NYABING MULTIPURPOSE COMMUNITY FACILITY

COST BENEFIT ANALYSIS

Client: Shire of Kent

Title: Nyabing Multipurpose Community Facility CBA

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econisis.com.au

Prepared for:

Shire of Kent

C/- Caroline Robinson
Director, 150 Square

Address: PO Box 309 | Narembeen WA 6369

T: 0403 225 900
E: caroline@150square.com.au

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Mark Wallace PRINCIPAL	T: 0431 676 254 E: mark.wallace@econisis.com.au		17 March 2025

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Introduction

- The Shire of Kent is seeking to upgrade and/or redevelop the existing Nyabing Sports Pavilion into a sport-related multipurpose community facility. This upgrade and redevelopment will seek to address the facilities structural issues such as those relating to the facilities existing internal and external flooring, access compliance and risk issues as well as previous water damage.
- Econisis was engaged to prepare a WA compliant Cost Benefit Analysis and Economic Impact Assessment for two Options for Stage 2 of the Nyabing Multi-Purpose Community Facility (the Project) covering the Community Hall and Pavilion.

Kent Socio Economic Indicators

- The Shire of Kent population has declined from 641 residents in 2001 to 524 in 2023, representing a CAGR of negative 0.87% over this this period. According to the WA Tomorrow population projections (rebased) both Central and Lower scenarios see a decline in Shire population, reaching 500 and 330 residents respectively. In contrast, the Upper population scenario estimates the population to reach 670 residents by 2036.
- The age breakdown of the Kent population in 2023 indicates a strong base of younger economically engaged residents. The most common age range of residents is 40 to 49 years and 0-9. The region is also a comparable median age and household size compared to Greater Perth and WA as well as higher personal incomes and SEIFA scores.
- Business registrations in the Shire of Kent declined sharply between 2019 and 2021, falling from 149 to 129, before steadily rising from 2021 to 2023 to reach 143. In the Kent region, the majority of locally registered businesses (68.79%) were concentrated in agriculture, forestry, and fishing.
- Sporting participation estimates have been developed by Econisis through the application of AusPlay annual sport participation rates by individual sport for children and adults and applied to the age specific demographic drivers of the Kent LGA. Sports assessed include those linked to the Nyabing Sports Pavillion and include:
    - AFL
    - Football/Soccer
    - Cricket
    - Tennis
    - Lawn Bowls
- Econisis estimates that in 2025, the number of active sporting participant individuals across the selected sports in range between 135 and 140 people. This is based on the age specific participation rates for the sports applied to the WA Tomorrow Central Scenario.
- The Nyabing Sports Pavilion is located on Martin Street and surrounded by a well maintained football oval, hockey oval, netball & tennis courts, and synthetic bowling green. The pavilion is fully equipped with a large kitchen and bar facilities, the bar is managed by the Nyabing Sports Club. BBQ facilities are also available located in an undercover area. Due to floor damage on one half of the pavilion, access is only open to half of the building.
- The Nyabing Multi-Purpose Community Facility Master Plan seeks to redevelop the existing Nyabing Pavilion into a multi-purpose community facility across three stages. Stage 2 of the

project involves the upgrade to the Community Hall and Pavilion capabilities of the asset. There are two broad options being considered as part of this analysis:

- Option 1 – Repair and Refurbish
- Option 2 – New Build

Cost Benefit Analysis

- Econisis has conducted a Cost Benefit Analysis of both options in line with State and Federal guidelines. This includes multiple discount rates and a 20 year assessment period
- A range of direct economic and social benefits of the Project have been identified:
  - Construction Supply Chain
  - Resident Community Hall User Benefit
  - Expanded Community Hall/Pavillion User Benefits
  - Outdoor Space Utilisation Benefit
  - Club and Volunteering Enhancement Benefits
  - Visitor Benefits
  - Sport and Recreation Industry Productivity Benefits
  - Residual Asset Value
- A review of the results of the CBA for the two Options for Stage 2 of the development highlight similar outcomes. However, Option 2 – New generally performed better across all discussion rates, despite a higher capital cost.

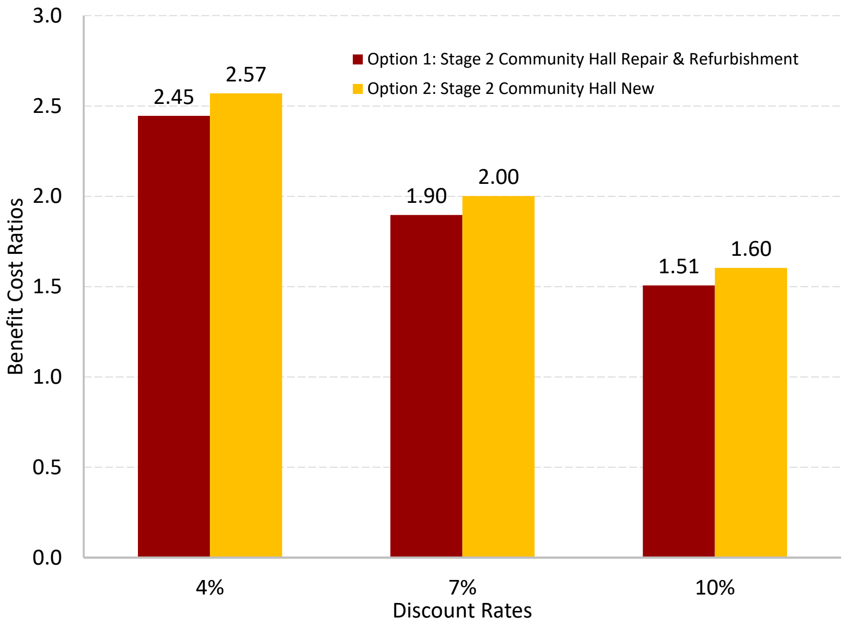

Figure 1 Benefit Cost Ratios, Stage 2 Project Options, by Discount Rate

- Increasingly, the viability and value for money of new, full replacement builds for community facilities are challenged by escalating build costs these days. However, Option 2 provides sufficient additional capacity, capability and longevity to the facility to offset these costs and return a higher economic and social rate of return. This is assisted by the current state of the asset (being flood damage impacted), combined with the cost differential between the two options being comparatively minor.

- While the comparatively small size of the service population is constraining factor on demand, the facility has and is expected to continue to be the focus of local considerable sporting/recreation, visitation, community and volunteering related activities which helps solidify its central role in the social and sporting fabric of Kent.

Economic Impact Assessment

- Econisis has undertaken an Impact Assessment for the Regional WA state economy, using regional economic impact multiplier to assess the expenditure impact of the Construction Phase.
- Both Options will add between $7.0 to $8.8m in Gross Value Added and support between 20 and 26 FTEs during the 1 year construction phase.

Conclusions and Findings

- The Nyabing Multipurpose Community Facility development or refurbishment project provides a significant economic benefit to the Nyabing Township and wider Shire of Kent region. The redevelopment will provide greater community amenities as well as opportunities for volunteering and sporting participation.
- Option 1 of Stage 2 (Repair and refurbishment of the Community Hall and Pavilion) of this project is estimated to have a net present value of between $5.98m and $2.00m. In contrast, Option 2 (new construction) is estimated to deliver a net present value of between $8.17m and $3.00m.
- Overall, both options for this project deliver positive net present values across all discount rates. The strongest benefit related to both options was the Club and Volunteering Enhancement Benefit which totalled approximately $3.04m for both options.
- Analysing both options using the Benefit Cost Ratios indicates that the better value for money pathway is Option 2, delivering a BCR of 2.00 at the 7% discount rate compared to 1.90 for Option 1.
- Both Options will add between $7.0 to $8.8m in Gross Value Added and support between 14.0 and 18.0 FTEs during the 1 year construction phase.
- Both options demonstrate strong economic returns to the community and Shire of Kent though the benefit of a new purpose built facility in terms of capability and capacity expansion, economic impact and longevity outweigh marginally higher capital costs.

1 INTRODUCTION

This section provides an overview of the background, purpose and scope of the report.

1.1 Background and Context

The Shire of Kent is seeking to upgrade and/or redevelop the existing Nyabing Sports Pavilion into a sport-related multipurpose community facility. This upgrade and redevelopment will seek to address the facilities structural issues such as those relating to the facilities existing internal and external flooring, access compliance and risk issues as well as previous water damage.

By achieving this upgrade and redevelopment the Shire of Kent will provide for residents a contemporary multipurpose recreation facility and social space for staff, sports participants, spectators, and volunteers, acting as a centrally located hub for the community.

1.2 Report Purpose and Structure

Econisis was engaged to prepare a WA compliant Cost Benefit Analysis and Economic Impact Assessment for two Options for Stage 2 of the Nyabing Multi-Purpose Community Facility (the Project) covering the Community Hall and Pavilion.

This report can be used to support applications for grants or business cases to state and/or Federal Governments. It will demonstrate the economic and social costs and benefits of the proposed project for the local community and for WA.

The report is comprised of the following key sections:

- **Introduction –** This section provides an overview of the report, its purpose and structure.
- **Kent Socio Economic Indicators –** This section gives an overview of the general profile of the Shire, key economic indicators, an analysis of the Nyabing Township, sports participation estimates and an overview of the Project.
- **Cost Benefit Analysis –** This section provides the methodology, assumptions, and summary of the results of the CBA.
- **Economic Impact Assessment –** This section provides a summary of the economic impact assessment methodology, assumptions and results, for the Project.
- **Conclusions and Findings –** This section summarises the findings and outcomes of the analysis.

1.3 Statistical Geography

The statistical geography used in this report was the Kent Local Government Area.

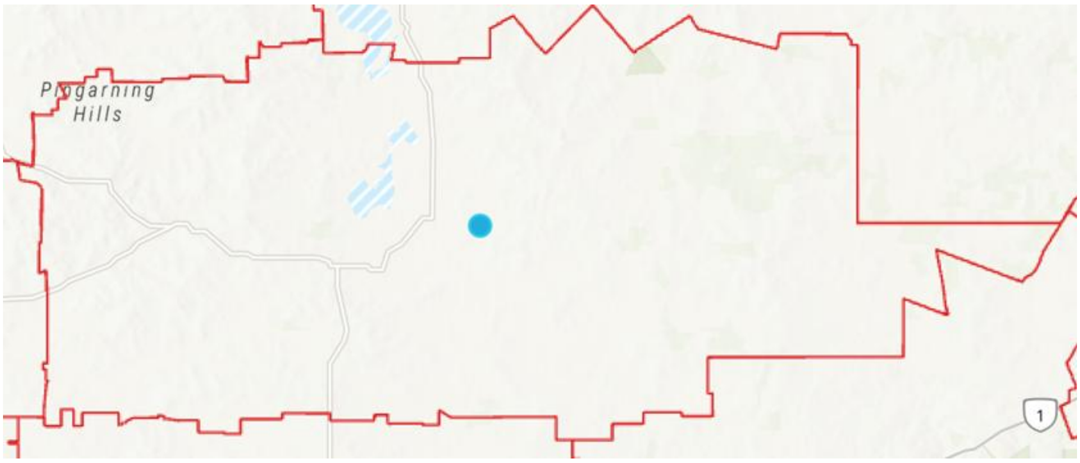

Figure 2 Kent LGA

1.4 Glossary and Abbreviations

The following table outlines key terms and abbreviations used throughout this report.

Table 1 Glossary and Abbreviations

Term/Abbreviation	Definition
$m	Millions of dollars
ABS	Australian Bureau of Statistics
ATAP	Australian Transport Assessment and Planning
BCR	Benefit Cost Ratio
CBA	Cost Benefit Analysis
EIA	Economic Impact Assessment
EOI	Expression of Interest
FTE	Full Time Equivalent
GVA	Gross Value Added
LGA	Local Government Area
NPV	Net Present Value
WA	Western Australia

2 KENT SOCIO-ECONOMIC INDICATORS

This section gives an overview of the socio-economic indicators and attributes for Shire of Kent.

2.1 Location Profile

The Shire of Kent is located in the Great Southern region of Western Australia (WA) and is approximately 320km southeast of Perth. The Shire covers an expansive 5,634 square kilometres and has an industry makeup that is predominantly agriculture with a preponderance of wheat and sheep farmers specifically.

The town of Nyabing is of Aboriginal origin and is commonly believed to have been derived from the Aboriginal word "ne-yameng" which is the name of the everlasting flow Rhodanthe manglesii.[1] Nyabing is located between the large regional centre of Katanning and the small town of Pingrup and provides amenities and services such as a general store, local inn and rest areas for travellers.

2.2 Socio-Economic Attributes

2.2.1 Population

The Shire of Kent population has declined from 641 residents in 2001 to 524 in 2023, representing a CAGR of negative 0.87% over this this period. Utilising WA Tomorrow population forecasts Econisis has modelled out Lower, Central, and Upper growth rates to estimate future population levels out to 2036. In both Central and Lower forecasts, the population is expected to decline, reaching 500 and 330 residents respectively. Upper population forecasts estimate the population to reach 670 residents by 2036. These scenarios present mixed population changes, however both Central and Lower estimates make the case for new investment being needed to revitalise and ensure future population stability in the region.

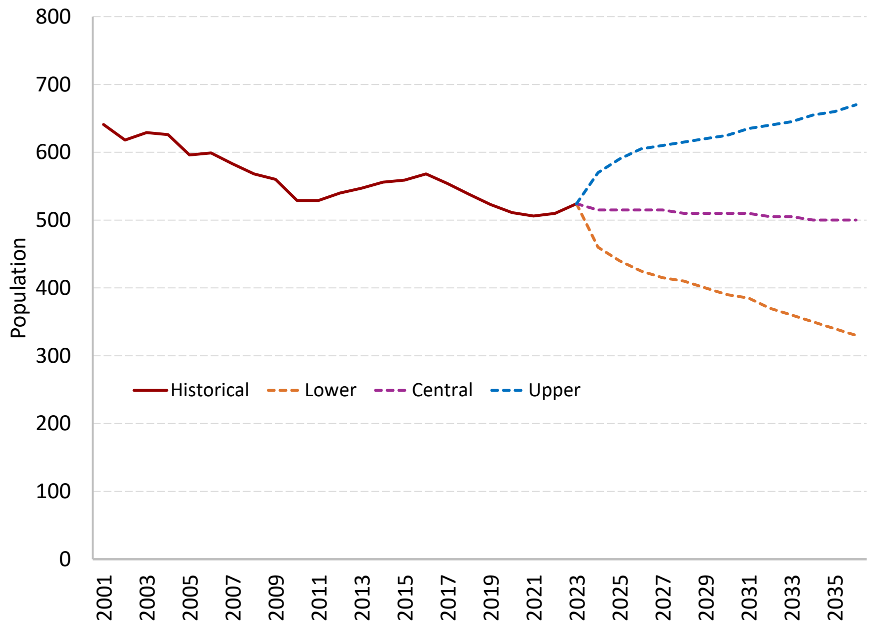

Figure 3 Kent LGA Historical and Projected Population, WA Tomorrow[2], 2001 – 2036

The age breakdown of the Kent population in 2023 indicates a strong base of younger economically engaged residents. The most common age range of residents is 40 to 49 years and 0-9.

[1] WhereiS (2025), WhereiS Nyabing, accessed at https://www.whereis.com/wa/nyabing-6341
[2] WA.gov.au (2025), Western Australia Tomorrow 12 Population Forecast, accessed at https://www.wa.gov.au/government/document-collections/wa-tomorrow-12-population-forecast-data-tables

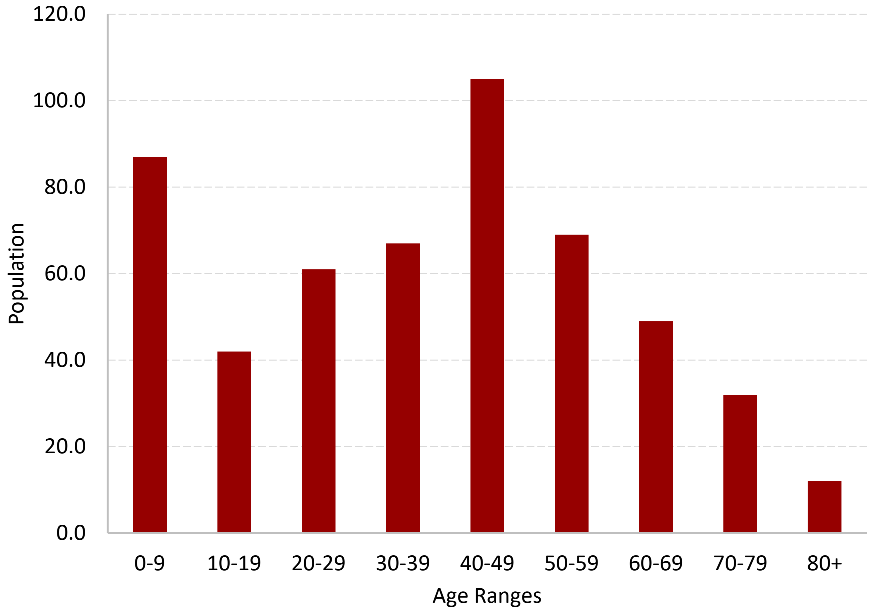

Figure 4 Shire of Kent Population Age Breakdown, ABS[3], 2023

2.2.2 Census Socioeconomic Profile

With a median age of 39 Kent LGA is comparable to that of Greater Perth and Western Australia at 37 years of age and 38 years of age respectively. Furthermore, the average household size for Kent is inline with Greater Perth at 2.6 each and is near identical to the Western Australian average household size of 2.5. Kent LGA does differ from comparative regions in that the median personal weekly income is substantially greater at $1,103 compared to Greater Perth and Western Australian figures which sit at $859 and $848 per week respectively. This greater weekly median personal income coupled with higher rates of outright home ownership for Kent LGA signify potential economic resiliency for the local population. The level of outright home ownership for Kent LGA is 44.3%, significantly greater than the Greater Perth and WA levels which sit at only 28.5% and 29.2% respectively.

Table 2 Socioeconomic Census Table, Kent LGA, Greater Perth, Western Australia, ABS[4], 2021

Indicators	Kent LGA	Greater Perth	Western Australia
Headline			
Population	491	2,116,647	2,660,026
Median Age	39	37	38
Average Household Size	2.6	2.6	2.5
Share of Population 0-14 (%)	24.2%	18.9%	19.0%
Share of Population 65+ (%)	9.7%	15.8 %	16.1%
Born in Australia	78.6%	59.5%	62.0%
Share of People Attending Educational Institutions			
Pre-School	10	36,950	45,452
Primary	46	178,400	222,555
Primary - Government	32.1%	19.4%	19.3%

[3]Australian Bureau of Statistics (2024), Regional Population by Age and Sex accessed at https://www.abs.gov.au/statistics/people/population/regional-population-age-and-sex/latest-release
[4] Australian Bureau of Statistics (2024), Kent 2021 Census All persons QuickStats, accessed at https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA54480

Indicators	Kent LGA	Greater Perth	Western Australia
Primary - Catholic	0.0%	4.6%	4.5%
Primary - other non-Government	1.90%	3.9%	3.60%
Secondary	32	142,947	175,841
Secondary - Government	10.3%	12.6%	12.7%
Secondary - Catholic	0.0%	4.7%	4.5%
Secondary - other non-Government	10.3%	5.0%	4.6%
Tertiary	13	153,748	172,239
Tertiary - Vocational education (including TAFE and private training providers)	1.9%	7.7%	7.4%
Tertiary - University of other higher education	7.1%	16.3%	13.9%
Weekly Incomes			
Personal	$1,103	$859	$848
Family	$2,187	$2,259	$2,214
Household	$1,784	$1,865	$1,815
Share of Household			
Couple family without children	37.8%	37.6%	38.8%
Couple family with children	58.0%	45.7%	44.6%
One parent family	2.5%	15.1%	15.1%
Other family	0.0%	1.6%	1.6%
Lone Person Households	31.1%	24.9%	25.4%
Group Households	2.4%	3.5%	3.4%
Dwelling Occupancy			
Occupied	73.4%	91.5%	89.1%
Unoccupied	28.3%	8.5%	10.9%
Dwelling Type			
Separate house	96.0%	77.8%	79.7%
Semi-detached, row or terrace house, townhouse etc	0.0%	14.2%	13.0%
Flat or apartment	0.0%	7.6%	6.5%
Other dwelling	0.0%	0.3%	0.6%
Tenure			
Owned outright	44.3%	28.5%	29.2%
Owned with a mortgage	10.3%	41.9%	40.0%
Rented	24.1%	26.6%	27.3%
Other tenure type	18.4%	1.7%	2.1%
Tenure type not stated	0.0%	1.2%	1.4%

For 2021, the Shire of Kent scores above the National average score of 1,000 for all socioeconomic indexes demonstrating strong levels of household income, and skilled occupations relative to lower levels of economic disadvantage. The above average level of economic resources is in line with expectations considering the relatively greater proportion of residents who own their home outright.

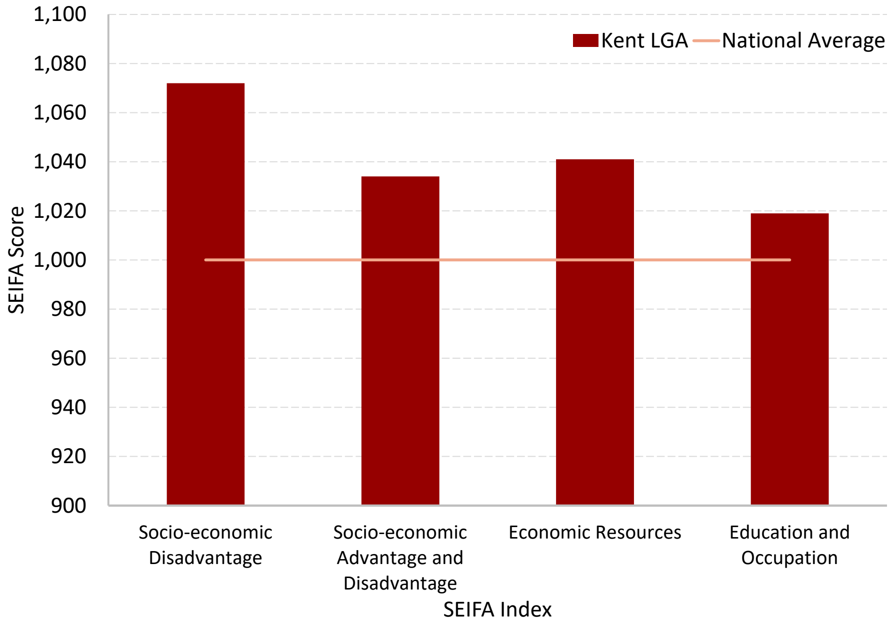

Figure 5 Kent LGA and National Average SEIFA Scores, ABS[5], 2021

2.2.3 Business Registrations

Business registrations in the Shire of Kent declined sharply between 2019 and 2021, falling from 149 to 129, before steadily rising from 2021 to 2023 to reach 143. The initial decline was likely influenced by the region's economic and population stagnation, coupled with the effects of the COVID-19 pandemic and nationwide restrictions on movement and borders. The steady growth following the pandemic highlights an underlying structural resilience in local business activity.

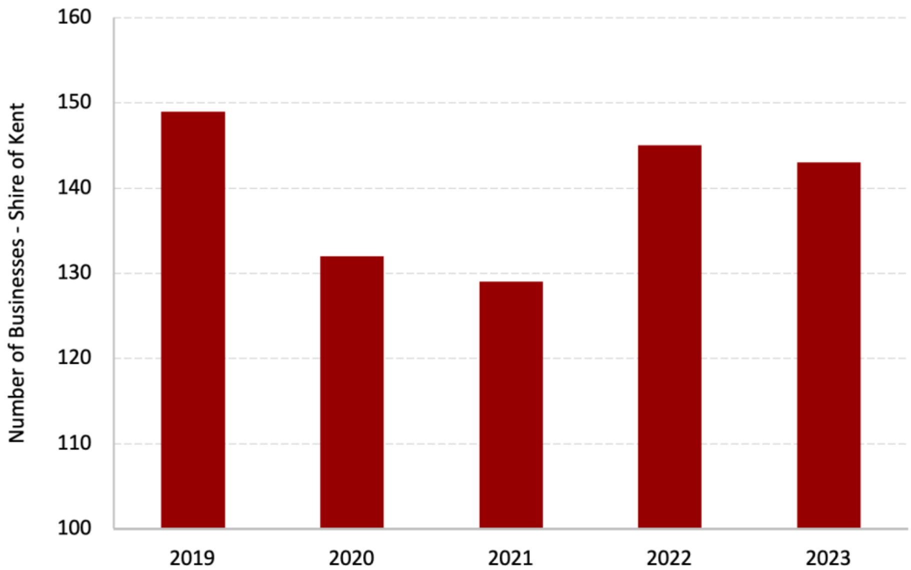

Figure 6 Business Registrations, Shire of Kent, 2019 to 2023[6]

In the Kent region, the majority of locally registered businesses (68.79%) were concentrated in agriculture, forestry, and fishing. This stands in stark contrast to the 6.56% of business registrations

[5] ABS (2024), Socio-Economic Indexes for Areas (SEIFA) Australia, accessed at https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/latest-release#
[6] ABS (2023) Census of Population and Housing 2021, Kent LGA Quick Stats accessed at abs.org.au

in the same sector across Western Australia, making it a significant outlier. The second-largest industry in Kent by business registrations is rental, hiring, and real estate services at 12.77%, which is more in line with Western Australia's figure of 11.19%.

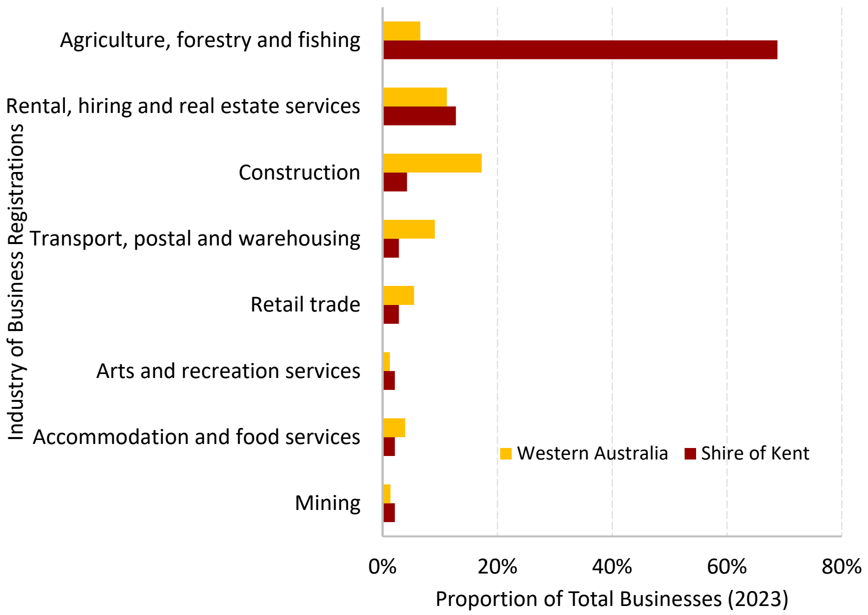

Figure 7 Share of Business Registrations by Select Industry, Kent LGA, Western Australia, 2023[7]

2.3 Sports Participation

Sporting participation estimates have been developed by Econisis through the application of AusPlay annual sport participation rates by individual sport for children and adults and applied to the age specific demographic drivers of the Kent LGA.

2.3.1 Relevant Sports

Sports assessed include those linked to the Nyabing Sports Pavillion and include:

- AFL
- Football/Soccer
- Cricket
- Tennis
- Lawn Bowls

Additionally, estimates of local participant numbers of sports associated with Stage 3 of the project (the indoor sports facility) have also been assessed, including basketball and netball. Note that Stage 3 is not covered in this CBA (refer to section 3.0).

2.3.2 Sports Projections Results

Econisis estimates that in 2025, the number of active sporting participant individuals across the selected sports in range between 135 and 140 people. This is based on the age specific participation rates for the sports applied to the WA Tomorrow Central Scenario.

[7] Count of Businesses (2023) ABS, accessed at https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release

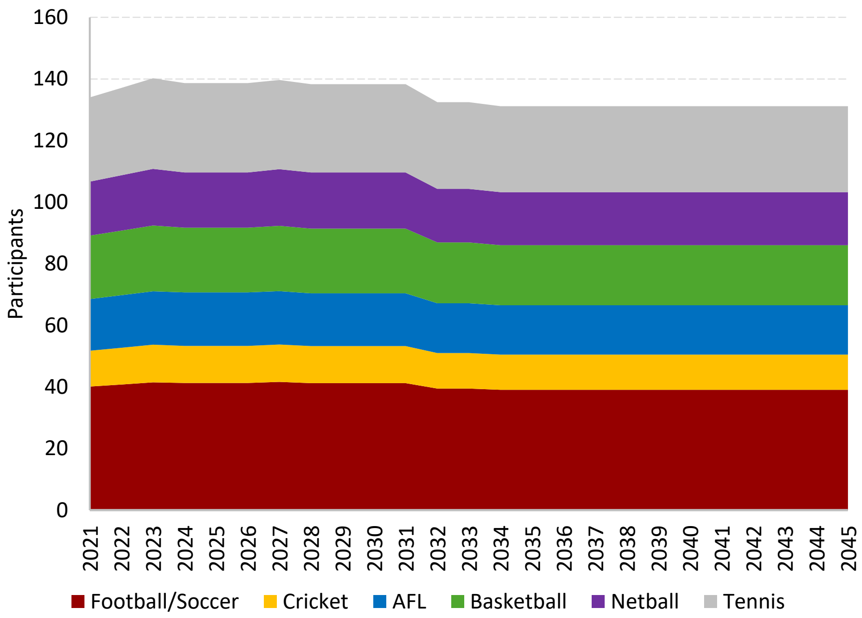

Figure 8 Participants in Select Sports, 2021 to 2045

This sporting participant estimates and projections form the basis of

2.4 Project Profile

2.4.1 About Nyabing Sports Pavillion and Master Plan

The Nyabing Sports Pavilion is located on Martin Street and surrounded by a well maintained football oval, hockey oval, netball & tennis courts, and synthetic bowling green. The pavilion is fully equipped with a large kitchen and bar facilities, the bar is managed by the Nyabing Sports Club. BBQ facilities are also available located in an undercover area. Due to floor damage on one half of the pavilion, access is only open to half of the building.

The Nyabing Multi-Purpose Community Facility Master Plan seeks to redevelop the existing Nyabing Pavilion into a multi-purpose community facility across three stages:

- Stage 1 – Gym and Changeroom (Incl. Parking)
- Stage 2 – Community Hall
- Stage 3 – Indoor Court

According to Rawlinsons Cost Management which was engaged by The Shire of Kent Office of Regional Architecture, the option 1 estimated total commitment cost is $11,405,000 while option 2 is estimated to cost $12,510,000.

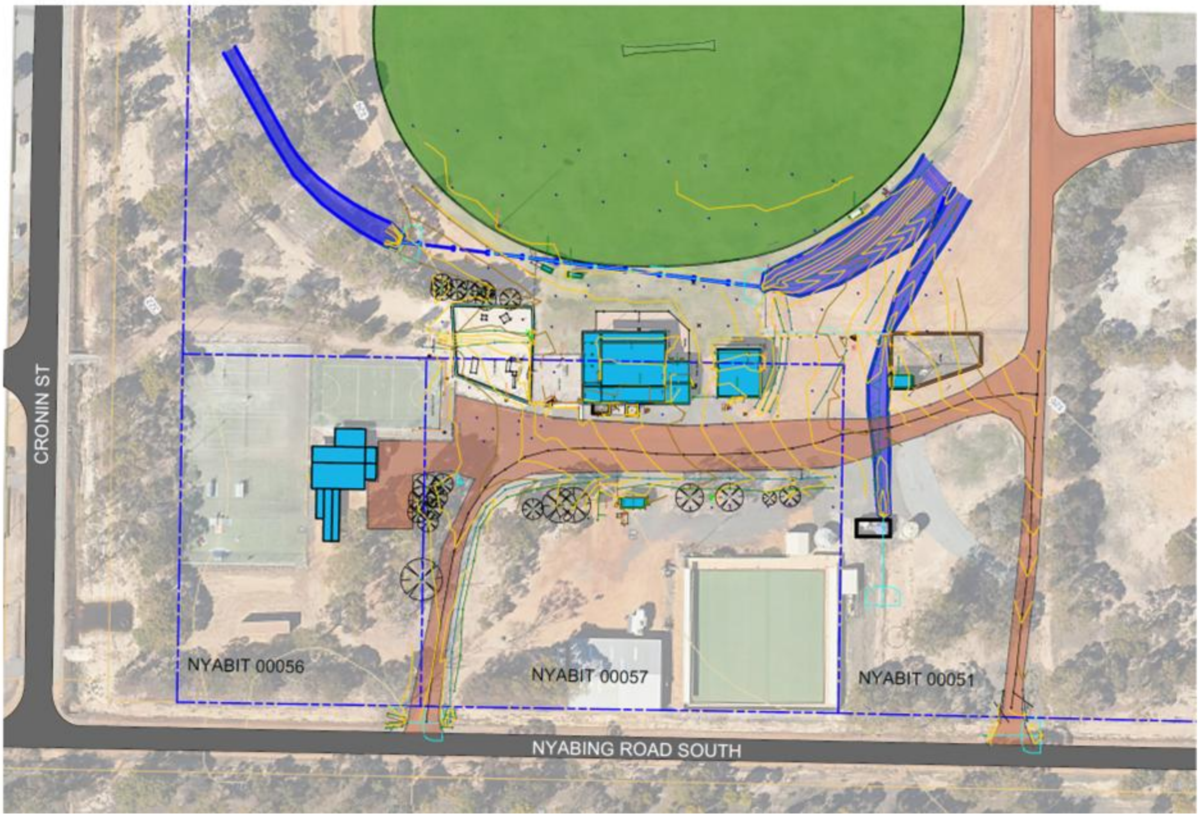

Figure 9 Nyabing Multi-Purpose Community Facility Master Plan

2.4.2 Stage 2 Community Hall Upgrade Options

Stage 2 of the project involves the upgrade to the Community Hall and Pavilion capabilities of the asset. There are two broad options being considered as part of this analysis.

Option 1 Stage 2 involves the refurbishment and enhancement of the existing building, starting with selective demolition to remove hazardous materials, outdated structures, and non-reusable elements. Once cleared, the refurbishment includes:

- structural modifications,
- new installations, and
- upgrade finishes to modernise the space while integrating with existing elements.

This maintains the current facility capacity.

Option 1 Stage 2 is estimated to cost a total of $3,639,000.

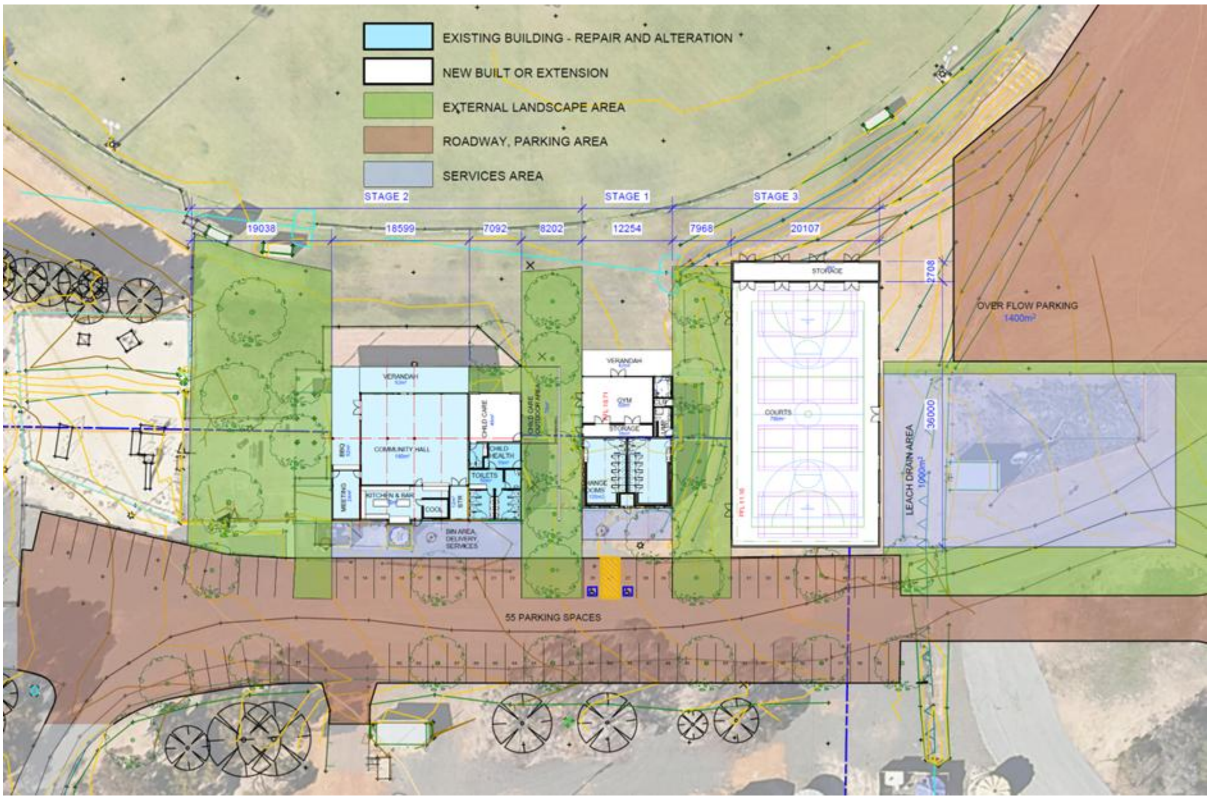

Figure 10 Nyabing Multi-Purpose Community Facility Master Plan Option 1

Conversely Option 2 Stage 2 involves the complete redevelopment of the pavilion building, starting with the removal of hazardous materials and full demolition of the existing structure. The construction phase then introduces modern infrastructure, including new foundations, walls, roofing, and essential services. It also adds an outdoor service area adjacent to a new main entrance.

This sees an increase in pavilion space by 25sqm (50%) and community hall capacity by 40sqm (+22.2%). This option culminates in a fully upgraded and functional facility which is a brand-new development. Option 2 Stage 2 is estimated to cost a total of $4,583,000.

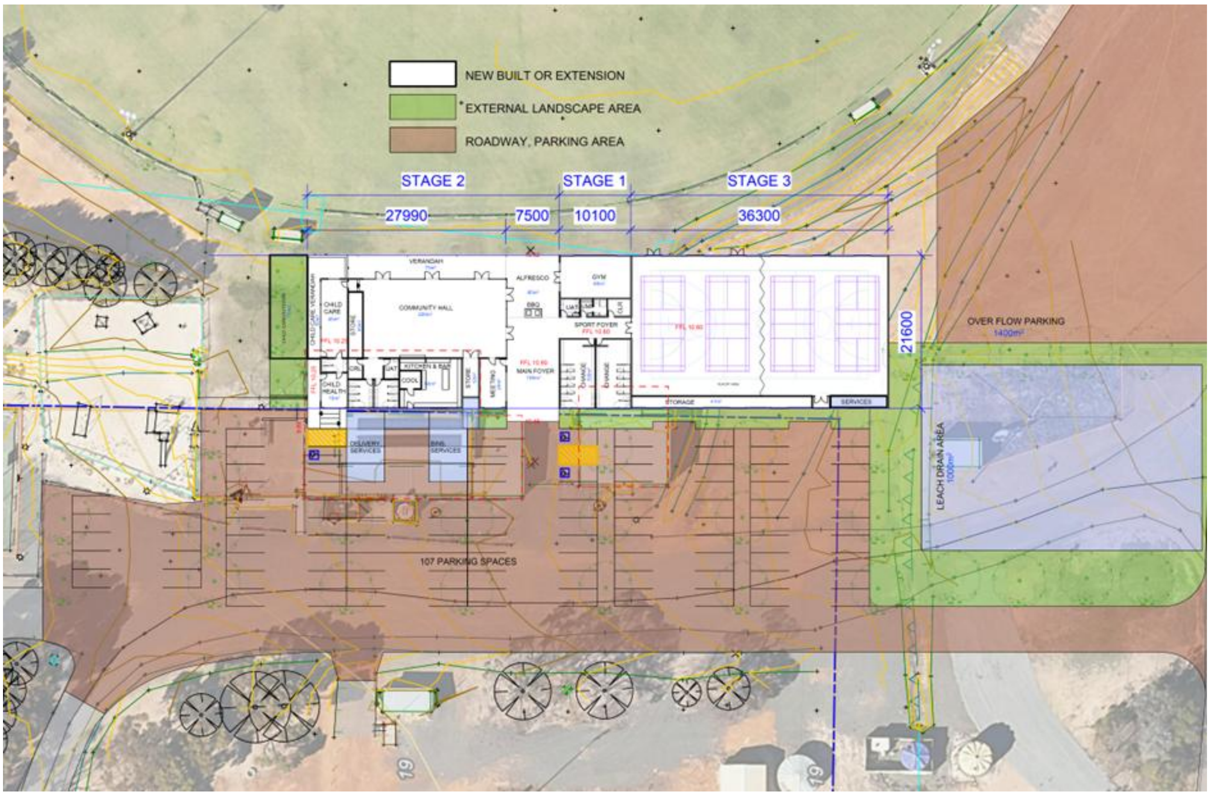

Figure 11 Nyabing Multi-Purpose Community Facility Master Plan Option 2

3 COST BENEFIT ANALYSIS

This section outlines the methodology, assumptions, and results of a cost benefit analysis.

3.1 Methodology

A CBA is the most commonly used, and most comprehensive, of the economic evaluation techniques. Essentially, a CBA compares the monetised benefits and costs of a project to evaluate the desirability of a project. This approach is the most appropriate to assess the net economic benefits that accrue from the project.

The CBA steps include:

1. Identify the quantifiable benefits that can be monetised;
2. Calculate the value (in monetary terms) of the quantified incremental benefits and capital costs in net present value (NPV) terms using the discount rates;
3. Calculate the benefit cost ratio (BCR) – the total present value of all net benefits compared to the present value of capital costs to determine the ratio to which incremental net benefits exceed (or undershoot) incremental costs related with the upgrade; and
4. Undertake a sensitivity assessment.

3.1.1 Discount Rates

Discounting is the reverse of adding (or compounding) interest. It reduces the monetary value of future costs and benefits back to a common time dimension – the base date. 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 (opportunity cost of capital). Recognising the potential for multiple audiences for the business cases, real discount rates of 3, 7 and 10% have been applied. This complies with recommendations set by the Office of Impact Analysis (OIA) at the Federal Government level and Western Australian Treasury guidelines.

Modelling of quantifiable benefits and costs are developed over a 20-year timeframe (post initial year).

3.1.2 Cost of Capital Approach

The cost benefit analysis undertaken in this report represents a “cost of capital” assessment. This approach focuses primarily on the up-front capital costs of the project with reduced consideration of ongoing costs (beyond basic operational cost impacts). The reason for this approach is twofold:

- Firstly, it reflects the stage of the project design and concept that the Cost Benefit Assessment is testing – early stage concepts typically have a capital cost estimate but may not have detailed cash flow or maintenance cost estimates. As such, the “cost of capital” approach does not consider ongoing cashflow consideration which includes discounting any financial revenues that could be secured by the harbour to offset unknown maintenance costs;
- Secondly, this economic business case specifically seeks to develop or address the validity of potential capital investment in the project. As such, evidence is required, through the CBA, of the potential return on investment (in the form of economic and social benefits) to inform this capital decision.

3.1.3 Options

Two options have been examined as part of this analysis:

1. Option 1: Stage 2 Community Hall - Repair & Refurbishment
2. Option 2: Stage 2 Community Hall - New

3.1.4 Comparison with the Base Case

For the purpose of this report, Econisis has undertaken a cost benefit assessment of the net additional benefits and costs above and beyond the "project". All NPVs and BCRs generated as part of the Cost Benefit Analysis are reflective of the net increase in gross value added and economic and social benefit beyond the "project"

The base case in this instance recognises the existence of the Nyabing Sporting Pavillion as an increasingly ageing (nearing or at end of life) and flooding damaged community and sporting assets. As such, benefits associated with either option have been staged with only incremental or partial "uplift" and "improvement" benefits considered in the first 5 years (post construction year) and full benefits.

This only applies to those parts of the options that seek to replicate and improve existing capacity in the short-term, while recognising the value of incremental improvements in quality and capacity during this time.

This includes:

- Benefits to current community hall and pavilion users
- Existing club and volunteering related activity benefits; and
- Visitor related benefits.

Other aspects of the options that add new capabilities and capacity to the facility above and beyond current notional capabilities are assessed in full from Year 1.

This includes benefits linked to the increase and expansion in community hall (from 180sqm to 220sqm) and pavilion (from 50sqm to 75sqm) size and capacity under Option 2 (New) as well as benefits linked to the inclusion of outdoor covered spaces.

3.1.5 Attribution

In many cases, benefits associated with a project or stage are shared with other facilities, services and investments. The most effective way of assessing benefits for one aspect of an outcome is by assessing the total value of the outcome and allocation a portion of the total value to the specific project or stage

This apportionment is dealt with through the use of attribution rates. An attribution rate is the share of the total benefit that the economy and community will accrue from the end project, that can be directly attributed to the specific action.

Where relevant, the attribution rate is identified in the Benefit Statement.

3.1.6 Key Assumptions

The following assumptions have been considered in the evaluation of the benefits for the two options.

Table 3 Assumptions Table

Assumption	Details
Annual Maintenance Cost	1% of Capital Costs
Remaining Useful Economic Life of Existing Facility	5 years post construction
Length of Construction Phase	1 years
Supply Chain Multiplier	13.1%[8]
Average Worker Productivity – Sport and Recreation Sub-Industry	$50,306[9]

[8] Based on WA specific regionalised input/output table of non-residential capital expenditure.
[9] As above

Assumption	Details
Average Day Trip Expenditure per Person	$166[10]
Volunteering Participation Rates (15 Years +)	66%[11]
Sporting Share of Volunteering Activity	22%[12]
Average hours per month volunteering	22.6[13]
Economic and Social Value of Volunteering per hour	$48.04[14]
Non-Economic/Leisure Value per Hour	$20.40[15]
Number of Attendees and Non-Local Visitors per Sport Player	2.5
Sport and Recreation Workspace Ratio	1 job per 100sqm[16]

3.2 Benefits Statement

A range of direct economic and social benefits of the Project have been identified. Those benefits which are capable of being monetised for inclusion in the CBA are outlined in the table below. This includes an outline of relevant methods of calculation, benefit attribution rates, the relevant options to which each benefit applies.

Table 4 Benefit Statement

Benefit	Theme/Description	Method of Calculation	Relevant Options
Construction Supply Chain	Benefits to the WA and regional construction industry of the non-residential capital investment.	Applied a first round GVA economic multiplier of 13.2% to the capital expenditure. Based on regional WA-specific regionalised input/output transaction table. Assumed a construction phase of 1 year.	Both
Resident Community Hall User Benefit	Benefits to existing and future users of the improvement in the community hall and pavilion (through repair or new)	Valued using ATAP value of non-economic leisure time. Applied to the Kent LGA population and direct and indirect use of 4 hours per person per month based on a 50% user rate. Attribution rate of 50% applied to the first 5 years to reflect uplift in amenity for new facility and 25% for repaired and refurbished facility. Full attribution of 100% post 5 years.	Both
Expanded Community Hall/Pavillion User Benefits	The additional benefits reflected in the expansion of the community hall and pavilion capacity by approximately 25% under Option 2.	Based on a 25% up-weighting on the fully attributed Resident Community Hall User Benefit to reflect the increase in community hall and pavilion capacity under the Option 2 new facility.	Option 2 Only
Outdoor Space Utilisation Benefit	Additional benefits associated with outdoor spaces provided under Stage as part of Option 2.	Valued using the same methodology and assumptions as the Resident Community Hall User Benefit to reflect alignment of user base with the facility but based only on a 25% resident user rate. Attribution rate of 50% applied to the first 5 years to reflect uplift in amenity for new facility and full attribution of 100% post 5 years.	Option 2 Only

[10] TRA (2024) Western Australia Day Trip Expenditure per Visitor, Tourism Research Australia
[11] Volunteering WA (2023) State of Volunteering Report accessed at https://www.volunteeringwa.org.au/assets/sovr-state-of-volunteering/wa-state-of-volunteering-report-2023-spreads-2-.pdf
[12] As above
[13] As above
[14] Volunteering WA (2025) Volunteering Benefits Calculator accessed at https://www.volunteeringwa.org.au/volunteer-management/resources/volunteer-benefits-calculator
[15] ATAP (2024) Parameter Values accessed at https://www.atap.gov.au/parameter-values/index adjusted to 2025 dollars by CPI
[16] Derived from WAPC Land Use and Employment Surveys for Community Land Uses 2015-2019 accessed at

Benefit	Theme/Description	Method of Calculation	Relevant Options
		Applies to Option 2 only.	
Club and Volunteering Enhancement Benefits	The benefit of volunteering and sporting and community club related activities facilities by the community hall.	Valued based on the application of average sport and recreation associated volunteering rates and frequencies in Western Australia to the Kent population aged 15+ from Volunteering WA. Attribution rate of 10% applied to the first 5 years to reflect incremental uplift in amenity for refurbished and new facility. 50% post 5 years reflecting the role of other facilities and club activities themselves in driving volunteering activity.	Both
Visitor Benefits	The benefits to non-participant local attendees and non-local visitor participants of the community hall and pavilion investment.	Valued based on using day trip tourism expenditure as a proxy for visitation value. Visitors based on a 2.5 times multiplier to relevant sport participant numbers from Kent linked to the facility based on 4 days per year on average. Attribution rate of 25% applied to the first 5 years to reflect incremental uplift in amenity for refurbished and new facility and full attribution of 100% post 5 years.	Both
Sport and Recreation Industry Productivity Benefits	The benefit of economic activity linked to the sport and recreation industry associated with the community hall and pavilion.	Valued using worker productivity as an economic value proxy. Based on 100sqm per worker linked to the community hall and applying a worker productivity based on sport and recreation industry for Western Australia. Based at 50sqm for expanded space under Option 2 for the first 5 years and then either 180sqm (for Option 1) or 220sqm (for Option 2) from then on.	Both
Residual Asset Value	The value of the assets at the end of the assessment period.	A static residual value compares the direct and indirect costs associated with the construction of a dwelling with the notional market value of that dwelling. Calculated by dividing the construction cost by 30 years and multiplying it by 10 (for the remaining years at the end of the assessment). Applied in the final year of the assessment (20 years after construction).	Option 2 Only

3.3 Cost Benefit Analysis Results

This section provides an overview of the present value and composition of costs and benefits for the project. It includes an outline of the Benefit Cost Ratios and Net Present Value results for each of the two options.

3.3.1 Results for Option 1: Stage 2 Community Hall Repair & Refurbishment

The evaluation estimates the present value of costs to range from $4.13m at the 4% discount rate to $3.95m at the 10% discount rate. This includes an allowance of 1% of capital costs each year post construction for asset specific maintenance in line with whole of life cycle asset values

The majority of this is the capital cost, with the remainder comprising the annual maintenance cost.

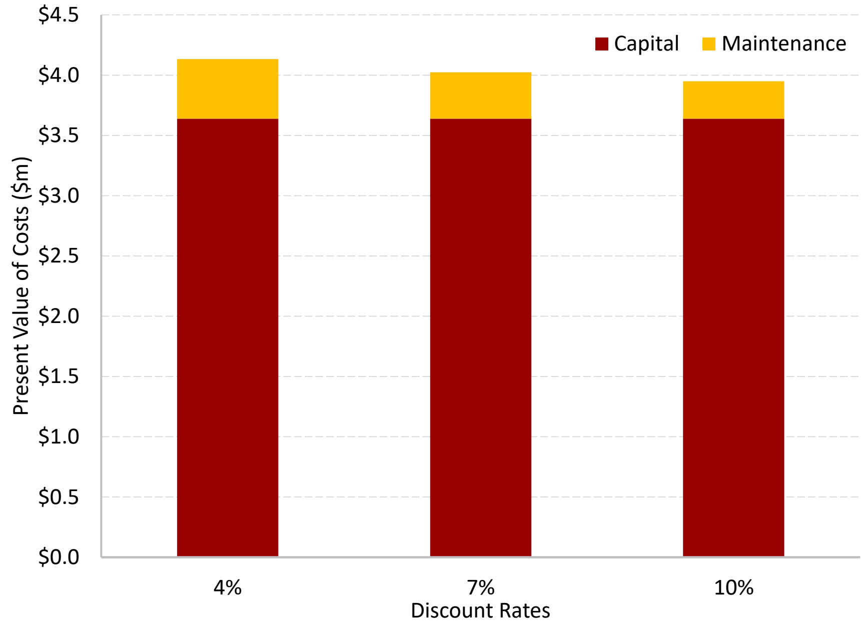

Figure 12 Present Value of Costs ($m) – Option 1

Overall, the benefits of the project range from $10.11m at the 4% discount rate to $5.95m at 10%.

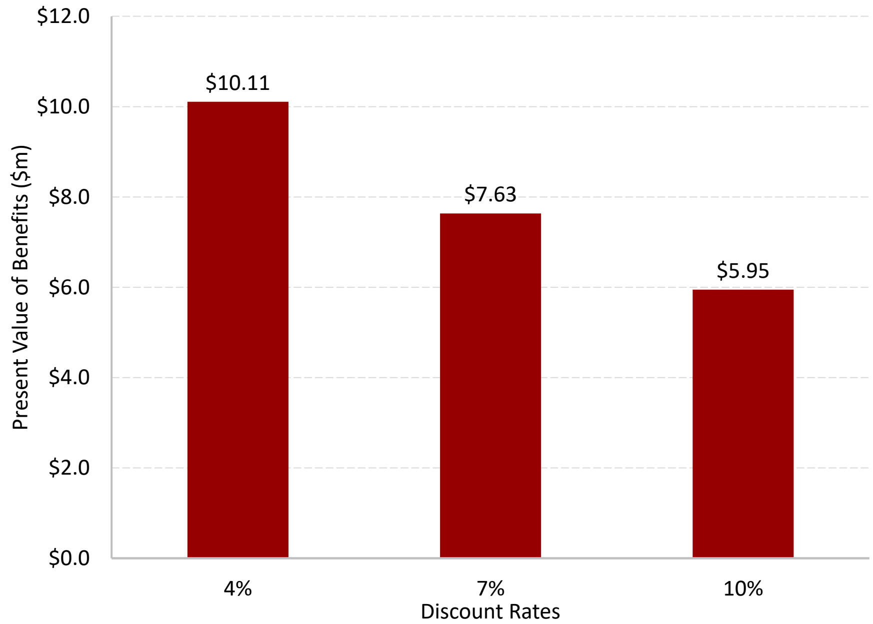

Figure 13 Present Value of Benefits ($m) – Option 1

The largest benefit expected over the 20-year assessment period for the project (at a 7% discount rate) is the club and volunteering benefits enhanced and supported by the community hall and pavilion by the repair and refurbishment of the facility accounting for $3.04m. Following this are Resident Community Hall User Benefits and Visitor Benefits.

Note that several benefits valued at $0 are included in this breakdown to align with Option 2 but are excluded from this analysis for Option 1.

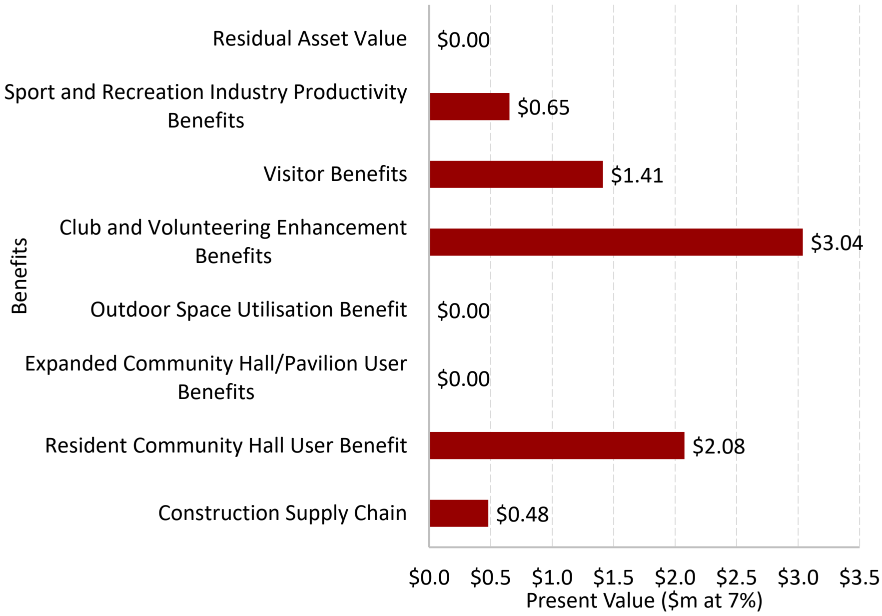

Figure 14 Present Value of Individual Benefits ($m) at 7% Discount Rate – Option 1

Each benefit was categorised as either social or economic. This shows an even split between economic and social benefits of this option under 7% discount rate.

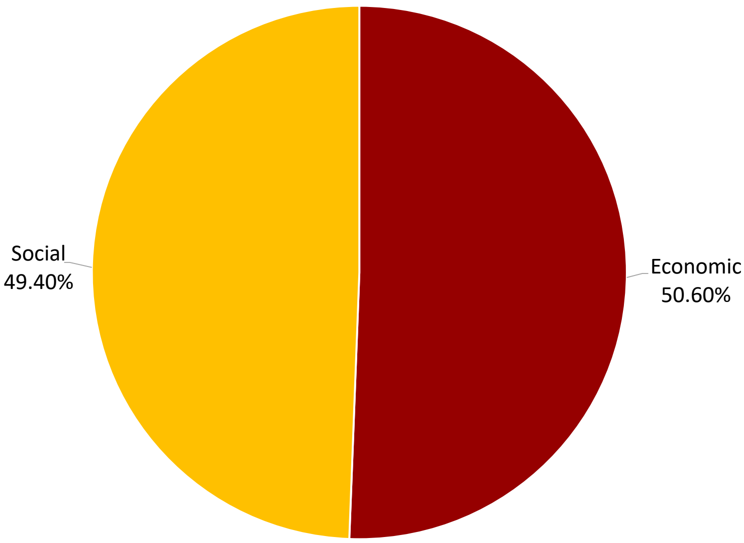

Figure 15 Composition of Benefits, Economic and Social Benefit Categories, at the 7% Discount Rate – Option 1

Comparing the present value of benefits to that of costs, Econisis estimates the project will yield a net present value of between $5.98m over 20 years at the 4% discount rate and $2.00m at the 10% discount rate. All net present value estimates are above $0, meaning that the present value of the benefits is greater than that of the costs across all discount rates.

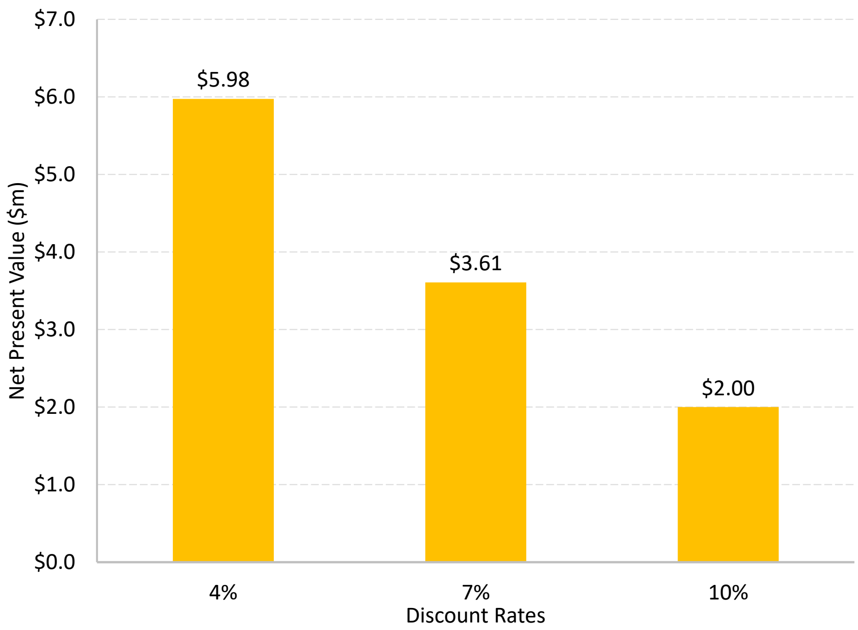

Figure 16 Net Present Value by Discount Rate ($m) – Option 1

The benefit cost ratios ranged from 2.45 at the 4% discount rate to 1.51 at the 10% discount rate. Any BCR above 1.0 is regarded as positive, with BCRs at or approaching 2.0 particularly positive. This reflects the fact that benefits that accrue in the future have a higher degree of uncertainty, and while this is addressed to an extent by the discount rates, a higher BCR provides the project a greater "buffer" that it will indeed yield benefits greater than the costs. In this instance, the predominantly social and community nature of the assets means that the 4% discount rate is most relevant.

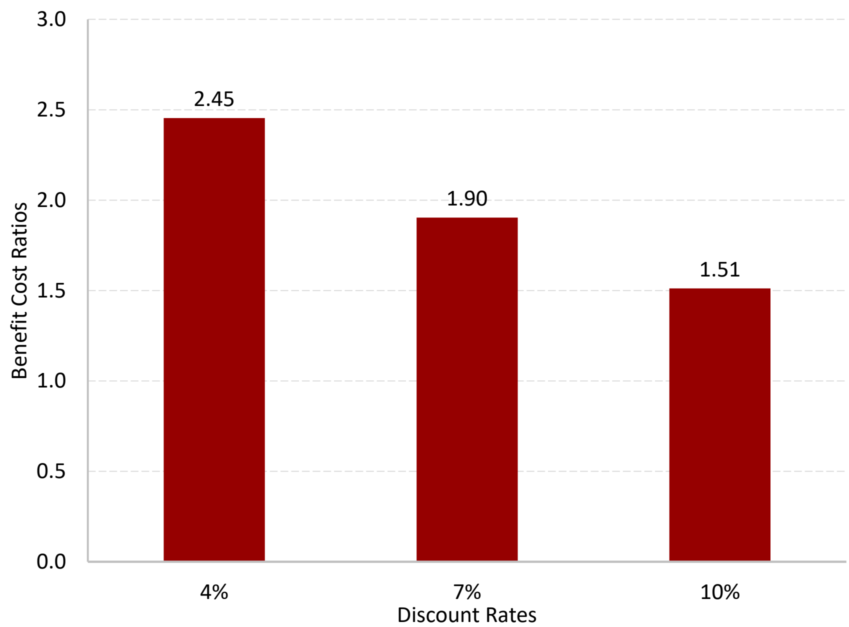

Figure 17 Benefit Cost Ratio by Discount Rate – Option 1

The below table summarises the results of the cost benefit analysis.

Table 5 Summary of Cost Benefit Analysis Results – Option 1

Option 1: Stage 2 Community Hall Repair & Refurbishment	4%	7%	10%
Costs	**$4.13**	**$4.02**	**$3.95**
Capital	*$3.64*	*$3.64*	*$3.64*
Maintenance	*$0.49*	*$0.39*	*$0.31*
Benefits	**$10.11**	**$7.63**	**$5.95**
Construction Supply Chain	*$0.48*	*$0.48*	*$0.48*
Resident Community Hall User Benefit	*$2.78*	*$2.08*	*$1.60*
Expanded Community Hall/Pavilion User Benefits	*$0.00*	*$0.00*	*$0.00*
Outdoor Space Utilisation Benefit	*$0.00*	*$0.00*	*$0.00*
Club and Volunteering Enhancement Benefits	*$4.09*	*$3.04*	*$2.32*
Visitor Benefits	*$1.86*	*$1.39*	*$1.07*
Sport and Recreation Industry Productivity Benefits	*$0.90*	*$0.65*	*$0.48*
Residual Asset Value	*$0.00*	*$0.00*	*$0.00*
NPV	**$5.98**	**$3.61**	**$2.00**
BCR	**2.45**	**1.90**	**1.51**

Overall, the results confirm that the project will generate significant value for the regional and State economies, facilitating economic activity that otherwise would be constrained by housing capacity and availability challenges.

The inclusion of serviced apartment product to accommodate short-term business and employment visitation provides further additional housing market flexibility and ensuring that key work force requirements are not impacted by a lack of short-term accommodation options or crowd out traditional tourist visitors from the local economy.

3.3.2 Results for Option 2: Stage 2 Community Hall New

The evaluation estimates the present value of costs for Option 2 ranges from $5.21m at the 4% discount rate to $4.97m at the 10% discount rate. Capital and maintenance costs are both higher for Option 2 than Option 1.

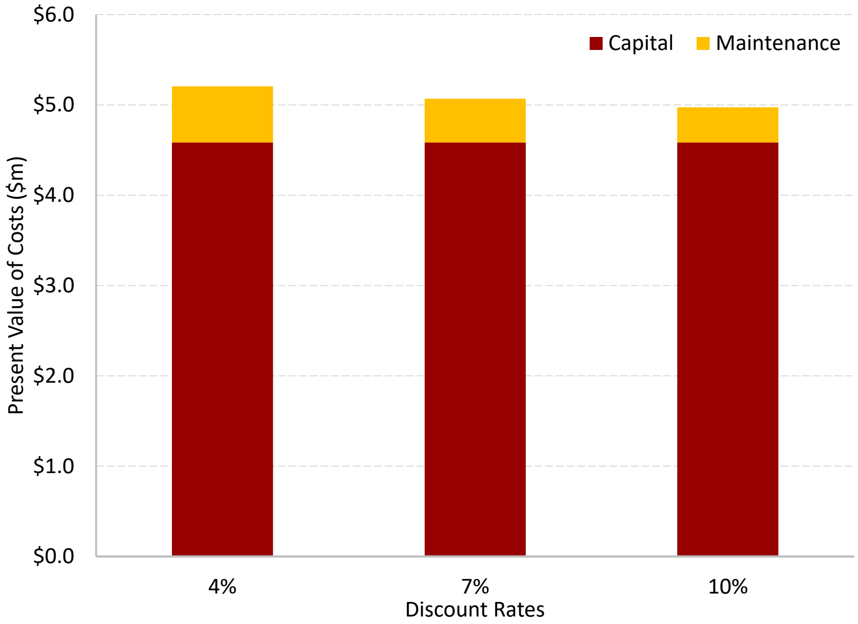

Figure 18 Present Value of Costs ($m) – Option 2

The benefits of Option 2 are valued at approximately $13.38m at the 4% discount rate to $7.98m at 10%.

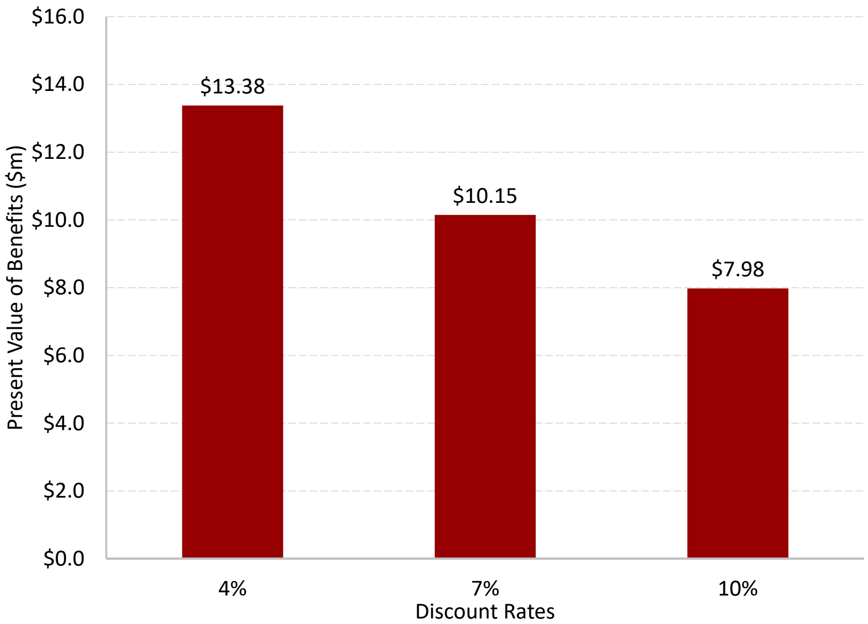

Figure 19 Present Value of Benefits ($m) – Option 2

The benefit profile is similar, albeit more diverse for Option 2 than Option 1. The largest benefit for Option 2 (at a 7% discount rate) is Club and Volunteering Enhancement Benefits at $3.04m with Resident Community Hall User and Visitor Benefits next higher. However, there are a further 4 benefits valued at over $500,000 over 20 years at the 7% discount rate, while this option also includes an allowance for a Residual Asset Value.

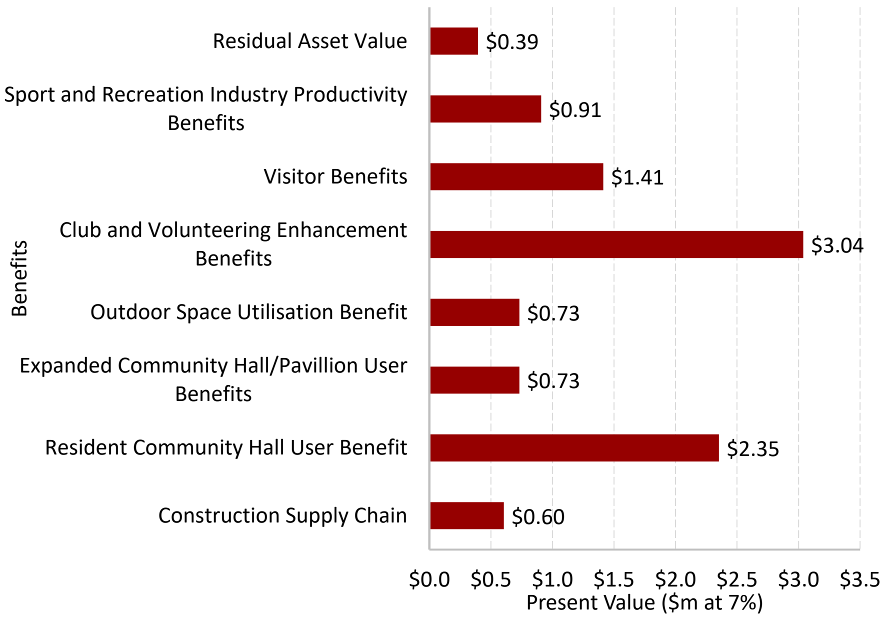

Figure 20 Present Value of Individual Benefits ($m) at 7% Discount Rate – Option 2

Despite these additional benefits, the mix of benefit categories between economic and social is very similar for Option 2 than for Option 1, with an almost 50:50 split.

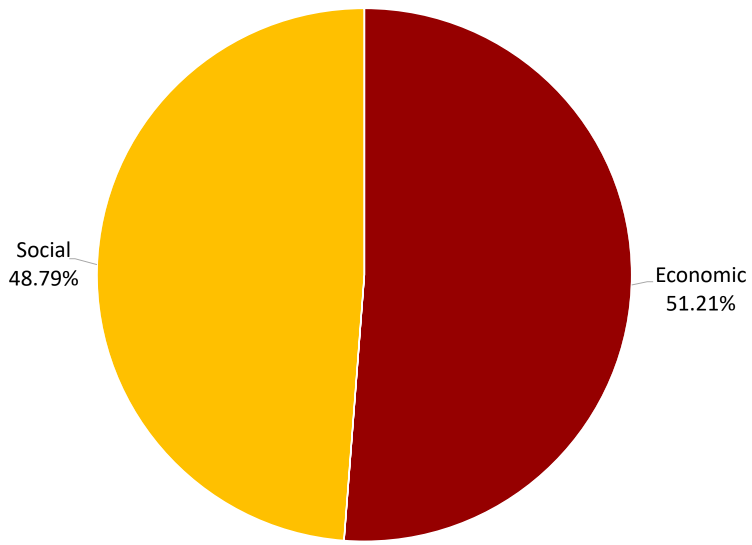

Figure 21 Composition of Benefits, Economic and Social Benefit Categories, at the 7% Discount Rate – Option 2

Econisis estimates Option 2 will yield a net present value of between $8.17m over 20 years at the 4% discount rate and $3.00m at the 10% discount rate. Again, all net present value estimates are above $0, meaning that the present value of the benefits is greater than that of the costs across all discount rates.

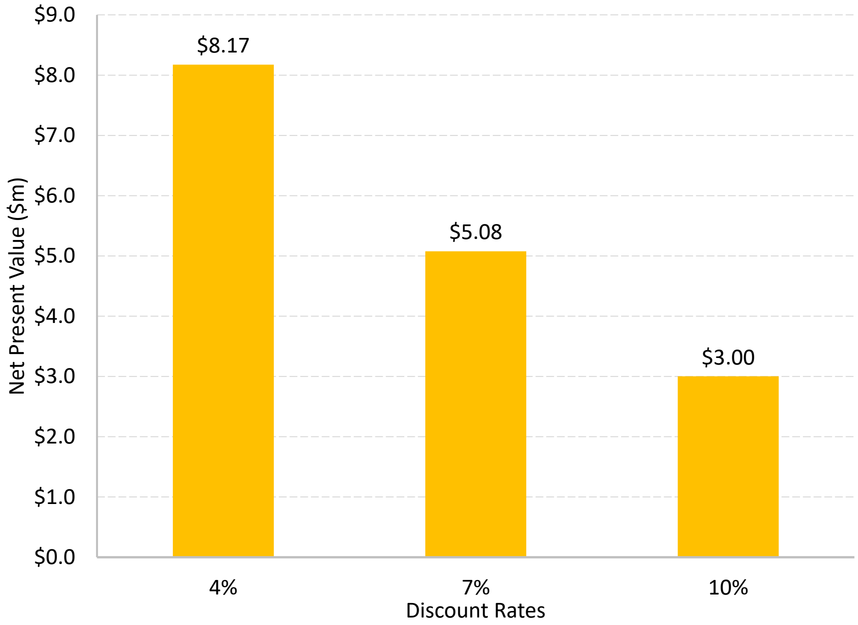

Figure 22 Net Present Value by Discount Rate – Option 2

The benefit cost ratios ranged from 2.57 at the 4% discount rate to 1.60 at the 10% discount rate. All BCRs are above 1.0 and are above 2.0 at both the 4% and 7% discount rates.

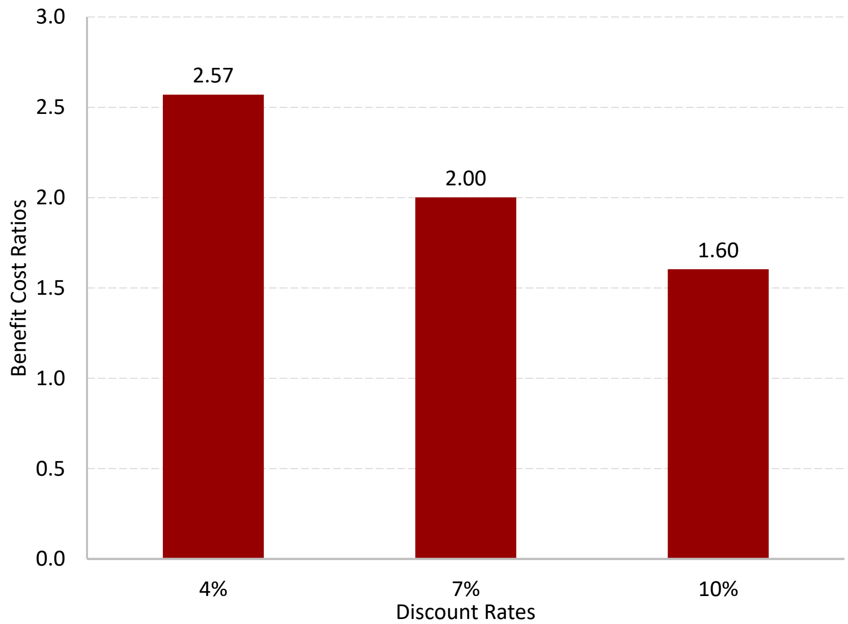

Figure 23 Benefit Cost Ratio by Discount Rate – Option 2

The below table summarises the results of the cost benefit analysis.

Table 6 Summary of Cost Benefit Analysis Results – Option 2

Option 2: Stage 2 Community Hall New	4%	7%	10%
Costs	**\$5.21**	**\$5.07**	**\$4.97**
Capital	*\$4.58*	*\$4.58*	*\$4.58*
Maintenance	*\$0.62*	*\$0.49*	*\$0.39*
Benefits	**\$13.38**	**\$10.15**	**\$7.98**
Construction Supply Chain	*\$0.60*	*\$0.60*	*\$0.60*
Resident Community Hall User Benefit	*\$3.07*	*\$2.35*	*\$1.86*
Expanded Community Hall/Pavilion User Benefits	*\$0.92*	*\$0.73*	*\$0.60*
Outdoor Space Utilisation Benefit	*\$0.92*	*\$0.73*	*\$0.60*
Club and Volunteering Enhancement Benefits	*\$4.09*	*\$3.04*	*\$2.32*
Visitor Benefits	*\$1.86*	*\$1.39*	*\$1.07*
Sport and Recreation Industry Productivity Benefits	*\$1.22*	*\$0.91*	*\$0.70*
Residual Asset Value	*\$0.70*	*\$0.39*	*\$0.23*
NPV	**\$8.17**	**\$5.08**	**\$3.00**
BCR	**2.57**	**2.00**	**1.60**

3.4 Comparison of Option Results

A review of the results of the CBA for the two Options for Stage 2 of the development highlight similar outcomes. However, Option 2 – New generally performed better across all discussion rates, despite a higher capital cost.

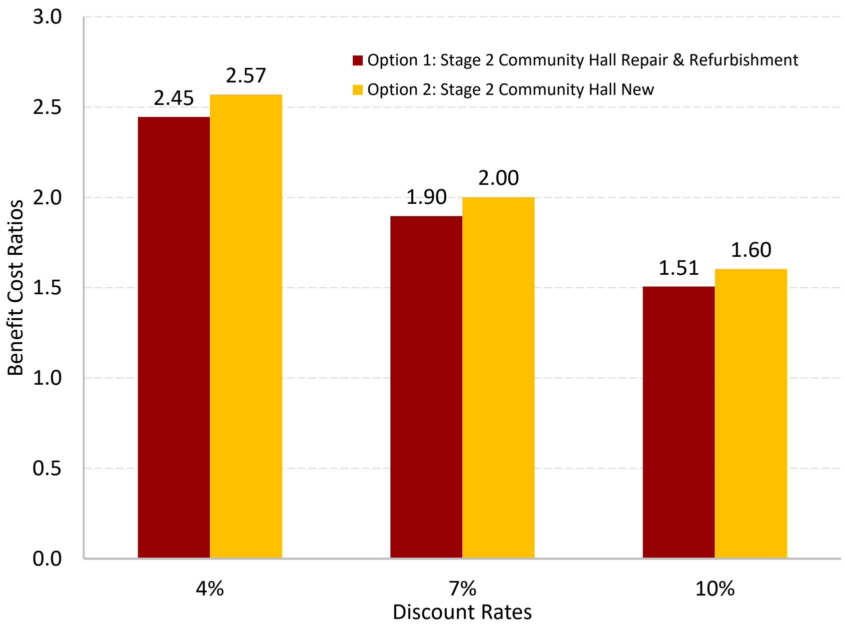

Figure 24 Benefit Cost Ratios, Stage 2 Project Options, by Discount Rate

Under Option 2 hall and pavilion floor space expansion, the outdoor area delivery and the residual value of asset at the end of the assessment offset the higher costs and leads to a higher BCR under all discount rates.

Increasingly, the viability and value for money of new, full replacement builds for community facilities are challenged by escalating build costs these days. However, Option 2 provides sufficient additional capacity, capability and longevity to the facility to offset these costs and return a higher economic and social rate of return. This is assisted by the current state of the asset (being flood damage impacted), combined with the cost differential between the two options being comparatively minor.

While the comparatively small size of the service population is constraining factor on demand, the facility has and is expected to continue to be the focus of local considerable sporting/recreation, visitation, community and volunteering related activities which helps solidify its central role in the social and sporting fabric of Kent.

4 ECONOMIC AND EMPLOYMENT IMPACT ASSESSMENT

This section provides an estimate of the direct and indirect economic and employment impacts of the project construction phase.

4.1 Methodology and Approach

At the core of an Economic Impact Assessment is Input–Output (IO) tables. IO tables are part of the national accounts by the ABS and provide detailed information about the supply and use of products in the Australian economy, and the structure of and inter–relationships between Australian industries.

IO tables are converted, through statistical analysis, into a series of Economic Multipliers. These Multipliers represent the relationship between the direct activity (expenditure or production) associated with a Project and the wider economy.

The results of an EIA are generally presented as both direct effects, that is effects from the direct activity of the Project or event, and indirect effects, which are additional effects from further rounds of spending in the supply chain. A third or consumption effect, resulting from rounds of consumer spending generated by the additional income in the region can also be calculated.

There are two broad levels of Multipliers that can be utilised for Impact Assessments:

3. **Simple Multipliers** – including the Direct or Initial Effect, First Round and Industry Supply Chain effects.
4. **Total Multipliers** – including the Simple Multipliers plus subsequent Induced Production and Household Consumptions effects.

Impact Assessments can assess:

- **Output** - the actual dollar amount spent on the Project in the Region.
- **Income** - the number of wages and salaries paid to labour.
- **Employment** - the full-time equivalent (FTE) per annum employment generated by the Project; and
- **Value Added** - the value added to materials and labour expended on the Project.

Econisis has undertaken an Impact Assessment for the Regional WA state economy, focused solely on **Simple Multipliers**. For the WA economic impacts, this entailed the following tasks:

1. Transaction tables were developed from National IO tables for the Regional WA State economy. For the Regional WA economy, the Regional Transaction Table was calculated by applying employment-based location quotients for the Region, based on the results of the 2016/2021 Census of Population and Housing. This has the effect of excluding spending on imports to the Region since they generate no local economic activity.
2. Economic Multipliers were then generated for Regional WA economy across 119 industry categories defined by the ABS.
3. Construction and operational expenditure and production associated with the development were allocated across 119 industry categories.
4. Economic impacts associated with the Project are calculated.

4.1.1 Criticisms of Impact Assessments

Economic Impact Assessments based on IO-tables and Economic Multipliers have been criticised by Government and academia. Econisis recognises Economic Multipliers are based on limited assumptions that can result in multipliers being a biased estimator of the benefits or costs of a Project.

Shortcomings and limitations of multipliers for economic impact analysis include:

- **Lack of supply**–side constraints: The most significant limitation of economic impact analysis using multipliers is the implicit assumption that the economy has no supply–side constraints. That is, it is assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or if it is near capacity.
- **Fixed prices**: Constraints on the availability of inputs, such as skilled labour, require prices to act as a rationing device. In assessments using multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. Prices are assumed to be unaffected by policy and any crowding out effects are not captured.
- **Fixed ratios for intermediate inputs and production**: Economic impact analysis using multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. As such, impact analysis using multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount.
- **No allowance for purchasers' marginal responses to change**: Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- **Absence of budget constraints**: Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume that household and government consumption is not subject to budget constraints.
- **Not applicable for small regions**: Multipliers that have been calculated from the national IO table are not appropriate for use in economic impact analysis of Projects in small regions. For small regions multipliers tend to be smaller than national multipliers since the inter–industry linkages are normally relatively shallow. Inter–industry linkages tend to be shallow in small regions as they usually do not have the capacity to produce the wide range of goods used for inputs and consumption, instead importing a large proportion of these goods from other regions.

4.1.2 Adjustments to Improve EIA Reliability

Despite this, IO tables and Economic Multipliers remain popular due to their ease of use and communication of results. Econisis has undertaken a number of steps and made appropriate adjustments to the EIA methodology to address and mitigate these concerns.

Econisis has only used ***Simple Multipliers*** in the Assessment. This has the effect of discounting Household Consumption impacts from the assessment. By doing so, only those industries with a first round or supply chain connection are considered. This has the effect of making the results of the EIA conservative and suitable to inform decision making.

Additionally, Econisis has developed economic multipliers for the ***Regional WA economy only***. This has the effect of internalising and limiting the extent of the economic impact outside of the State.

Econisis regards the use of Economic Multipliers as part of this Assessment as appropriate and reliable. The results of the assessment are conservative, defensible and suitable for informing decision making.

4.2 Summary of Results

4.2.1 Industry Allocation

Econisis has allocated the construction costs for the project across the following sectors of the WA economy for both options:

- Non-Residential Building Construction (80%)
- Heavy and Civil Engineering Construction (15%)
- Construction Services (5%).

For the purpose of this assessment, Econisis has assumed a 1 year construction phase in line with the CBA.

4.2.2 Option 1 – Repair and Refurbishment

Overall, this construction phase under Option 1 is expected to generate $7.0m in economic output and $2.2m in Gross Value Added over 1 year.

Table 7 Construction Phase Economic and Employment Impacts, 1 Year Phase

Indicators	Direct Impact	First Round	Industry Support	Simple Multiplier
Output ($m)	$3.6	$2.2	$1.2	$7.0
Incomes ($m)	$0.5	$0.4	$0.3	$1.2
Employment (FTEs)	8.3	1.6	10.7	20.6
GVA ($m)	$0.9	$0.8	$0.5	$2.2

This economic activity will support 20.6 FTEs.

4.2.3 Option 2 – New

In contrast, the construction phase under Option 2 is expected to generate $8.8m in economic output and $2.8m in GVA over 1 year.

Table 8 Construction Phase Economic and Employment Impacts, 1 Year Phase

Indicators	Direct Impact	First Round	Industry Support	Simple Multiplier
Output ($m)	$4.6	$2.8	$1.5	$8.8
Incomes ($m)	$0.6	$0.6	$0.3	$1.5
Employment (FTEs)	10.4	2.0	13.5	25.9
GVA ($m)	$1.2	$1.0	$0.6	$2.8

This economic activity will support 25.9 FTEs.

5 CONCLUSION

This section summarises the findings and conclusions of the report.

5.1 Summary of Findings

The Nyabing Multipurpose Community Facility development or refurbishment project provides a significant economic benefit to the Nyabing Township and wider Shire of Kent region. The redevelopment will provide greater community amenities as well as opportunities for volunteering and sporting participation.

Option 1 of Stage 2 (Repair and refurbishment of the Community Hall and Pavilion) of this project is estimated to have a net present value of between $5.98m and $2.00m. In contrast, Option 2 (new construction) is estimated to deliver a net present value of between $8.17m and $3.00m.

Overall, both options for this project deliver positive net present values across all discount rates. The strongest benefit related to both options was the Club and Volunteering Enhancement Benefit which totalled approximately $3.04m for both options.

Analysing both options using the Benefit Cost Ratios indicates that the better value for money pathway is Option 2, delivering a BCR of 2.00 at the 7% discount rate compared to 1.90 for Option 1.

Both Options will add between $7.0 to $8.8m in Gross Value Added and support between 20 and 26 FTEs during the 1 year construction phase.

Both options demonstrate strong economic returns to the community and Shire of Kent though the benefit of a new purpose built facility in terms of capability and capacity expansion, economic impact and longevity outweigh marginally higher capital costs.

Contact

Econisis Pty Ltd

A: L38, 71 Eagle Street,
Brisbane City, Qld, 4000

E: mark.wallace@econisis.com.au

T: 0431 676 254