, and community organisations.
- The legal and operational arrangements for a consortium are a matter for participants. The Commonwealth will only enter into a Funding Agreement with an eligible organisation.

Funding Criterion 2: The application must be for an eligible project.

- Projects must be for the construction of new infrastructure, or the refurbishment or upgrade to existing infrastructure.
- Projects must be 'investment ready', i.e. the project must be **completed no later than 31 December 2016**. The project must also be ready to **commence construction within 12 months of the execution of the Funding Agreement** between the applicant and the Commonwealth.
- Projects must be maintained for a period of not less than five years following completion of the project.
- Single projects or a package of smaller projects will be supported. There is no limit on the number of projects that may be submitted, however all projects must be included in a single application and, subject to approval, will form a single Funding Agreement between the applicant and the Commonwealth.

Funding Criterion 3: The project must provide community benefit, economic growth, or support the environment.

Projects must benefit the Local Government Area and the communities that reside within it. Benefits may be to:

- develop the community, i.e. projects that support or enhance social capital and regional liveability through the construction, expansion or refurbishment of community facilities, infrastructure to support housing, streetscapes and civic upgrades, or facilities to support the disadvantaged
- support economic growth, i.e. by sustaining existing growth, enhancing productivity and innovation, supporting industry diversification and value-added activities, contributing to new investment, creating sustainable jobs, exploiting export opportunities, or facilitating workforce re-training and skills development, and/or
- support the environment, i.e. projects that support a transition to clean energy, sewerage upgrades, efficient storage, transformation and use of water, or the effective disposal of waste.

Funding Criterion 4: The project must be viable.

The application must demonstrate that the project is viable by providing:

- **Evidence of approvals**—that approvals are in place, applied for, or otherwise expected to be received to allow the commencement of construction within 12 months of entering into a Funding Agreement with the Commonwealth.
- **Evidence of co-contributions**—that the project will be fully funded through commitment of partnership contributions in cash or in-kind.
- **Evidence of planning**—that the project will be delivered on time and to budget. This will be achieved through the provision of supporting documents, per 3.2 of these Guidelines.
- **Evidence of costing**—that the project has been appropriately costed. The level and detail of the costing, and procurement processes, should be commensurate with the value of the project.

Ineligible Projects

Funding **will not** be provided for:

- local government premises that are occupied by local government for administrative purposes
- artworks
- toilet blocks
- soft infrastructure, such as computer software or hardware
- salaries for service delivery staff, research staff and/or contractors
- purchase of plant and equipment that is not an integral part of the funded project
- administrative overhead items, including office equipment and vehicles
- mobile capital equipment, such as trucks and earthmoving equipment
- provision of services and support activities
- ongoing operational and maintenance costs
- project management, feasibility studies and other costs associated with project management, and
- activities that are eligible to be funded under the National Disaster Relief and Recovery Arrangements.

PROJECTS

Given the short timeframe councillors were requested to provide suggestions for possible projects. Some projects that have been suggested for this round include:

Union Theatre

The works currently being tendered for at the Union Theatre include improvements to the existing toilets including a compliant accessible toilet, modifications to the front entry for accessibility, replacement of the defective concrete landing and external steel stairway on the northern side of the building. Tenders close on 19 July 2013 and the final cost will be known then, however it has been estimated that this will cost up to \$400,000.

Following the current proposed works the main further works relate to the construction of an addition at the rear to house dressing rooms and additional toilets. Using Cordell's cost guide it is estimated that an addition at the back of the theatre with a total floor area of approximately 200m² would cost some \$800,000.

Such a project will require both development consent and a construction certificate. The basic process for the project would be further development of concept plans, geotechnical investigation, final documentation including Heritage Impact Statement, structural details and architectural plans for DACC/approval, tender documentation, call for tenders/tender assessment, award a contract and then construction.

The construction would be within a Mine Subsidence area. This should really be more of a consideration rather than an impediment. As the building is a locally identified heritage building a Heritage Impact Statement will be required as part of the development approval process. Any building would need to complement the existing building, that is, matching masonry construction with sympathetic design features. There is an existing Conservation Management Plan for the Theatre. Also, until final ground levels are known resulting from works being done by UWS for their accessible pathway that is to be located 6m off the rear of the theatre, it is difficult to commence the design process. This could possibly limit the width of any proposed addition and may also require additional geotechnical investigation/piering to avoid adverse impact to the UWS development. There is also a sewer main located behind the theatre that may need to be relocated clear of any proposed addition. This and adverse results from any geotechnical investigation could **increase the cost of the project**.

Funding for the project would be:

Reserve for the Union Theatre	\$496,798
Less: Currently Tendered Works	\$400,000
Total Remaining	\$96,798
Plus: RDAF Funding	\$344,635
Total Available including RDAF	\$441,433
Dressing Room Estimate	\$800,000
Funding Shortfall	\$358,567

Civic Ballroom

"Concertina Doors" - Supper Room – Some investigations have been done and it is recommended for the span distance that a concertina or accordion door would not be appropriate. A product called "Operable Walls" is considered more appropriate and depending upon which direction the walls were hung two prices have been sought for the Supper Room, one for a 12.2 metre span and one for a 24.5 metre span.

- 12.2 metres
- 24.5 metres

The walls have to be hung from a steel beam which would have to be designed by an Engineer. Calculations for a 12.2 metre span (which is the most likely option) would include the design, procurement and installation of the beam would be approximately \$50,000. Therefore, for the 12.2 metre span across the supper room the estimate for Operable walls would be \$66,000.

"Concertina Doors" - Main Ballroom - Once again due to the span it is recommended that operable walls be used. Depending on which direction the walls were hung two prices were sought, one for a 25.6 metre span and one for a 30.5 metre span.

- 25.6 metres
- 30.5 metres

Due to the length of the span for the ballroom, it is difficult to provide an estimate for the design solution for the 'beam' that the wall would be hung from. There would need to be an Engineers design and it would be likely that a purpose built web beam would need to be designed and manufactured. This is very difficult to estimate but it would likely to be in excess of \$100,000. Therefore, if the design, manufacture and installation of the beam (or other solution the Engineer recommends) was \$100,000 and the most likely span of 30.5 metres the Operable wall system would cost \$135,000 plus GST. It must be stressed that this has not been fully investigated.

As for the Bar Area a significant amount of work was undertaken within the RLCIP works with new counters, cupboard storage, wall & floor tiling, sinks, pull down shutters and a hand basin installed. The fridge looks in poor condition.

Coolroom and Refrigeration improvements estimated cost of \$35,000, including:

- New Slab for relocation of gas boiler
- Relocation of Boiler, piping & electrical
- Purchase coolroom
- New opening to coolroom
- New fridges (\$7,000)
- Installation of stage lighting, audio and projection equipment, drapes and rigging bars, estimated cost of \$63,000.

Shade Structures

The provision of shade structures at the following locations:

- Lake Wallace – Playground area - \$130,000
- Kremer park – playground area skate park - \$60,000

Park Equipment

Providing equipment at the following locations:

- Lake Wallace - \$130,000
- Hillcrest residential area - \$60,000
- Bowen Vista residential area - \$60,000
- QE Park – \$75,000
- Kremer Park - \$35,000

Marjorie Jackson Oval

Training Lights upgrade - \$180,000 – This would be to replace and increase the number of lights, but not include new poles or the replacement of the poles. An assessment of the existing poles would need to be undertaken.

Skate Parks – Wallerawang and Portland

Provision of concrete dish facilities estimated at \$100,000 each

Shared Cycleways/Footpaths

Proposed extension of shared cycle way footway from Farmers Creek in Geordie Street to intersection of Main Street and Great Western Highway. This would be 600 metres long by 2.5 metres wide concrete and estimated to cost \$150,000.

Other areas of cycle way would be an estimated cost of \$250,000 per kilometre at 2.5 metres wide

The estimated cost of a footbridge over Farmers Creek at Geordie St Crossing is \$300,000

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

Council may have to make a financial contribution to the projects.

LEGAL IMPLICATIONS

NIL

RECOMMENDATION

THAT Council:

1. Determine projects that are to be applied for under RDAF Round Five funding
2. Identify the priority of the projects
3. Allocate Council funding, if necessary, to support the funding applications
4. Authorise the Mayor and Deputy Mayor to make changes if applications are considered to be unacceptable.