

Business Case

Traffic Education School

Version 1.0

7/07/17

EXECUTIVE SUMMARY

This Business Case provides details for the construction and operation of a Traffic Education School (Option 1) and a Traffic Park (Option 2) in the Atherstone precinct and recommends the endorsement of a Traffic Education School (Option 1).

As part of Council's agreement with Lendlease and Atherstone development, a traffic education school was included in Council's initiatives for early delivery of infrastructure. Specifically, stating "provision of a traffic school, consistent with the objectives of Council's Road Safety Strategy. The aim of the facility would be to support community education in traffic safety." Costs as specified within the Developer Contribution Plan state, "Actual costs borne by the Developer however \$500,000 (\$566,600 increase due to indexation) will be reflected as a project cost in the Commercial Assessment."

The project will align with and deliver outcomes that support the achievement of strategic objectives as identified in the Council and Wellbeing Plan and related Council Strategies (refer to 1.3).

The project will address public education which has been identified as a key initiative in changing attitudes, increasing awareness and influencing road user behaviour regarding road safety.

The proposed Traffic Education School will capture the imagination and interest of children whilst drawing on the importance of learning through play. This facility will provide the opportunity for children to learn key road and traffic safety lessons and skills in a playful setting.

Recommendations

It is recommended that Council proceed to:

- Approve this Business Case to build a Traffic Education School (Option 1) using the \$566,600 contribution from the Lendlease Atherstone Development fund.

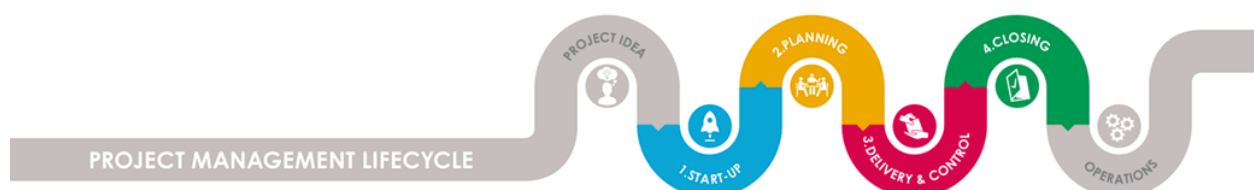


TABLE OF CONTENT

EXECUTIVE SUMMARY2

1. INTRODUCTION4

 1.1 DOCUMENT PURPOSE4

 1.2 REASONS FOR THE PROJECT.....4

 1.3 STRATEGIC ALIGNMENT5

 1.4 LESSONS LEARNED ANALYSIS6

 1.5 PROJECT OBJECTIVES6

2. SCOPE OF THE PROJECT7

 2.1 IN SCOPE FOR TRAFFIC EDUCATION SCHOOL7

 2.2 OUT OF SCOPE FOR TRAFFIC EDUCATION SCHOOL7

3. BUDGET ANALYSIS.....8

 3.1 BUDGET BREAKDOWN8

 CONSTRUCTION AND DESIGN8

 OPERATING COSTS PER ANNUM8

 3.2 FUNDING SOURCE8

4. OPTIONS ANALYSIS.....9

 4.1 OPTIONS CONSIDERED9

 4.2 RECOMMENDED OPTION12

5. PROJECT BENEFITS AND OUTCOMES13

 5.1 EXPECTED BENEFITS13

 5.2 OUTCOMES13

6. PROJECT IMPLEMENTATION STRATEGY.....14

 6.1 PROJECT APPROACH14

 6.2 MILESTONES AND TARGET DATES14

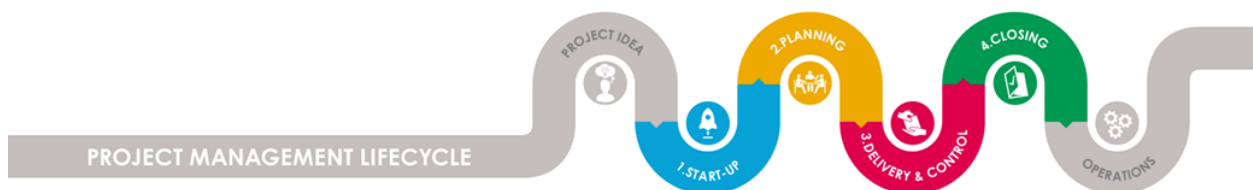
 6.3 MAIN RISKS.....14

 6.4 CONSTRAINTS15

 6.5 ASSUMPTIONS15

 6.6 STAKEHOLDERS.....15

7. APPENDICES.....16



1. INTRODUCTION

1.1 Document Purpose

The purpose of this document is to propose a business case for the construction and operation of a Traffic Education School including its future management and program delivery. It provides justification for the establishment of a Traffic Education School based on the estimated cost of development and the anticipated community benefits to be gained.

1.2 Reasons for the Project

Early education has been identified as a key road safety initiative in developing positive attitudes, increasing awareness and influencing road user behaviour.

A key way children learn is through experiential learning which incorporates fun and being challenged. This facility provides the opportunity for children to learn key road safety lessons and skills in a playful setting. It has the potential to strengthen family and community cohesion through the provision of a purpose built space that is designed to educate and recreate. This model has been proven to be effective within Australia and internationally.

Problem Statement Definition

A lack of early education and awareness of the hazards associated with road use is a constant factor in road trauma. Research undertaken by Vic Roads and TAC clearly indicates that early education provides a solid foundation for continued road safety awareness throughout an individual's life.

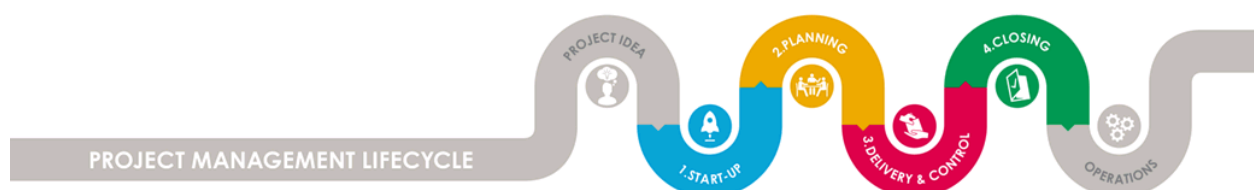
The opportunity to develop positive road safety behaviour from a young age ensures that future road users are best positioned to be safe road users. The development of environmental awareness is limited in children and it is widely understood that full environmental awareness is not naturally present until we reach our mid-twenties. Educators have long purported that learnt behaviours are required to mitigate this lack of environmental awareness. In the instance, the consequences of poor road behaviour represent an unacceptable cost to our community.

Currently there is no Traffic Education School or Traffic Park within the City of Melton. The distance and travel challenges to access the closest traffic school in the City of Brimbank dramatically reduce the capacity of schools and families to benefit from this important education opportunity. Children in the City of Melton are currently not gaining the necessary skills to learn about active transport, bicycle riding and road safety awareness.

Business Priority for this project

The priority for this project is:

- Medium - This project is of medium importance; it's a nice to have but not vital.



1.3 Strategic Alignment

The project supports and aligns with Council’s strategic outcomes and objectives stated in the Council and Wellbeing Plan 2017-2021. In particular:

The role of Council is to include services that respond to individual community needs such as maternal and child health services, youth programs, aged care services, leisure centres and learning programs.

- Theme one: ‘A proud, inclusive and safe community’
 - Objective 1.2.1, Promote a sense of safety in all settings and among all people
 - Objective 1.2.3, Support and promote safety and environment through education and the protection of the amenity of the municipality
 - Objective 1.2.7, Provide, promote and support initiatives and programs that encourage people to build personal identity, wellbeing, confidence and a sense of belonging to the community
 - Objective 1.5.4, Promote public health and safety through education and enforcement
 - Objective 1.5.5, Create opportunities to encourage healthy lifestyles and choices through education and program delivery
- Theme four: ‘A strong local economy and a lifelong learning City’
 - Objective 4.4.1, Advocate and plan for opportunities for local primary and secondary schools
 - Objective 4.4.5, Invest in program that support children’s growth and development
 - Objective 4.5.4, Create a learning culture in the City through early engagement with and support for children, young people and families

In addition, highlighted below are various other Council plans and strategies that the project supports and aligns with:

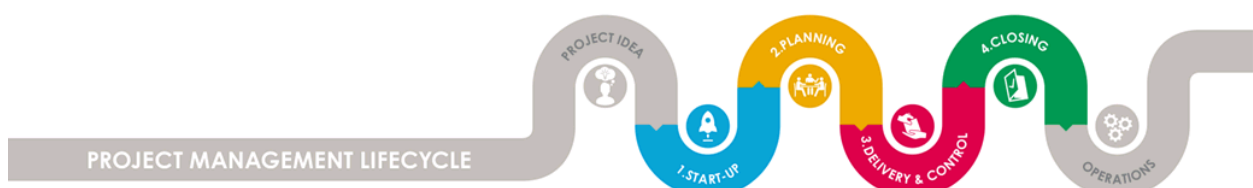
Safer City Plan 2015-2017

‘Creating a safer community’

- Built Environment – Well maintained private and public properties
- Social Environment – An active and engaged community with a strong sense of community and local pride; Community events, programs and services
- Economic Environment - Day and night time economic activation, including a mix of activities and local training and education opportunities

Municipal Early Years Plan 2014-2017

- ‘Voices from consultations’, what the children said...“Build safe bike tracks”, “Put some fun stuff for people to do”. What the families said... “We need more group sports activities for children”
- ‘When we listened to you, we learnt’, “If I were the boss of Melton”...What would they do...Want natural play spaces and adventure parks. More bike paths and skate parks



- Theme one: 'Growing up happy and healthy'. Promote community education and awareness highlighting the possible risks to children's safety
- Theme five: 'Our community'. Partner with services to provide educational information on road safety and active transport options and encourage children's use of safe walking and cycling networks

Moving Melton – Melton Integrated Transport Strategy

- 2.1 'City of Melton now and in the future' - Active transport network. As the City of Melton grows, active transport should be a means of people travelling in an environmentally sustainable way, and in a way which promotes health and well-being for the community

Road 2 Zero Road Safety Action Plan 2009-2018

- 2.6 Develop a Traffic school and road safety education centre

The proposed Traffic Education School will provide children with the necessary bike riding skills and may encourage them to ride as a preferred mode of transport. In addition, it may influence them as they become adults to ride a bike therefore, reducing car dependency. Without interventions, a high level of car dependency is expected to continue and grow, bringing significant problems for the community.

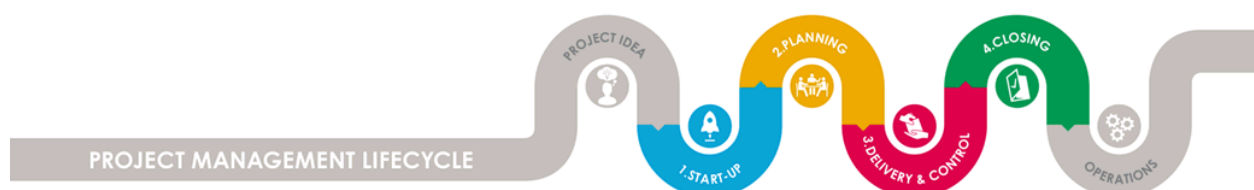
1.4 Lessons Learned Analysis

Council has no direct previous experience in designing or constructing a Traffic Education School. However, as a provider of early years and recreation services and being responsible for significant capital project design and delivery this is not seen as a barrier to this proposal. In preparation of this business case council officers have visited four existing traffic school sites to identify the pros and cons of the different models of management and the infrastructure required.

1.5 Project Objectives

The objectives of the project are:

- To provide children with a playful setting to learn about active transport, bicycle riding and handling skills.
- To design and build a Traffic Education School that can provide considerable benefits (see section 5.1) in community connectedness.
- To provide community access to services and opportunities for all to recreate, learn and socialise.
- To provide an important attraction that will add value to the whole community and recreation precinct developing at Atherstone.
- To develop partnerships that reinforce road safety and bicycle education safety
- To encourage and entrench the importance of road safety



2. SCOPE OF THE PROJECT

As part of Council's agreement with Lendlease and the Atherstone development, a traffic education school was included in Council's initiatives for early delivery of infrastructure. Specifically, stating "provision of a traffic school, consistent with the objectives of Council's Road Safety Strategy. The aim of the facility would be to support community education in traffic safety." Costs as specified within the Developer Contribution Plan state, "Actual costs borne by the Developer however \$500,000 (\$566,600 increase due to indexation) will be reflected as a project cost in the Commercial Assessment."

The Traffic Education School will be located at the Bridge Road Sports and Community Hub and will deliver a simulated road environment for children to learn road and bike safety awareness. It is proposed/recommended the Traffic Education School will be setup to allow for schools groups to use the space for their bicycle education programs.

2.1 In Scope for Traffic Education School

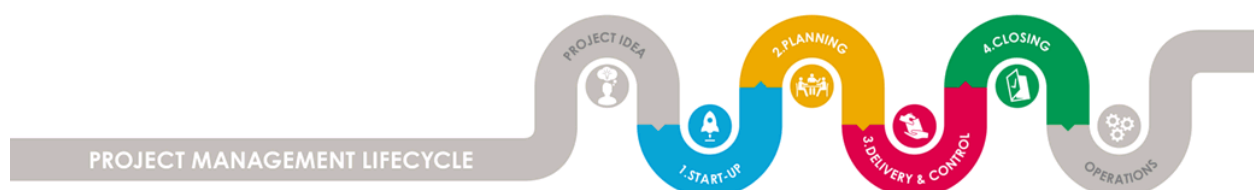
The scope of the project will include:

- Design and construction of the Traffic Education School
- Simulated track including roads signs, signals etc.
- Storage facility for bikes
- Two shelters (one of which will operate as an external open air classroom)
- Two BBQs
- Fencing (300m)
- Initial purchase of bike fleet (60)
- Toilet
- Landscaping
- Power and water connections
- External lease agreement at no cost to Council

2.2 Out of Scope for Traffic Education School

The scope of the project will not include:

- Enclosed classroom facilities. Enclosed classroom functions, if required, can be run from the adjoining Bridge Road Community Hub, however the shelter will provide for an external classroom like space.
- Additional car parking.



3. BUDGET ANALYSIS

3.1 Budget Breakdown

Construction and Design

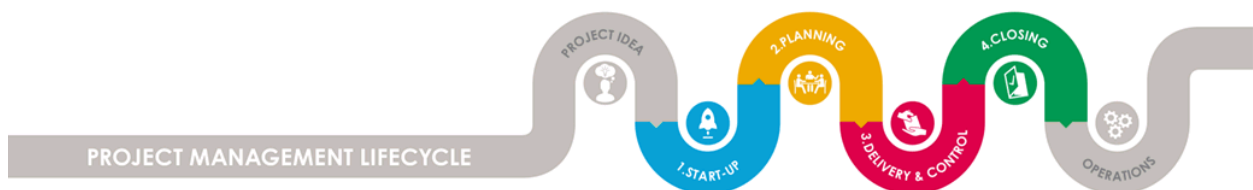
Capital Costs	Total (\$)
Construction	\$541,600
Design	\$25,000
Total	\$566,600

Operating Costs per Annum

Income	Total (\$)
Income	\$84,824
Implementation Costs	
Operation costs	\$71,720
Annual Asset Maintenance	\$9,900
Probable Net income	\$3,205

3.2 Funding Source

- Funding for the design and construction works is to come from the Lendlease development agreement (\$566,600).
- Funding for operation and minor maintenance will be sourced from the private operator and included in the lease agreement.



4. OPTIONS ANALYSIS

4.1 Options Considered

Option 1: Traffic Education School

To construct a Traffic Education School on the allocated land at the Bridge Road Sports and Community Hub (see Appendix 1). It will be fully fenced and secured with lock and key to enable a lease agreement with an external provider and this will also minimise vandalism. The Traffic Education School will be fully landscaped and include; simulated track including road signs and signals, bikes and storage for these bikes, two shelters, two BBQs and toilet facilities.

Cost: \$566,600

Model:

The Traffic Education School will be contracted and leased to a private operator, similar to benchmark practices of Camelot Traffic School that is owned by Glen Eira City Council and operated by a private entity under a lease agreement. The private operator will be responsible for bookings, minor maintenance, organisation of programs and will receive the operating revenue. Council will be responsible for major maintenance. The educational component will be fully supervised for school and kindergarten groups.

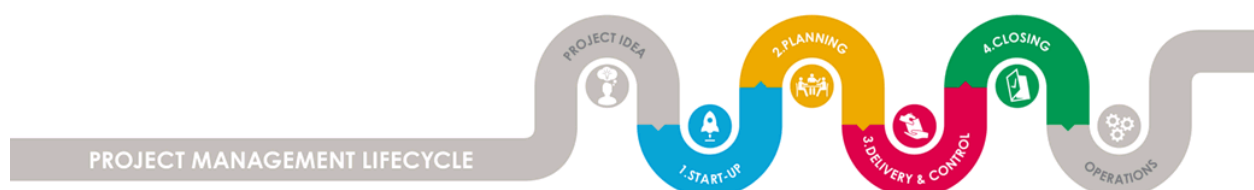
Wider **community groups** and public access such as birthday parties and gatherings will be for recreational use and subject to booking and fee practices of the operator.

Scope:

- Design and construction of the Traffic Education School
- Simulated track including roads signs, signals etc.
- Storage facility for bikes
- Two shelters (one of which will operate as an external open air classroom)
- Two BBQs
- Fencing (300m)
- Initial purchase of bike fleet (60)
- Toilet
- Landscaping
- Power and water connections
- External lease agreement at no cost to Council.

Anticipated Usage:

School bookings (potential usage for 32 City of Melton schools and schools from neighbouring municipalities), kindergartens, holiday programs, birthday parties and wider community use.



Benchmarking with similar traffic schools has found that they are booked consistently from formal school use and also weeknights (during the warmer months) and weekend community use.

Risk / Limitations / Challenges:

There is a minor risk that Council will be unable to source a private operator to lease the premise however one potential provider has already indicated interest to Council. A further risk identified is that there may be no interest from schools to use the Traffic Education School however this is unlikely as a majority of local schools have expressed interest in a local Traffic Education School.

Advantage:

This model will not be resource intensive for Council. The Traffic Education School will be managed by the contractor and Council will be responsible for managing the lease agreement. The contractor will be responsible for minor maintenance and Council will be responsible for major maintenance. All other responsibility will be borne by the contractor.

This arrangement is similar to other agreements that Council has in place such as Melton Waves. The Traffic Education School will be fully fenced and secured with lock and key to minimise vandalism.

Benchmark:

Compares favourably as a regional model and catchment with similar traffic schools in Victoria i.e. Essendon Traffic School, Casey Safety Village, Kew Traffic School, Camelot Traffic School (Glen Eira City Council) and Brimbank Bicycle Education Centre.

It is noted that Essendon, Casey and Kew Traffic Schools are owned and operated by the respective Councils. Camelot is a private provider contracted by Glen Eira City Council (operated under the proposed model in Option 1).

Option 2: Traffic Park

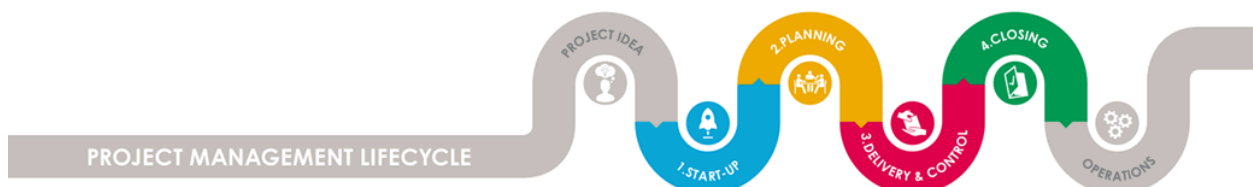
Construct a Traffic Park on the allocated land at the Bridge Road Sports and Community Hub. A Traffic Park would incorporate an open space design with no supervision and low lying boundary fencing.

The Traffic Park will be fully landscaped and include; simulated track including road signs and signals, two shelters, two BBQs and toilet facilities.

Please note, the exception to this option as compared to the Traffic Education School is the open space design similar to the adjacent playground with similar boundary fencing as opposed to a fully fenced centre that is secured with a lock and key. Bike storage and provision will not be available with this option.

Council would be responsible for minor and major maintenance as well as bookings.

Cost: \$475,000 (Estimate)



Model:

This option would allow for bookings to be made through Council, similar to Council venues and recreation spaces. This option is only available to schools for official bookings as a priority, and for informal use by the community similar to that of any open space and park. To access bikes, schools can hire the RoadSafe Westgate bike trailer (schools are required to pick up and return the bike trailer which is located in Maribyrnong). Alternatively, students could bring their own bicycles, however this raises similar concerns for schools to transport bikes and could create unequal access in particular for students who do not have bikes. A key element of this option is that Council will incur ongoing administration costs to oversee any potential formal bookings.

Scope:

- Design and construction of the Traffic Park
- Simulated track including roads signs, signals etc.
- Two shelters (1 of which will operate as an external open air classroom)
- Two BBQs
- Fencing (low lying)
- Toilet
- Landscaping
- Power and water connections

Anticipated Usage:

Schools – formal bookings can be made by schools however, it is anticipated that the issue of bike access will reduce the usage by schools. Informal usage by the community will be similar to that of any open space and park.

Risk / Limitations / Challenges:

Schools may face some challenge of transporting students' bikes to use for their bicycle education program therefore, a reduced usage by schools may result. No capacity to manage numbers on any given occasion – which could include families being turned away if a school group is using the space or excess number of the community members using the space at any one time, causing safety risks.

Advantage:

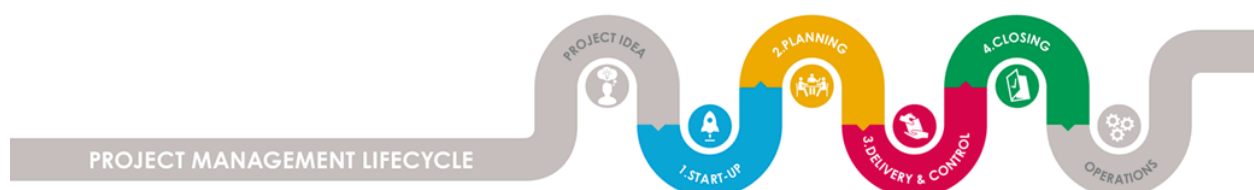
The advantage of this option is that it allows Council to further develop the site into a Traffic Education School if it decides to do so in the future.

Benchmark:

Compares with Bayswater Park in the City of Knox (currently at planning stage) and bicycle Traffic Park in Western Australia.

Option 3: Not Proceed

Not to proceed with a Traffic Education School or Traffic Park and recommend school groups to utilise the Essendon or Brimbank traffic schools.



Variance between Option 1 and 2

Option 1:

The Traffic Education School will be a fully closed precinct and will include all items as per the scope. It will be leased to a private operator who will manage bookings, do minor maintenance, organise programs and receive revenue. Council will be responsible for major maintenance.

The educational component will be fully supervised for school and kindergarten groups. Wider community groups such as birthday parties and gatherings will be for recreational use only. This option is less likely to be vandalised due to it being a fully fenced centre that is secured with a lock and key.

Option 2:

The Traffic Park will be an open space design with some low lying boundary fencing to complement the recently built adjacent playground. School bookings for use of the space will be managed through Council, similar to Council venues and recreation spaces. Bike storage and provision will not be available with this option.

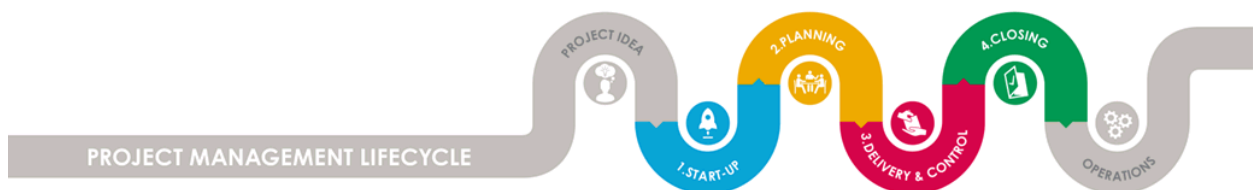
4.2 Recommended Option

Option 1: Traffic Education School is the recommended option. The recommendation is to construct a Traffic Education School on the allocated land at the Bridge Road Sports and Community Hub (Appendix 1).

It will be fully fenced and secured with lock and key to enable a lease agreement with an external provider and to minimise vandalism.

There will be a contract and lease to a private operator who will take bookings, do minor maintenance, organise programs and receive revenue. Council will be responsible for major maintenance.

The educational component will be fully supervised for school and kindergarten groups. Wider community groups such as birthday parties and gatherings will be for recreational use only. The Traffic Education School will be fully landscaped and include; simulated track including road signs and signals, provision and storage for bikes, two shelters, two BBQ's and toilet facilities.



5. PROJECT BENEFITS AND OUTCOMES

5.1 Expected Benefits

The expected benefits for this project are listed in the table below.

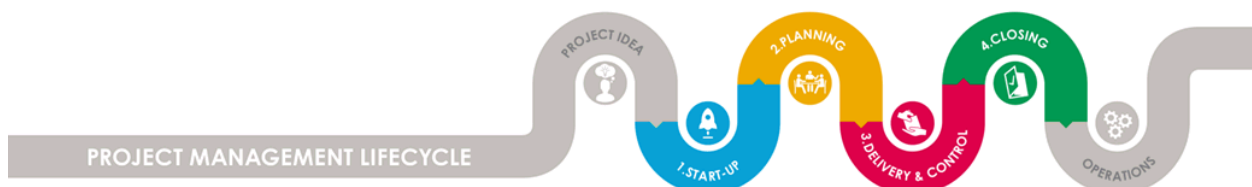
To ensure the realisation of the project benefits, a Benefits Review Plan is to be developed, to identify the Benefit Owner, the criteria for measuring benefits, and timings and resources required for the benefits review activities.

Benefit #	Benefit	Benefit Type
1.	Improve the opportunity for schools to provide bike education to include on course practice in the first year.	Non-Financial - Community
2.	Improve Children's understanding of road safety by 20% over the next 3years.	Non-Financial - Capability/Educational
3.	Active and healthy children with in excess of 28,000 children using the facility in the first year.	Non-Financial - Capability/Educational
4.	Enhance social and community benefits	Non-Financial - Capability/Educational
5.	Business model not generating any recurrent expenses for Council.	Financial - Cost Savings
6.	Produce results that support the achievement of a strategic outcome and or objectives that are identified in the Council Plan.	Non-Financial – Business Improvement

5.2 Outcomes

The outcomes desired of this project are:

- 80 school groups will use the facility in the first year.
- To improve children's understanding of road safety by 20% over the next 3years.
- To provide a centre that will enable access to 28,000 children in the first year.
- Active and healthy children with opportunities for early learning in road safety.



6. PROJECT IMPLEMENTATION STRATEGY

6.1 Project Approach

The project has been informed through an external consultation process that has explored components, financial factors and operational models. The Traffic Education School construction will be project managed internally by Council's Capital Projects team, who will engage external consultants to design both the civil elements and the landscape elements. The Project Manager within the Capital Projects team will provide the superintendency services whilst a Construction Supervisor from Engineering Services will inspect the works to ensure they are built to Council's requirements.

Following endorsement of the preferred model, design will be undertaken in collaboration with Council's Engineering Services team. Following approval of the design, the Capital Projects team will oversee the construction of the Traffic Education School and all associated contract management.

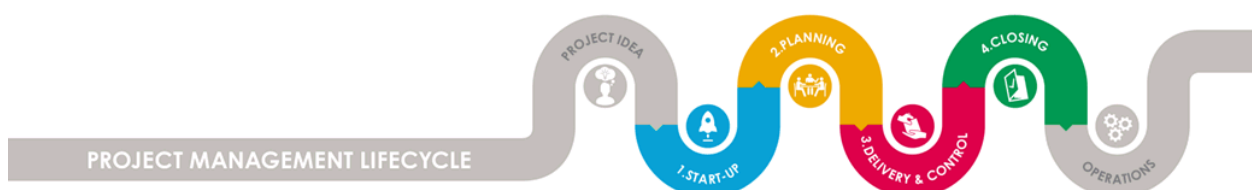
6.2 Milestones and Target Dates

Project Stage	Milestone	Date
Concept design	Concept design signed off by Council	August 2018
Civil construction design	Civil construction design signed off by Council	October 2018
Award construction tender	Contract awarded	December 2018
Appointment of operator	Lease agreement signed off by operator and Council	April 2019
Opening	Traffic Education School open to public	September 2019

6.3 Main Risks

Top Risk # 1: Failure to obtain suitable provider therefore Council would be required to staff the Traffic Education School.

Mitigation: Existing businesses provide like service to other LGA's. Interest has also been received from Camelot Driving School, who are currently operating the Moorabbin Traffic School.



Top Risk # 2: Community and schools do not use the park.

Mitigation: The Traffic Education School will be promoted through schools and to the wider community. It is more likely that the schools will use the facility as a Traffic Education School as opposed to a Traffic Park due to the provision of bikes provided as part of the centre.

Top Risk # 3: Developing a suitable contract to ensure the successful management of the program.

Mitigation: Council's experience in service contract management, i.e. Melton Waves. Contract / Lease Agreement will be developed with appropriate legal advice.

Top Risk # 4: Unanticipated costs due to Traffic Education School being an unfamiliar project.

Mitigation: Seek advice from other Traffic Education School operators.

Top Risk # 5: Vandalism.

Mitigation: If the facility is fully fenced and secured under lock and key vandalism will be less likely. However, if it is an open space Traffic Park then the likelihood of vandalism may be increased.

6.4 Constraints

This project has the following constraints:

- Timeframe constraint: The project must be delivered within the timeframe as specified in the lease agreement with the private operator.
- Cost constraint: This project is to be delivered using the approved cost of \$541,600 plus \$25,000 design that includes the funding of \$566,600 sourced from the Lendlease Atherstone Development.
- Finding a private operator willing to take on the lease agreement.

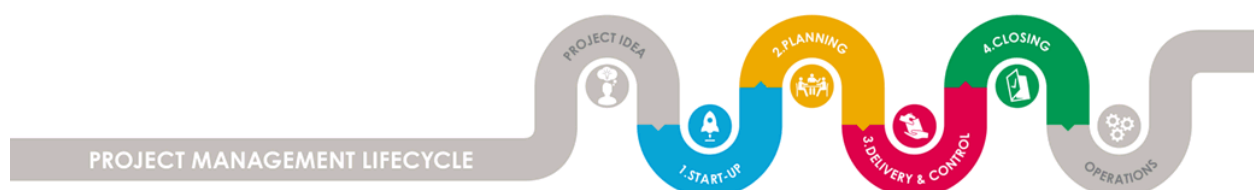
6.5 Assumptions

This project has made the following assumptions:

- Lendlease will fund the project through building costs to the total of \$566,600.
- Schools and kindergartens will attend the Traffic Education School for bike safety education.
- The wider community will access the Traffic Education School for birthday parties and social gatherings.
- Financial analysis is based on the figures provided by Leisure Planners.
- A private operator will lease the premise and ensure that the Traffic Education School is adequately managed.

6.6 Stakeholders

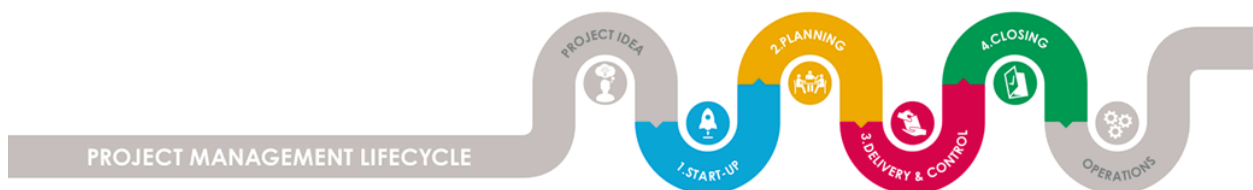
- Lendlease – will be providing the funds through the Atherstone Development Private Operator – EOI will be sought for the facility to be leased over a three year tenure.
- Victoria Police.
- Local Schools – schools will be approached to determine their demand for using the facility.
- Capital Projects Team.
- Design and Traffic Team.



- Social Planning and Wellbeing Team.
- Recreation and Youth Team.
- Economic Development and Tourism Team.
- Neighbourhood Participation Team.
- Families and Children Team.
- Community Capacity Team.
- General Manager Corporate Services.

7. APPENDICES

APPENDIX 1: Proposed Traffic Education School Site Map



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