

COTTESLOE SURF LIFE SAVING CLUB



EST. 1909

CLUBROOM REFURBISHMENT BUSINESS PLAN

March 2018



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Limitations of this Report

This document has been prepared for review by members of the CSLSC. The data has been derived primarily from members of CSLSC who have provided information and knowledge relating to the club and its needs.

Given the level of information available, the financial aspects of this report should be considered as high level, order of magnitude, estimates only. The observations and conclusions expressed in this report will require further exploration at the site and subsequent data analysis and re-evaluation.

1. Introduction

Background

The Cottesloe Surf Life Saving Club (CSLSC) created a Building Project Committee (BPC), in 2017 to consider the future facility needs of the CSLSC. The existing clubhouse at 87 Marine Parade is outdated and dysfunctional and does not adequately support members and the broader communities needs and expectations.

The committee, working alongside club management, has prepared this Business Plan towards achieving the modernisation and refurbishment of the existing Clubrooms.

Many competing needs exist at CSLSC. However, without a fundamentally strong Bronze Medallion base the club would not be able to achieve its purpose. To achieve a robust Bronze Medallion outcome requires “feedstock” (nippers and SRC), excellent wet and dry training delivery and a modern gymnasium/health club facility. Only then can patrols, competition, advanced training and other community services be delivered. The Bronze Medallion members are the engine room of the CSLSC. Ongoing recruitment and successful training of BM candidates is critical for the club’s wellbeing and along with the nippers program should be a cornerstone objective.

Majority member support for the refurbishment is now sought and upon receipt of that support the following additional consultants are proposed to be engaged;

- Architects - to further develop the design brief, scope of works and prepare initial concept design.
- Quantity Surveyors – to develop the project capital budget based on the concept design and scope of works.
- Surveyors – to complete a full survey plan of the title and premises including internals of all existing buildings and services
- Project management will initially be retained by the committee.
- Town Planners – to assist with consultation and building approvals

The objective and high-level brief provided to the Building Project Committee was aimed to:

- Utilise the available space of the Clubrooms by re-configuring the layout to improve the overall functionality.
- Investigate the opportunity for a commercial tenancy.
- Improve and retain a dedicated members’ area to encourage new members to the club
- Create flexible catering and bar operations that are available to the club members as well as the general community and corporate groups.
- Overall improve the club presentation with improvements being made to increase street exposure, entry and access points to the club house.
- Modernise and upgrade the dilapidated toilets, shower and ablution facilities
- In achieving the above, consider whether refurbishment or complete rebuilding of the club was preferred.

Process

The Building Project Committee (BPC) have undertaken the following key tasks to assist in the drafting of this Business Plan:

- Identification of the organisational structure and governance changes required to operate the new facility
- A review of similar facilities to provide a benchmark for costs, revenues and operational layouts likely to be associated with the new facility
- A cost benefit analysis of the commercial components
- An assessment of increased operating revenue and costs associated with the new facility
- A review of funding opportunities available to the CSLSC
- A review of the risks associated with the operation of the new facility.
- Survey of the club's property boundaries and the external footprint of the current clubhouse and carpark.

2. Statement of Need

The aim of the Business Plan is to provide sufficient definition and confidence to facilitate a decision to progress to the next steps in the development and for the CSLSC in the preparation of capital funding applications. The following provides a summary of the key project drivers and the statement of need for the CSLSC redevelopment.

Why we exist?

To save lives, create great West Australians and build a better community.

CSLSC endeavours to provide a safe beach and aquatic environment on the most iconic and busiest beach in Western Australia while encouraging the development of personal and leadership skills of members.

As Western Australia's first club our surf lifesavers have a unique role in local culture: to save lives and prevent injuries for people who visit our beach.

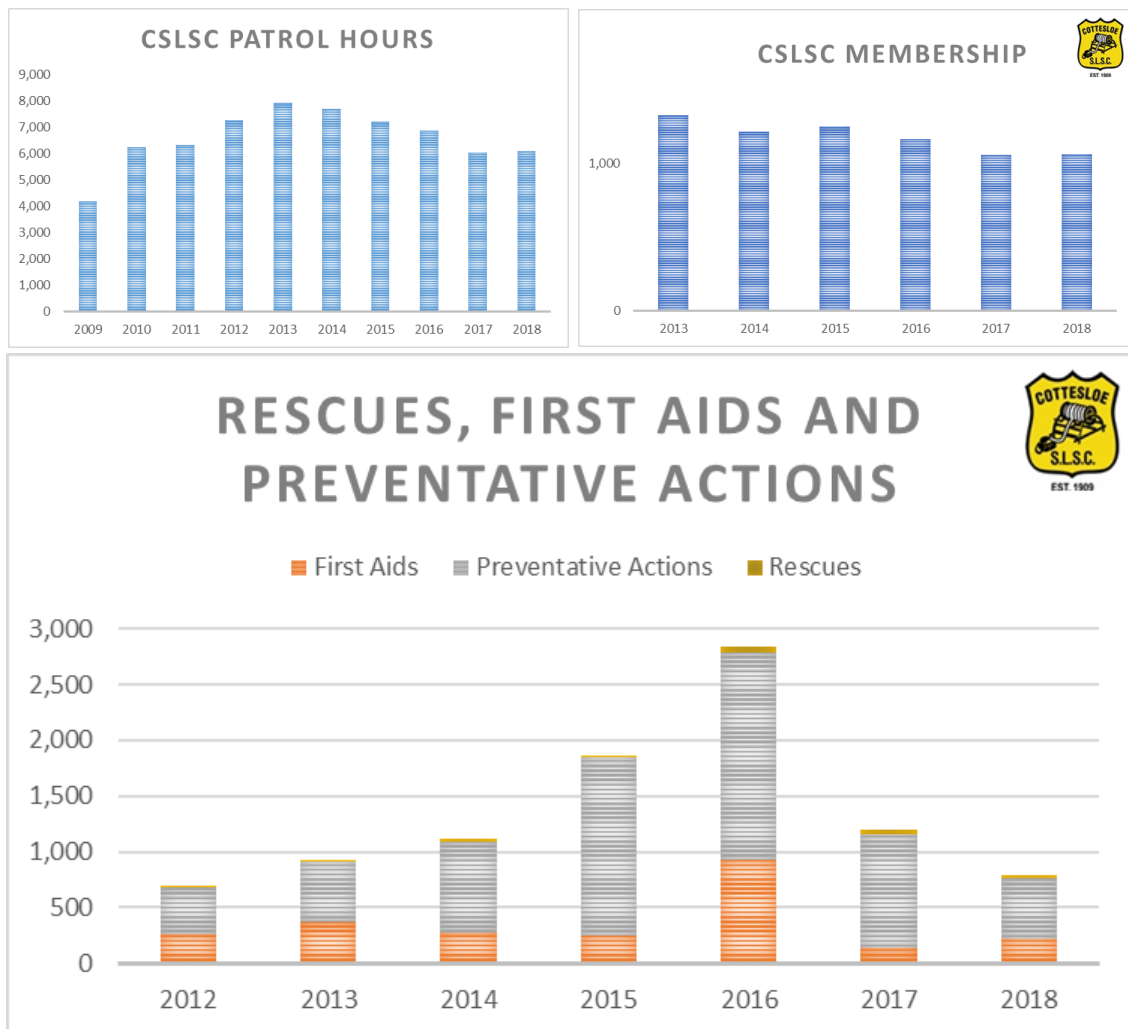
The club's core activities include:

- Community safety – performing an average of around voluntary 7,000 patrol hours year
- Health and fitness — providing a range of surf sports opportunities, from local to national, for members, as well as providing support for a range of community sporting events
- Education and training — providing leadership and personal development for all members as well as community education and training.

Since 2012 CSLSC volunteers have completed

- 193 Rescues
- 2,432 First Aids
- 6,804 Preventative actions
- 49,410 Patrol hours

It is estimated that a further 109 rescues were avoided through the preventative actions taken by CSLSC members (PwC study 2011).



Volunteering delivers a number of benefits for individuals including personal satisfaction, helping others and the feeling of fulfilment from doing something worthwhile for the community. In addition to these personal benefits, volunteering provides positive aspects to society and the local community.

Specifically relating to Surf Life Saving, there are non-quantifiable benefits from creating a more cohesive community to quantifiable economic benefits including improving beach safety, awareness and the prevention of drowning.

The economic value of CSLSC volunteers since 2011 is estimated at over \$2 million (based on PwC 2011 study *What is the economic contribution of Surf Life Saving in Australia*). In addition to this is the greater economic benefit from avoiding drowning deaths and permanent incapacitation.

PwC estimated a cost-benefit ratio (for every dollar spent on Surf Life Saving, what is the value of the lives saved and the injuries avoided):

- Assuming that volunteer surf lifesavers are paid a salary (and included as a cost), the cost-benefit ratio is **21.7 to 1** •
- Assuming salaries are not paid, the cost-benefit ratio is **29 3 to 1**.

Under either scenario, the benefits of Surf Life Saving far outweigh the costs, further demonstrating SLSs unique and significant value to the Australian community and economy.

Existing Facility

CSLSC enjoys a relatively unique position amongst surf clubs along the WA coast in that it owns the land and “Clubroom Building” located on Marine Parade Cottesloe. Whilst this gives it a great deal of flexibility on the usage and design it is also responsible for the upkeep and maintenance.

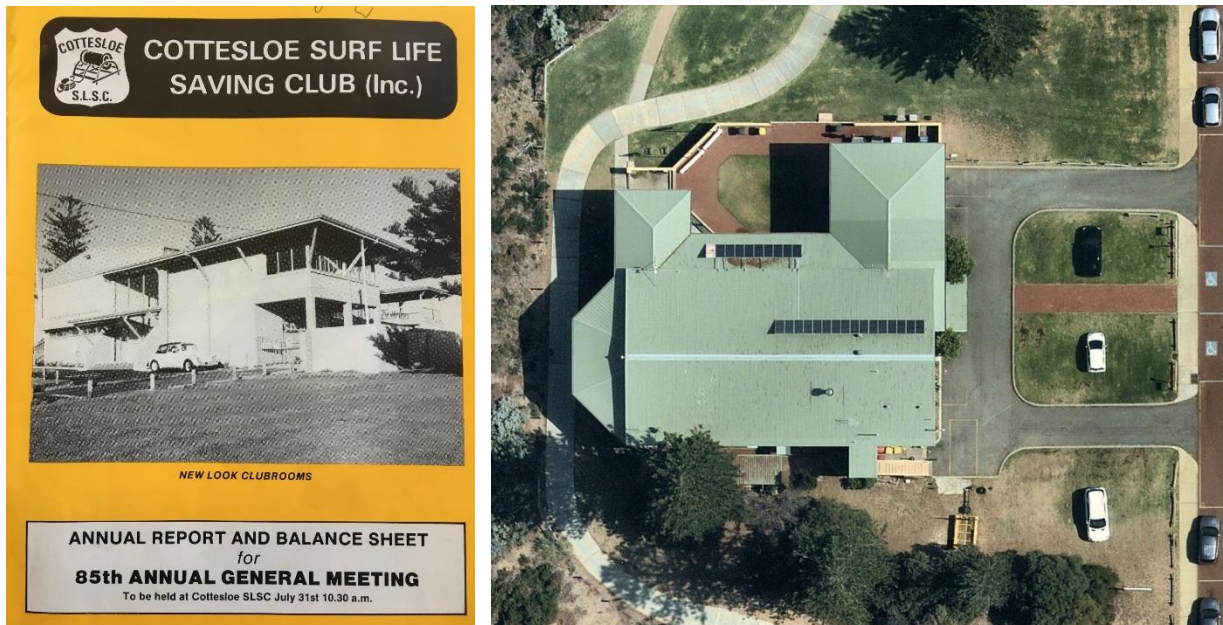
The CSLSC clubrooms are a two-storey brick and concrete construction located at 87 Marine Parade Cottesloe. They were built in 1961 funded from donations, with major renovations completed 25 years ago in 1993.

The clubrooms include administration office, training rooms, changerooms, the club gymnasium and bar; merchandise shop, Café kiosk and storage facilities. Parts of the clubrooms are open to its 1050 members on a 24/7 basis. Around 47% of CSLSC members are female.

The building has a main hall (Don Morrison Room) which is also available for hire with a liquor license to hold up to 200 people. However, the catering and back of house facilities are considered sub-standard and not attractive to prospective users.

The existing upper floor which accommodates the club bar, function rooms and meeting spaces, including members lounge, kitchen, bar and entry, have over time become dysfunctional and increasingly inefficient for the operational requirements of the club. The current presentation and layout have become a constraint to the financial performance of the club through the inability to service existing members’ needs and potential commercial opportunities.

Likewise, the potential growth in membership and community use is being negatively impacted. The club operates most of its beach activities and Patrols from the Boatshed located under the Indiana Restaurant. about 300m north of the clubhouse. CSLSC has a lease for these premises from the Town of Cottesloe.



Left photo of clubrooms from the 1994 Annual Report and right a recent aerial photo

Visions

CSLSC's visions and Strategic Plans for the long-term viability of the club are identified by five key elements. Each element defines a Strategic Statement and are detailed below:

One Club

CSLSC seeks to develop a club culture that is based on unity of action and supports the Club's values for all members through:

1. Organisational leadership that provides clear direction and purpose - comprehensive communication strategy and effective management structures.
2. Investing in the development of their people - creating opportunities for growth and development, recognition to ensure continuity of present and future volunteers. Finally, creating positive experiences for all members across all areas of the club activities.
3. Social Inclusion – provide activities that everyone can participate in, look for opportunities to engage with community members from culturally diverse backgrounds. To establish a reputation and image of a unified club providing opportunities for life.

Driving Sustainable Operations

CSLSC will seek to establish frameworks and systems to ensure the sustainability of the Club by implementing effective governance and use innovative solutions to achieve their long-term viability through:

1. Standardise systems and procedures for all operations – timely and effective communication relating to management, members and the club. Implement quality systems, skills and structure to ensure consistent delivery of services and programs.

2. Efficient implementation of contemporary business practices to streamline processes – streamline and modernise practices to manage the burden to staff & volunteers and effective governance strategies with clear lines of communication.

Financial Viability

CSLSC will develop financial diversity using innovative solutions and service efficiencies to achieve long term financial viability. CSLSC's aim is to optimise access to funds to reduce reliance on traditional primary revenue stream through:

1. Identifying and pursuing relevant external funding opportunities to support strategic objectives, capturing the knowledge base of funding resources and make it accessible, engage in external organisations to facilitate funding proposals.
2. Generate diversified revenue growth using existing resources, embrace alternative means of raising revenue and innovative partnership opportunities – matching club facilities to sponsorship opportunities, and actively engage in commercial opportunities through the use of the Club's existing or future assets.

Growing Relationships

Building relationships and developing opportunities through identifying partnership opportunities that support objectives and enhance opportunities for the community by:

1. Meeting community expectations in alignment with the Town of Cottesloe.
2. Establish key relationships that enable the delivery of the Club's strategic objectives.
3. Engage the corporate sector to partner and grow relationships which are mutually beneficial.

Delivering Services

CSLSC is recognised for its outstanding delivery of services including community services such as patrolling Cottesloe Beach, first aid and surf rescue training and the delivery of community recreation space in the local area through:

1. Organisational leadership that provides clear direction and purpose – comprehensive communication strategy and effective management of structures.
2. Investing in the development of their people – creating opportunities for growth and development, recognition to ensure continuity of volunteers for the present and future and create positive experiences for members across all areas of club activities.
3. Social inclusion – provide activities that everyone can participate in, look for opportunities to engage with the community members from culturally diverse backgrounds and to establish a reputation and image of a unified club providing opportunities for life.

Objectives

This review document has been drafted to detail the various items that must be considered in making any decisions regarding the future use of club facilities and aims to guide members by providing key information and options that are available. Whilst the proposal considers a

complete refurbishment of the Clubrooms, various options are available to complete only specific parts, as determined by the best opportunities for the Club. The final decision will be dependent on funding options, risks to the Club and the validation of core assumptions.

This proposal also provides details on required expenditure, risks to the Club, estimated revenue to be gained and potential opportunities.

Outcomes

Focusing on several areas within the Club's Strategic Plan and feedback from members, outcomes to be gained from this proposal are income generation, membership retention, facility use and long-term benefits from short term expenditure.

For CSLSC to achieve its visions and initiatives mentioned above, the project team have been commissioned to develop a concept plan and layout of the new facility by altering the existing floor plans to create a more functional floor area for members of the club as well as the community and corporate groups.

The proposed floor plans will incorporate areas to create a more effective and efficient Club facility and therefore, allow for greater use of each area for the specific target group.

Incorporating commercial opportunities within the asset will allow for the Club to create an additional income stream that can assist with the overall sustainability of the club, whilst helping to activate the precinct and service community needs in this location.

The refurbished facility will create greater street presence and improved direct access to the adjoining park. This will allow for members and the general community to gain better access, allowing for growth in membership and growing relationships.

The flexibility with the training room design will allow for optimal usage of the rooms for the purposes of training, club functions and community and corporate use. At present these areas do not meet market requirements and as such are underutilised.

The proposed redevelopment will assist the club to better service the existing members and create opportunities for increased sustainability through the ability to attract additional members and improve utilisation by existing members and the greater community. The proposed works will also form part of the on-going asset renewal requirements of the facility and are believed to be an efficient use of funds to improve the performance of the club and achieve the key purpose of the Club which is to remain one of the State's and Australia's leading surf lifesaving clubs and continue to strive for excellence on the national scene.

3. Benchmarking

To assist in the development of the design concepts the project committee was able to gather market information of other comparable surf lifesaving clubs to assess viable operational elements and potential lessons learned. This information was obtained from clubs who have either new or recently refurbished assets.

Coogee SLSC



Coogee surf club and gym

The Coogee facility is a new development which has been operating for approximately 5 years. The facility is of significant size and was developed over two stages with the later stage to finalise the administration area for the club. The Club has approximately 1,400 members.

Funding

The scale of funding for this facility is unknown however we estimate would be in the order of \$7 to \$10 million, with funds received from Federal, various State entities, Lotterywest and the City of Cockburn.

Facility

- Commercial gym and café.
- Training and corporate rooms.
- Full commercial kitchen with external catering.
- Club area combined within the main function hall.
- Large cub store and operational area.

Conclusion

The facility is vast and slightly disconnected between functional club areas. Unfortunately, the members do not have a dedicated area. Overall storage for the kitchen and club operation is lacking, and access to the club area is not well established from the main car park.

North Cottesloe SLSC



North Cottesloe upper deck and right, north elevation

North Cottesloe Surf Lifesaving Club is located along Marine Parade Cottesloe. The Club was established in 1918 and currently has approximately 2,300 members. In July 2013 the Club completed a renovation to both the club facilities and storage areas.

Needs

Following an extensive strategic planning and stakeholder consultation process, the Club's Building Committee formulated a series of plans to cater for the Club's long-term needs. Whilst it was clear that the membership did not wish to see the Club change dramatically, storage space for junior and lifesaving equipment along with making the clubrooms more functional and versatile were essential needs.

Funding

The Club raised \$1M towards the building program. This allowed the Club to pay for the whole program without taking on more debt. The Club has a strong sponsorship base with major sponsors including BGC who undertook the renovation works.

Facility

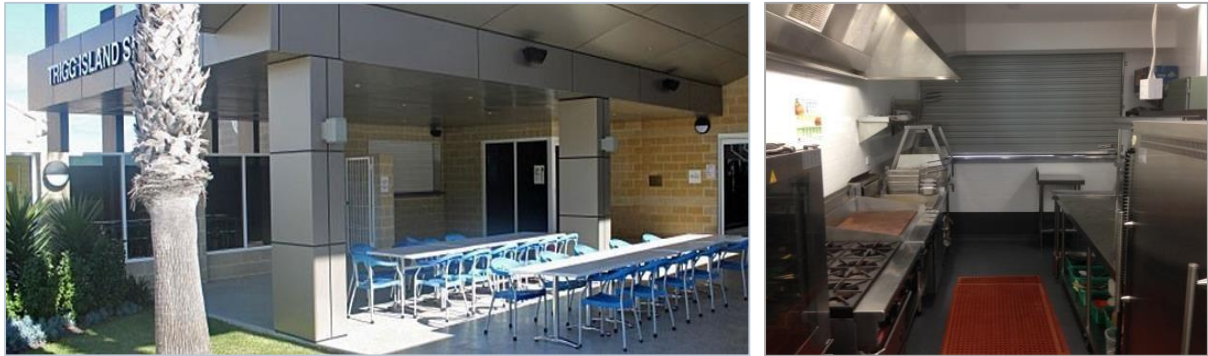
The redevelopment provided office space, meeting and training rooms, improved social and kitchen facilities, an expanded balcony area expanded changing facilities, gymnasium refurbishments and general maintenance work on the existing facilities, the provision of storage space for junior and lifesaving equipment and the provision of disabled toilets and change facilities.

The Club's training room and board room are available for hire during office hours. The training room can accommodate 24 people and is available for \$330 for a half day or \$550 for a full day. The board room can accommodate 8 people and is available for \$220 for a half day or \$330 for a full day.

Conclusion

North Cottesloe was in the fortunate position of having a good restaurant tenant (Blue Duck) which funds most of their financial requirements. The members and the patrons of the Club are generally very loyal to the Club and actively support the Club and its related activities. Good functional redevelopment with great street exposure and access.

Trigg Island SLSC



Trigg Island café seating area and right café kitchen

Trigg Island Surf Life Saving Club was formed in October 1953. The Club is located along West Coast Drive, Trigg and is adjacent to Kailis Cafe. The Club currently has 1,000 members. The club underwent a major refurbishment completed in 2012.

Needs

The need for a refurbished clubroom was due to the outdated and dysfunctional building. In order to fully utilise and maximum club space and area, a renovation was urgently required.

Funding

The total cost of the development was approximately \$1.5 million and was funded through the City of Stirling, Lotterywest and a loan.

Facility

The club's recent development included extensive refurbishment of the club lounge, bar, function room with access to a commercial kitchen, gym, sheltered courtyard and BBQ facilities. The new gym is accessible by swipe card and is only available to members paying an annual Gym Levy.

The function room has an area of 190m² and is available for hire for between \$500 and \$1,250 depending on the time of week. The facility is suitable for weddings, social events and corporate events. The club lounge, courtyard and alfresco area are also available for hire for smaller functions during business hours for between \$200 and \$350.

The club has a separate corporate and events manager responsible for the promotion and coordination of corporate and private functions.

Conclusion

The redevelopment works within this club are a good example of the ability to improve overall functionality for the members whilst creating a sustainable commercial operation through efficient function areas.

Fremantle SLSC



Fremantle clubrooms (Bib & Tucker first floor) and right internal view

The Fremantle Surf Life Saving Club is located at Leighton Beach. The Club was established in 1935 and currently has 1,200 members. The club's current facilities were built in 2011/12 as part of the Leighton Beach development.

Needs

The need for a refurbished club area was due to the outdated and dysfunctional building. The opportunity was driven through the surrounding residential development.

Funding

Mirvac, Lotterywest, Department of Sport and Recreation, WA Planning Commission and Fremantle Surf Life Saving Club all contributed funds to the construction of the facility.

Facility

The club includes a commercial tenancy, Bib & Tucker located on the second level, which is currently leased to Mirvac for 20 years for an upfront payment of \$4 million.

The Club's facilities, including its function space are only available to members. The remainder of the club includes flexible training rooms, admin office, kitchen, function area and operational store areas.

Conclusion

The facility unfortunately has several inefficiencies and challenges from an operational perspective including street access/exposure, poor orientation, and the administration lacking visibility and/or surveillance. The main entry also has the most exposure to the wind.

City of Perth SLSC



New City Of Perth gym and clubrooms

The club was formed in 1924 and currently has approximately 1,300 members.

Needs

The existing surf club building at City Beach had reached the end of its serviceable life.

The Town and Surf Club agreed development of a new building, to meet the needs of a contemporary surf club, is a better option than investing large amounts of money refurbishing the current building.

The City of Cambridge also recognised the need to create a better amenity at City Beach and is doing so by developing a choice of food and beverage outlets that will be open to customers all year round.

Creating a landscaped environment with elevated views of the beach and ocean to promote the area as family friendly with open space for picnics, leisure activities and passive recreation.

Funding

The project budget was around \$13.4m, made up of:

- New surf club building - \$5.8m
- New food and beverage outlets - \$4.4m
- Public open spaces, toilets, landscaping, car parks and road works - \$3.2m

The Town's endowment lands account will provide funding of \$12.1m. An additional \$1.3m is anticipated to come from a combination of grant funds and surf club contributions. The project was made feasible by revenue obtained from leasing new food and beverage outlets. It was expected that revenue from the rental returns from the commercial facilities will return, over time, capital of \$6.65m to the endowment lands account, which represents the cost of the commercial buildings and 50% of the Town's contributions to the surf club building.

Facility

A large restaurant and two smaller ones with an area of grass, trees and shade sails will be built on the top level, with the surf club built underneath, positioned on the beach Improvements include:

- Redeveloped Surf Club located on the beach to allow surf clubs to carry out tasks on the beach;
- Restaurants that front the street allowing patrons a better view of the precinct;
- A lookout overlooking the beach;
- Landscaped area - provides somewhere for the community to recreate; and an improved amphitheatre complete with weather protection.

Conclusion

- Precinct that blends new dining options, improved leisure spaces and a new surf club building, all in keeping with the low rise style of City Beach.
- Pedestrian and cycle paths that link all sections of the beachfront.
- Three distinct food and beverage buildings offering a range of dining options that cater for breakfast, lunch and dinner. Patrons of the eateries will enjoy panoramic views of the ocean from within the buildings as well as from the weather protected alfresco dining areas.
- Large landscaped lawn spaces with shade trees, seating and facilities - where people can gather and enjoy the outdoors.
- A surf club building built at beach level, with access from the landscaped upper level and the beach.

Mullaloo SLSC



Upper left, clubrooms from the west; upper right members lounge; bottom left entry from carpark; bottom right new café seating (leased out)

In 1965 Mullaloo SLSC was incorporated with the West Australian Surf Life Saving Association.

The City of Wanneroo funded a new clubhouse in 1991 when the then membership was 450. Current membership is approaching 2,000 and in 2015-17 a major refurbishment of the first floor was completed as part of a staged plan to refurbish the entire premises.

Needs

The need for a refurbished clubroom was due to the outdated and dysfunctional building. In order to fully utilise and maximum club space and area, a renovation was urgently required. The age, style, construction and condition of the clubhouse prior to refurbishment was remarkably to CSLSC facilities

Funding

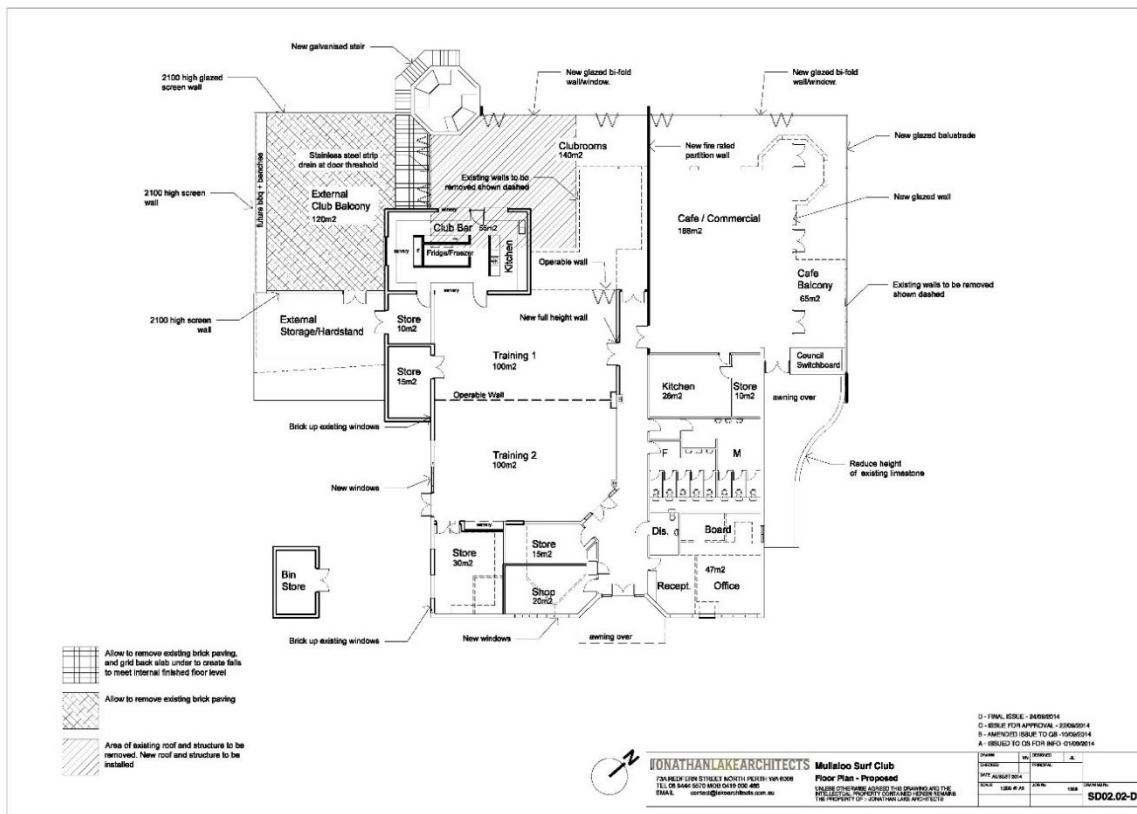
The total cost of the development was approximately \$1.7 million and was funded through the City of Joondalup, Lotterywest and club funds.

Facility

The lounge and kitchen areas were redeveloped to support a combined bar/café, that open to the terraced area to maximize the views to the ocean.

The entrance to the Club is restricted to the main entry and redeveloped to include a reception area enabling the management of members and facility users.

Mullaloo SLSC first floor redevelopment



Ablution facilities were modified and upgraded to support additional visitor traffic and changed usage of the club. The upgrade of electrical and communication facilities was completed to support the changed purpose of facilities.

All modifications were within the existing building footprint. There will not be any significant structural changes to the Building. The club has a separate corporate and events manager responsible for the promotion and coordination of corporate and private functions.

Conclusion

The redevelopment works Mullaloo are a good example of the ability to improve overall functionality for the members whilst creating a sustainable commercial operation through efficient function areas.

The SW facing upstairs terrace suffers from high winds, the lounge area affords excellent ocean views but the lower ceiling and fit out is somewhat underwhelming. The NW upstairs area has been leased as a restaurant; this is arguably the best space in the club and has compromised member amenity and is obviously a trade-off for income.

The Mullaloo refurbishment provides CSLSC with a great opportunity to benefit from their experience and deliver an improved outcome for Cottesloe.

4. Facility Inspections Summary

The following is a summary of the aspects of the various facilities and information obtained. We have selected the more relevant clubs:

Description	Surf Life Saving Club				
	Coogee	Nth. Cottesloe	Trigg Island	Fremantle	Mullaloo
Members	1,400	2,300	1,000	1,200	1,900
Function Size	120 sitting 150 standing	Not sourced	150 sitting 250 standing	100 for members use	160 sitting 300 cocktail
Bar Operations	Friday & Sunday	Fridays only	Wed, Fri & Sunday	Fridays	Friday & Sunday
Catering Services	EOI currently sought	Outsourced	Outsourced for Fri night	None	Self/event outsourced
Commercial Tenant	Gym & cafe	Blue Duck ~\$200kpa	No, adjoints Kailis	Bib & Tucker subleased to Mirvac for 20 years	Commercial restaurant excised from club for rent. Downstairs café leased
Other	Full commercial kitchen, lacks fridge access, bar run by club, poor layout		Boardroom used for hire	Poor layout, poor street access, little shade	Partly refurbished in 2016/17,

Summary

Based on our observations, inspections and discussions with other existing clubs the following key summary items were established to guide the concept planning:

- Internal catering models are financially poor and difficult to manage for most clubs. Highly recommended to outsource catering company to service functions and proposed club nights.
- A full commercial kitchen will provide flexibility for catering and internal use. Depending on the structure, the club kitchen could be leased out to catering companies.
- Kitchen access to external club areas works well and reduces the need for members to be accessing internal areas during weekends and after events.
- Direct access from store/operations area to member area is preferred.
- Catering models with tenants will need to be reviewed – could be expensive and not meet member needs. This will depend on the type of tenant.
- Acoustics between uses in the club to be considered.
- Flexible function areas are more ideal, allowing for usage flexibility for different target audiences.
- Capability to split storage such as cold and dry food is critical for external catering and to meet hygiene regulations.
- Good access and street exposure is highly important – customers, deliveries, security, potential members.
- A dedicated part-time Corporate and Events Manager may prove viable to the success of the club by achieving maximum income potentials from the use of function areas and club rooms throughout the year.
- Leasing of premises to tenants can be very beneficial but the club will:
 - give up specified area.
 - be inconvenienced by customer access.
 - need to construct premises that are compliant with commercial codes.

5. Land Title and Existing Improvements

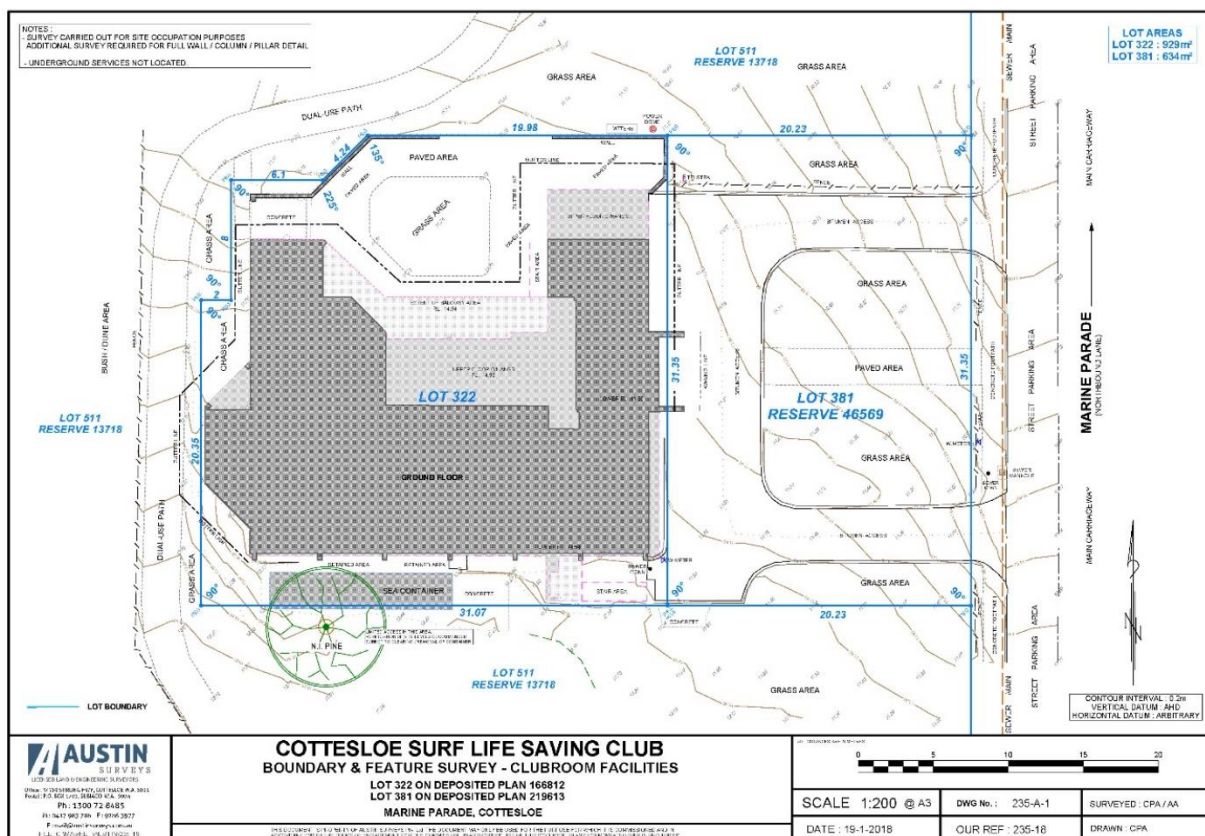
The current club rooms at 87 Marine Parade Cottesloe sit within Lot 322 that represents a Crown Grant to Cottesloe Surf Life Saving Club Incorporated, for the sole use as a 'site for club and club premises'. Lot 322 had an original area of 736m², with an additional area of 193m² added in 1993 for a total area of 929m².

Lot 381(Reserve 46569) is a 634m² title that abuts the eastern boundary Lot 322. It is owned by the Town of Cottesloe with sole use for CSLSC primarily for access to Lot 322.

The clubrooms are a two-storey brick and concrete construction located first built in 1961 with major renovations completed 25 years ago in 1993.

To establish a firm understanding of the title boundaries and site that the Clubrooms were built on a full survey was completed in early 2018. Some key outcomes of this were:

- The building is built approx. 3 m inside the southern boundary
- The land between the site and Marine Parade has been granted to the club for the purposes of access but cannot be built on.

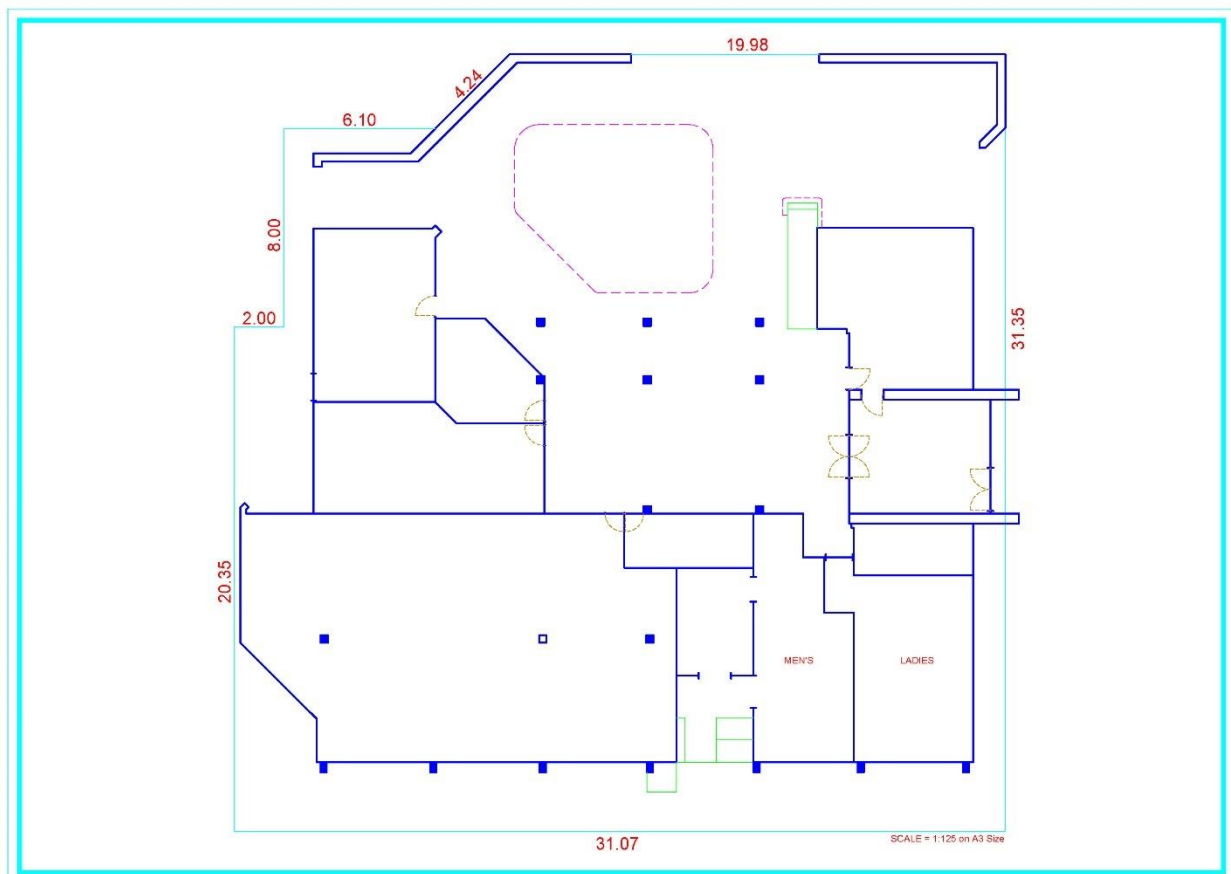


2018 CSLSC building outline and land boundary survey

Existing Design:

Many of the facilities within the Cottesloe SLSC Clubrooms are reaching an end of useful life phase and some are now requiring urgent attention. It is likely that within the very short term major expenditure will be required to maintain or replace worn out facilities to support club activities.

Rather than approach this in a reactive or piece meal way the Executive Committee has established a working committee to take a strategic long-term view. The committee has been given an expanded scope to include a full refurbishment and/or replacement of Club facilities to meet the medium to longer term needs of members.



Boundary of Lot 322 with plan of existing ground floor building

The building committee is focused on developing plans to improve the facilities and develop potential new income streams for the club and provide its members a better experience.

The plan is to refurbish the club to have a modern look and feel with the intention allow CSLSC achieve its purpose and vision into the future as well as making it hireable to the public for general and corporate use, support potential training areas for commercial training, establish a possible framework for an external leased premise. Whilst maintaining areas vital to the club operations, function and vitality such as showers, meeting rooms, function areas, storage, gymnasium, catering and courtyard.

6. Concept Design

The following section provides a description and summary of the functional and specific areas within the existing building layout and an alternative concept layout developed by the Building Project Committee. A macro approach has been taken at this early stage focussing on the allocation of ‘spaces’. Detailed design, customised functionality and styling is proposed following feedback and support of members for the proposed concept.

The Building Project Committee believes the initial step should focus fundamentally on confirming the function of the club. This comprises generating an accommodation schedule that lists the number of rooms and the different functions required to achieve its purpose.

This primary step (the accommodation schedule) seeks to capture how the building is used, what needs, functions and daily rituals are, who will be using the club, and what the short, medium and long-term plans are. The accommodation schedule forms the backbone of the practical requirements for the building that then forms the basis of design. If something is designed well, it works well. So, it is critical to confirm how the club must first function – and only then delve into how it will look.

With this in mind the proposed refurbishment focusses on a much-enlarged gym, dedicated training and first aid rooms, modernised changerooms and enhanced bar and café facilities. The aim is to provide an enhanced member amenity from nipper through to Bronze Medallion and beyond and a facility that can cater for a membership profile more than 1,500. Accommodation Schedule - existing building use and condition is tabled below.

Ground Floor	~Area m ²	Current Usage	Condition	Comment
Gym	161	high	fair	
Men's changerooms	52	high	poor	
Ladies changerooms	38	high	poor	
Nippers cafe	10	Sundays only	fair	used mostly as a storeroom
Disabled toilet	10	Low/nil	poor	used as a storeroom
Entry	30	medium	good	not used as primary access
Apparel shop	36	Sundays only	good	
Training Room	38	low	good	used as storeroom
Admin office	35	high	good	
Cafe	14	high	fair	generates surplus~\$25kpa
Total ground floor building	424			
Covered seating area	90	high	fair	
Grass/paved surrounds	156	high	fair	
Total ground floor area	670			

First Floor	~Area m²	Current Usage	Condition	Comment
Don Morrison Room	228	medium	poor	Stunning coastal views
Pines Room	63	low	fair	Loss of function due to mixed use and storage
Ladies toilets	12	medium	poor	
Men's toilets	18	medium	fair	
Bar/cool room	20	high	poor	
Bar storeroom	30	medium	poor	Poorly utilised space, retains hot cool room exhaust
Kitchen	29	medium	poor	Lacks storage and refrigeration
Entry foyer/stairs	50	medium	good	Crowded with trophies and honour boards
Hallways	25			
Total first floor building	475			
Balcony	75	high	fair	Stunning ocean and northern views
Total first floor area	550			

The committee has developed two concept design plans to revive the clubhouse by incorporating the following changes:

Option A:

Option A intends to provide members and the club with a full modernisation of the Clubrooms but without major or extensive structural changes to the overall building fabric. The option will provide a significant upgrade of all facilities and improvement in the quality and appearance.

A summary of works included in this option are:

Ground Level

Relocated Administration Area - allowing for easy supervision of offices, shop and visitor entry and increase security. Reception improves club member access. Will improve street presence by being located at the front of the building.

Main Entrance - A clear and simple space with direct connection to the reception and office spaces. Generous gallery style entry area with space for Club memorabilia and achievements and provides direct access to Marine Parade.

Showers and Toilets – fully modernised and upgraded to compliant standards. Disabled/family toilet added.

Café/Commercial Space – high visibility and high outlook premium commercial space with excellent aspect of the north and west. Highly visible from the car park and street with independent access points from the Club entry/access and located adjacent to the main beach access point.

Club Café/Club Mini Bar – combined facility to cater for small club events and morning coffees.

Club Uniform shop – combined with general administration area to improve accessibility and increased hours of access or moved to current café servery space.

Training/Storage Room – expanded room to increase the storage areas and central meeting/training space.

Gymnasium – slight increase in size to create open work area. General upgrade of surfaces.

Club Courtyard – improved shading added, wall redesigned to permit better integration with adjoining park. After hours lock up security access increased.

First Floor

First Floor Club Balcony – The space has been slightly expanded and enhanced to provide increased wind protection, more functional space that integrates better with the main hall. Direct access to the Courtyard has also been retained.

Main Hall (Don Morrison Room) - A large and flexible area with strong connections to the ocean. Direct access from the entrance stairway and lift. The new design will improve potential for the club rooms to be leased as a premium beach front function room.

Club Bar/Kitchen - Centrally located combined bar/kitchen area and has direct access to the club, function room. Kitchen area has been expanded to allow for large functions in the main hall or catering for club nights and social events.

Club Meeting Room – retained for smaller meetings and club activities with improved access to club bar.

Storage – large first floor storage areas for function/training room chairs and equipment.

Toilets – fully upgraded to modern standards and compliance

Entrance Lobby – two level entrance and lift facility to comply with new regulations and welcome visitors to the Club

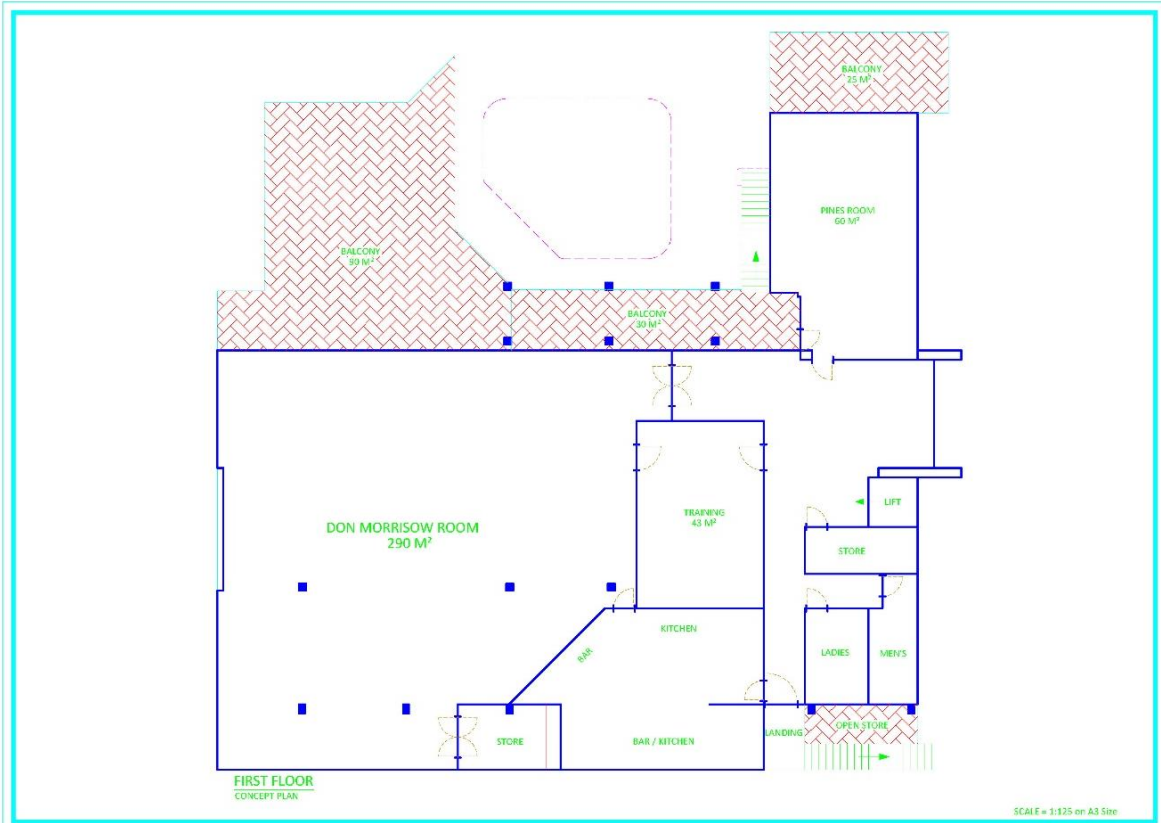
Option B

Option B has been provided as an extension to option A but to expand the extent of the works and includes a number of structural extensions, predominantly to the south and west extending the current building fully to the land boundary and extending the upper balcony north to the northern boundary. It also proposes a balcony extension to the Pines Room with a commercial space immediately below. The first-floor layout provides for the three main rooms (Don Morrison/Pines/Training) to be used and serviced independently allowing enhanced flexibility, privacy and hire options.

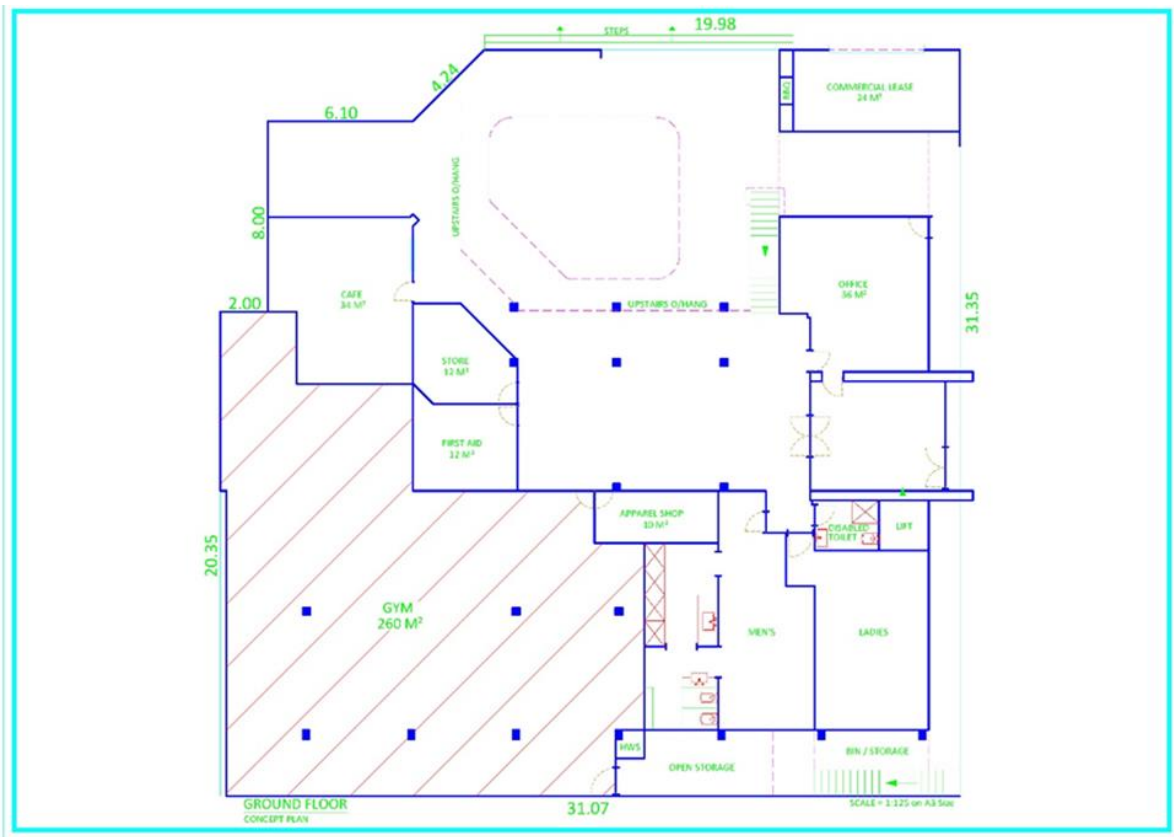
Option B involves adding a new building footprint of approximately 117m².

Key outcomes for Option B are tabled below

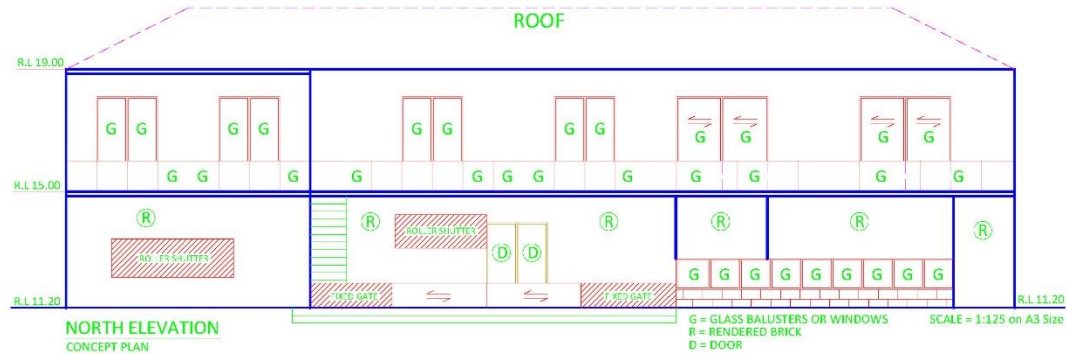
		Option B - Key Proposals		
Ground Floor	current ~m ²	new ~m ²		
Gym	161	260	61%	major gym extension to the south and west. Glass frontage to capture NW ocean view and light
Café	22	34	55%	move to current office area. East facing servery, glass balustraded deck to north and west with ocean views
First Aid Room		12		dedicated first aid room and first aid stores
Store room	10	12	20%	café to become store room
Store room		5		store room to be created under stairs
Disabled toilet	10	6	-40%	refurbished toilet with shower for disabled and as family changeroom
Lift		4		lift access through foyer
Open storage	28	20	-29%	covered store area along south wall. Sea container removed
Commercial area		24		north facing space in current BBQ area
First Floor				
Don Morrison Room	228	290	27%	major extension to the south and west. Glass frontage to capture NW ocean view and light. Full opening to north balcony
Balcony	75	120	60%	main balcony extended to north and west boundary. Glass balustrade and adjustable shutters
Pines Balcony		25		new balcony with north, west and east views
Training Room		43		dedicated training room
Bar/Kitchen	49	56	14%	combined area with commercial scale functionality and cool room
Store room	30	19.5	-35%	two store rooms to replace current inefficient store
Lift		4		lift access through foyer into larger entry area
Open storage		7.5		open store area along rear stairs (currently a void)



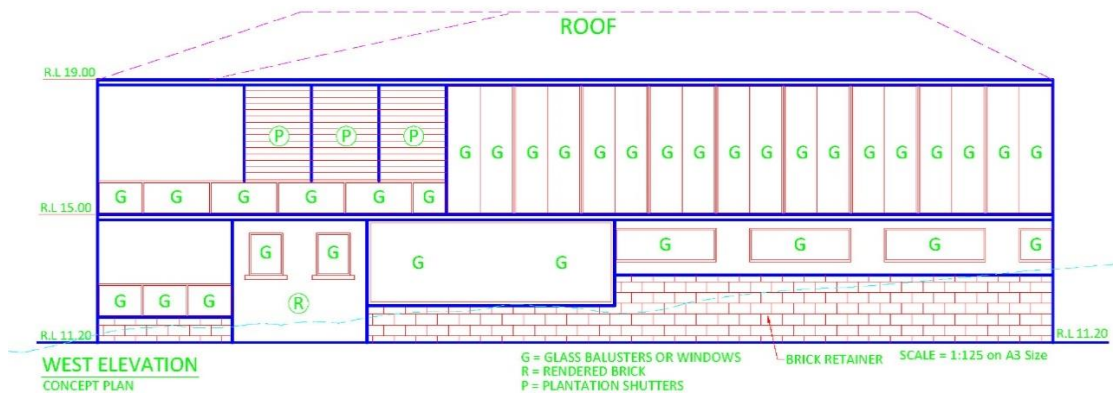
CSLSC first floor concept plan



CSLSC ground floor concept plan



North Elevation Sketch



West Elevation Sketch

Other design considerations:

- Building structure: It is generally considered that we should work with the existing building structure as opposed to demolition.
- Site: Expansion of the site footprint to the east should be considered however this may be difficult
- Site integration: The clubrooms should attempt to integrate and make better use of its frontage to grassed area to the North
- Parking: Drop off zone to be incorporated along north side of Lot 381 for members and equipment
- Building façade: The club would like to improve its entry and front presentation
- Internal Courtyard: This space has a very high frequency of use and should be maintained
- Compliance and Disabled Access: The club expects that it will have to meet current standards that include lift and ramp access

7. Delivery Programme

The development program for the new facility has been prepared by the Building Committee for the refurbished facility. It is anticipated that works could be completed by mid-2020. The table below provides a summary of the project's key dates and key milestones.

1. Engage architects to take “concept space” to next level
2. Appoint CSLSC teams for internal design phase input
3. Upon receipt of working plans and drawings take back to members
4. Commence DA and Funding

Milestone	Completion Date
Concept approval CSLSC Management/Members	September 2018
Engage Architects	June 2018
Commence Funding Application to TOC/lottery West/DSR	October 2018
Prepare Working drawings/initial costings	February 2019
Design Team/ CSLSC Member Input	Ongoing
Final drawings, scope of works, cost estimate	September 2018
DA Documentation & Submit to TOC & WAPC	November 2018
DA Approval TOC/WAPC	February 2019
Building License – Submit & Approval	October 2019
Finalise Capital Funding - External	May 2019
Tender Process & Award Contract	February 2020
Mobilise for construction	April 2020
Construction/Redevelopment Works	October 2020
Club Occupancy & Fit out	November 2020

The above program also assumes the current architect would be appointed on the basis that the existing design documents (concept plan and scope) could be utilised and progressed, which will provide time and cost efficiencies. Other key considerations as part of the programme and works include interim storage and administration requirements.

8. Operational Structure & Governance

Proposed Governance/Delivery

It is proposed that the Building Project Committee continue to oversee the building development, approvals and funding. It is anticipated that further committee members will be invited to join the committee as the project builds momentum.

Upon funding and development approval a Project Manager will be required on a permanent part time basis for the duration of the project. The project manager would report to the Building Project Committee who in turn would report to CSLSC executive.

It is expected that a full external design team be engaged for the design development and documentation of the redevelopment, plus procurement of the contractor.

Considering the intense period of focus and skills required to manage the design and construction period, we consider this delivery approach to be the most effective for CSLSC and can often be more attractive to external funding partners with regard to utilisation of funds.

It is also recommended that a Project Control Group is established to govern key final design and delivery requirements. This may include key local stakeholders such as the TOC.

It is also recommended that the procurement strategy and process is finalised with the project manager once funds are established to best suit the project. In light of the scope of works and critical funds management we would currently recommend **that the design is documented to 100% completion** prior to procuring a contractor however depending timeframes there may be value in documenting to incorporate a performance specification which can then be tendered at an earlier stage of design.

Upon completion it is expected that a permanent part time Facilities Manager would be employed. Very specific duties and job description would be required for this role to avoid overlap with the bar manger role, club secretary role and weekend volunteer café and kitchen helpers.

For effective use and to maximise revenue a user friendly and transparent Facilities Calendar and Room Hire Conditions and Charges document will be required to be created, enforced and updated. Member charges will be levied at a discount to the public.

Disruption

During construction demountable buildings are proposed to be used along the boundary of Marine parade and Lot 381 to form a west and north facing temporary clubhouse hosting toilets, café and administration buildings. A temporary outdoor gym is proposed to be built by members.

Commercial Opportunities / Uses

A 24m² commercial space is currently incorporated within the design to operate as a separate third-party lease. This is envisaged to operate separately from our club bar and café operations

without restriction on either party, subject to the intended use being acceptable to CSLSC and TOC. It is estimated that \$25,000 per annum could be received for the commercial space.

With respect to targeting a suitable tenant, CSLSC should aspire to secure an operator with a strong track record of operating similar businesses and the financial capability to support the start-up of a new venture. The scarcity of waterfront locations and limited opportunity to secure such premises should hopefully provide CSLSC with several viable tenant options. Based on the premium location and rent quantum, rent should be charged annually in advance.

It is our recommendation that the CSLSC proceed with the current design based on procuring a third-party tenant for the commercial space.

9. Project Budget

Capital Costs

Capital cost estimates for the construction of the refurbished and extended facility have not been prepared. It is proposed that this will occur following detailed architectural drawings.

However, the scope of works proposed is substantial and broad estimates suggest \$2.5-\$3.5million will be required.

Business Operational Budget

The post development financial operating performance of CSLSC has not been developed at this point in time.

However, taking into consideration the increased scale of operations within the refurbished facility along with implementation of the Bronze delivery program, execution of the commercial lease, much improved gym and bar/lounge areas the following revenue and cashflows are estimated.

	Current Revenue	Estimated Increase	Revenue Increase	Expenses Increase	Net Cashflow
Membership Increase	\$160,000	15%	\$24,000	\$2,400	\$21,600
Gym Membership			\$10,000	\$2,000	\$8,000
Bar Sales and Room Hire	\$150,000	35%	\$52,500	\$21,000	\$31,500
Commercial Lease			\$25,000	\$2,500	\$22,500
Cott Café Sales	\$50,000	40%	\$20,000	\$6,000	\$14,000
PPT Functions Manager				\$20,000	-\$20,000
Total	\$360,000		\$131,500	\$53,900	\$77,600

These financials are provided as a guide to future cash flows and are provided as achievable financial targets based on other similar facilities and the current facility operational budgets.

For reference the key changes to the operating figures are focussed within the performance of the bar trading, function facilities, shop and introduction of the commercial tenancy. The estimates do not incorporate any key changes to the existing surf club operation.

Key additional items to note regarding the operational figures:

- Catering is assumed to be outsourced for functions and proposed on some club nights. On this basis the value-add is reflected through increased bar turnover. Some additional facility fees may apply with caterers should the club facilitate business opportunities for the caterer.
- The only additional employee costs are reflected through the proposed corporate events/function manager.
- We have incorporated an initial target membership growth of 15%
- All net rent from the commercial tenancy is currently incorporated to the club.
- Building maintenance costs should decrease upon completion of the upgrade.
- Leasing and property management self-managed by the club.

Finance Costs

The CSLSC does not currently have any loan facilities and it is not anticipated that any of the refurbishment costs will be debt funded.

10. Funding Strategy

Capital Grants

The forecast capital budget is in the order of \$3 million (ex GST). Currently CSLSC has a reserve in the order of \$350,000 which is being focused as a minimum towards the overall project costs.

The CSLSC should seek funding for the remaining project costs through Town of Cottesloe (ToC) and other external groups such as Lotterywest and the DSR. FESA should also be considered.

The Town of Cottesloe

The ToC provides a range of on-going Grants and Funding opportunities to community groups, businesses, clubs and organisations to enhance and support local community development. We are aware that these discussions are currently in progress and at a minimum identify a contribution in the order of a third of the project costs.

Lotterywest

It is recommended CSLSC approach Lotterywest for financial funding as Lotterywest maintain a strong relationship with the Department of Sport and Recreation, and through a statutory annual allocation, supports sporting clubs and associations throughout the State to deliver a diverse range of programs in the community.

Early consultation will be critical.

Department of Sports and Recreation

The Department of Sports and Recreation (DSR) provide a funding program called the Community Sporting and Recreation Facilities Fund (CSRFF). A program offered by the State Government to assist in the development of basic sporting infrastructure with a focus on increasing physical activity in the community.

Clubs have an opportunity to submit an Expression of Interest form each year; this must be submitted to be eligible for funding.

Summary

Considering discussions held to date, the following is a summary of the funding partners and the target contributions:

Entity	Funding Target	
	High	Low
	\$5,000,000	\$2,500,000
Cottesloe SLSC	10%	
Members Donations	10%	
Town of Cottesloe	5%	
Department Sport & Recreation	20%	
Lotterywest	30%	
Community	15%	
Sponsors	10%	
Debt	??	

We note that funding is based on the GST exclusive project figure on the basis that the club would manage reclaiming the GST applicable costs. Timing for discussions about funding partners will be critical and as such should be progressed across all potential entities as soon as possible.

Sponsorship

Members

Other SLSC's have implemented a Members sponsorship program through the club by asking members to help contribute to the cost of improving the club house wherever and however they can.

Local Businesses

It is highly recommended CSLSC approach the surrounding local businesses for sponsorship. An improvement to the Club facility of this scope will have a favourable impact on the community.

Other

We are aware that the CSLSC currently has a strong sponsorship program that has been established through on-going management and consultation. The operational contribution of sponsorship funds is critical to the sustainability of the club and provides a great avenue for entities to achieve market exposure. It is important that this focus is maintained through the current governance structure, and we expect that the new facility will assist in achieving target sponsorship partners.

Existing sponsors should continue to be recognised for their contributions and should be invited to continue their association with the club.

11. Next Steps

1. Presentation to CSLSC Management Committee
2. Presentation to members
3. Assess ideas and contribution from 14 Day member feedback period
4. Engage architects to take "concept space" to next level
5. Appoint CSLSC teams for internal design phase input
6. Upon receipt of working plans and drawings take back to members
7. Commence DA and Funding

