

29 November 2018

**MAYOR
COUNCILLORS
CITY OF MOUNT GAMBIER**

NOTICE is given that the Regional Sport and Recreation Centre Committee will meet in the following Meeting Room on the day, date and time as follows:

Regional Sport and Recreation Centre Committee
(Committee Room - Level 4):

Monday, 3 December 2018 at 5:30 pm

An agenda for the meeting is enclosed.



Mark McSHANE
CHIEF EXECUTIVE OFFICER

AGENDA INDEX

1.	APOLOGY(IES).....	1
2.	CONFIRMATION OF REGIONAL SPORT AND RECREATION CENTRE COMMITTEE MINUTES	1
3.	QUESTIONS.....	1
	3.1. With Notice	1
	3.2. Without Notice	1
4.	DEPUTATIONS	1
5.	REGIONAL SPORT AND RECREATION CENTRE COMMITTEE REPORTS	2
	5.1. Regional Sport and Recreation Centre Committee Selection of Presiding Member - Report No. AR18/49978	3
	5.2. Regional Sport and Recreation Centre Committee Ordinary Meeting Day/Time - Report No. AR18/49977	6
	5.3. Regional Sport and Recreation Centre Committee - Review of Terms of Reference - Report No. AR18/49975	9
	5.4. Financial Modelling and Sensitivity Analysis - Report No. AR18/48937	12
	5.5. Community Engagement Program - Report No. AR18/48934.....	15
	5.6. Elector Survey Update - Report No. AR18/48941	19
6.	MOTION(S) - With Notice	22
7.	MOTION(S) - Without Notice	22
8.	REPORT ATTACHMENTS.....	23



AGENDA OF REGIONAL SPORT AND RECREATION CENTRE COMMITTEE MEETING

Meeting to be held in the Committee Room, Civic Centre, 10 Watson Terrace, Mount Gambier on
Monday, 3 December 2018 at 5:30 pm

PRESENT Mayor Lynette Martin OAM (ex-officio)

Cr Frank Morello
Cr Max Bruins
Cr Sonya Meziniec
Cr Ben Hood

COUNCIL OFFICERS	Chief Executive Officer	- Mr M McShane
	General Manager Community Wellbeing	- Ms B Cernovskis
	Project Officer	- Mrs D Leckie

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR INDIGENOUS PEOPLES HAVE WITH THIS LAND.

The Chief Executive Officer took the chair.

1. APOLOGY(IES)

Apology(ies) received from Cr

That the apology from Cr be received.

Moved: Seconded:

2. CONFIRMATION OF REGIONAL SPORT AND RECREATION CENTRE COMMITTEE MINUTES

Meeting held on 22 October 2018

That the minutes of the Regional Sport and Recreation Centre Committee meeting held on 22 October 2018 as attached be confirmed.

Moved: Seconded:

3. QUESTIONS

3.1. With Notice

Nil submitted.

3.2. Without Notice

4. DEPUTATIONS

Nil



5. REGIONAL SPORT AND RECREATION CENTRE COMMITTEE REPORTS

Regional Sport and Recreation Centre Committee Reports commence on the following page.



5.1. Regional Sport and Recreation Centre Committee Selection of Presiding Member - Report No. AR18/49978

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	3 December 2018
REPORT NO.	AR18/49978
RM8 REFERENCE	AF18/175
AUTHOR	Dr Judy Nagy
SUMMARY	This report is presented to enable the recommendation of a Presiding Member for the Regional Sport and Recreation Centre Committee.
COMMUNITY PLAN REFERENCE	Goal 3: Our Diverse Economy

REPORT RECOMMENDATION

- (a) That Regional Sport and Recreation Centre Committee Report No. AR18/49978 titled '*Regional Sport and Recreation Centre Committee Selection of Presiding Member*' as presented to the Regional Sport and Recreation Centre Committee on 3 December 2018 be noted.
- (b) The term of office for the position of Regional Sport and Recreation Centre Committee Presiding Member be _____.
- (c) That Cr _____ be Presiding Member of the Regional Sport and Recreation Centre Committee on _____ and from _____.

Moved:

Seconded:



Background

At its meeting held on 22 November 2018 Council adopted a decision making structure that included the Regional Sport and Recreation Centre Committee (a Committee established under s41 of the Local Government Act 1999).

Amongst the first items of business for Council's s41 Committees is the making of a recommendation to Council of a Presiding Member.

In accordance with the provisions of s41(4) of the Local Government Act 1999 Council appoints (or makes provision for the appointment of) a Presiding Member of a s41 Committee.

Discussion

The selection of a Presiding Member is from amongst its own membership.

The following process is summarised from Council's C410 Conduct of Meetings Policy:

- *A nominee need not be present, but must accept nomination prior to consideration.*
- *Nominees should display the qualities sought to fill the position including relevant skills and experience.*
- *Where more than one nomination is received a secret ballot shall be conducted forthwith without debate. Resolutions will be passed to endorse the voting process and appoint the Chief Executive Officer (or any other Senior Officer present at the meeting) as Returning Officer to declare the result and draw lots (if/as necessary).*
- *The Mayor may vote but a Member not in their seat at the meeting does not vote.*
- *The candidate with the highest number of votes (or where two or more candidates receive the equal highest number of votes the first name drawn in the lot) shall be declared as being nominated/appointed to the vacant position.*
- *A division cannot be called on the question of appointing a person to fill a vacant position.*
- *A motion to endorse the filling of the vacant position may be accepted (but is not required) however any failure or variation of the motion shall be of no effect on the result of the secret ballot.*

Should the Committee have only one nomination then that Member may be the nominee that the Committee recommends to Council for appointment as Presiding Member.

Conclusion

The Committee may now accept nominations (and conduct a ballot – if necessary) to determine a Presiding Member recommendation.

Recommended resolutions for endorsement of a voting process and sample process/minutes are provided as an attachment should the Committee require to follow this process.



Attachments

[Attachment 1 \(AR18/47731\): Recommended resolutions for endorsement of secret ballot](#)



Dr Judy Nagy
GENERAL MANAGER CITY GROWTH



Mark McSHANE
CHIEF EXECUTIVE OFFICER

29 November 2018
DL



5.2. Regional Sport and Recreation Centre Committee Ordinary Meeting Day/Time - Report No. AR18/49977

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	3 December 2018
REPORT NO.	AR18/49977
RM8 REFERENCE	AF18/175
AUTHOR	Dr Judy Nagy
SUMMARY	This Report is presented to enable the Regional Sport and Recreation Centre Committee to confirm the day/time of ordinary meetings.
COMMUNITY PLAN REFERENCE	Goal 3: Our Diverse Economy

REPORT RECOMMENDATION
<p>(a) That Regional Sport and Recreation Centre Committee Report No. AR18/49977 titled '<i>Regional Sport and Recreation Centre Committee – Ordinary Meeting Day/Time</i>' as presented to the Regional Sport and Recreation Centre Committee on 3 December 2018 be noted.</p> <p>(b) That the Regional Sport and Recreation Centre Committee hold ordinary meetings monthly on the ____ day preceding each monthly Council meeting (or the ____ day of each month) commencing at ____:____ am/pm.</p> <p>(c) That ordinary meetings in accordance with resolution (b) commence from mid-January 2019.</p>

Moved:

Seconded:



Background

At its meeting held on 22 November 2018 Council adopted a decision making structure that included the Regional Sport and Recreation Centre Committee (a Committee established under s41 of the Local Government Act 1999).

Amongst the first items of business for Council's s41 Committees is the appointment of a time and place ordinary meetings of the Committee are to be held.

In accordance with the provisions of s87(1) of the Local Government Act 1999 the appointment of ordinary meeting times for Committee is by Council, or subject to a decision of Council, by the Committee.

The Council resolution of 22 November 2018 included that Committees note the lead time for Council agenda preparation in considering meeting days/times.

Discussion

The decision making structure adopted by Council includes all s41 Committees (excepting Sub-Committees) reporting directly to Council.

For efficient administration to enable consideration and making of decisions by Council it is necessary for Committee meeting days/time of Committees to align appropriately with the ordinary meeting schedule of Council and other Committees.

Other Council Committees may hold ordinary meetings with such frequency as determined by Council and the Committee and in accordance with the Committee Terms of Reference and any legislative requirements (Committees with a regulatory function should meet at least quarterly).

Accordingly, Council Committees may hold ordinary meetings quarterly or more or less often.

Special Meetings may be called as and when required to consider matters of business that cannot be deferred until the next scheduled ordinary Committee meeting.

Conclusion

This report recommends that the Regional Sport and Recreation Centre Committee hold ordinary meetings monthly on the ____ day preceding each monthly Council meeting (or the ____ day of each month) commencing at ____:____ am/pm.

It is further recommended that ordinary Committee meetings commence from mid-January 2019 in line with the anticipated date of the Community Survey outcome.

The Presiding Member may consider it beneficial to invoke a short-term suspension of proceedings (with the approval of at least two-thirds of the Members present) to enable Members to discuss appropriate day, time and place for meetings of the Regional Sport and Recreation Centre Committee.

Attachments

Nil





Dr Judy Nagy
GENERAL MANAGER CITY GROWTH



Mark McSHANE
CHIEF EXECUTIVE OFFICER

21 November 2018
MMcC



5.3. Regional Sport and Recreation Centre Committee - Review of Terms of Reference - Report No. AR18/49975

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	3 December 2018
REPORT NO.	AR18/49975
RM8 REFERENCE	AF18/175
AUTHOR	Dr Judy Nagy
SUMMARY	This Report is presented to enable the Regional Sport and Recreation Centre Committee to review its Terms of Reference.
COMMUNITY PLAN REFERENCE	Goal 3: Our Diverse Economy

REPORT RECOMMENDATION

- (a) That Regional Sport and Recreation Centre Committee Report No. AR18/49975 titled '*Regional Sport and Recreation Centre Committee – Review of Terms of Reference*' as presented to the Regional Sport and Recreation Centre Committee on 3 December 2018 be noted.
- (b) That the Regional Sport and Recreation Centre Committee Terms of Reference be adopted as attached to Regional Sport and Recreation Centre Committee Report No. AR18/49975.

Moved:

Seconded:



Background

At its meeting held on 22 November 2018 Council adopted a decision making structure that included the Regional Sport and Recreation Centre Committee (a Committee established under s41 of the Local Government Act 1999).

Amongst the first items of business for Council's Committees is the review of Committee Terms of Reference.

In considering any changes to the Regional Sport and Recreation Centre Committee Terms of Reference, the Committee should consider the extent to which any Committee terms should remain consistent for the benefit of administration and the Members of Council's decision making structure.

Discussion

The decision making structure adopted by Council includes all s41 Committees (excepting Sub-Committees) reporting directly to Council.

In considering any changes to the Regional Sport and Recreation Centre Committee Terms of Reference, the Committee should consider its scope and objectives and the extent to which the Terms of Reference of Committees within Council's decision making structure should remain consistent for the benefit of Members and to maintain administrative consistency.

Conclusion

This report recommends that the Regional Sport and Recreation Centre Committee review its Terms of Reference with a view to recommending their adoption as presented with the report, with specified alterations, or after they have been re-presented to a subsequent meeting of the Committee with specified alterations.

The Presiding Member may consider it beneficial to invoke a short-term suspension of proceedings (with the approval of at least two-thirds of the Members present) to enable Members to review (and if necessary - note any proposed alterations to) the Regional Sport and Recreation Centre Committee Terms of Reference.

Attachments

[Attachment 1 \(AR18/50022\): Regional Sport and Recreation Centre Committee Terms of Reference](#)



Dr Judy Nagy
GENERAL MANAGER CITY GROWTH





Mark McSHANE
CHIEF EXECUTIVE OFFICER

21 November 2018
MMcC



5.4. Financial Modelling and Sensitivity Analysis - Report No. AR18/48937

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	3 December 2018
REPORT NO.	AR18/48937
RM8 REFERENCE	AF18/175
AUTHOR	Dr Judy Nagy
SUMMARY	Consolidation of internal and external information from numerous reports has been added to Council's long term financial plans to show the projected financial position after inclusion of the Community and Recreation Hub.
COMMUNITY PLAN REFERENCE	Goal 1: Our People
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

REPORT RECOMMENDATION

- (a) That Regional Sport and Recreation Centre Committee Report No. AR18/48937 titled '*Financial Modelling and Sensitivity Analysis*' as presented to the Regional Sport and Recreation Centre Committee on 3 December 2018 be noted.

Moved:

Seconded:



Background

The documentation required by Council to validate that commitments to the Community and Recreation Hub are within Council's financial capabilities have been detailed and numerous. A combination of internal and external expertise, benchmarked against similar facilities in other locations, has provided a robust framework for evaluation of the potential impacts of the Community and Recreation Centre on Council's long term financial plans.

Particular assumptions about the future underpin the financial modelling and while it is important to make the assumptions clear for effective interpretation of modelling outcomes, it should be noted that changes in the assumptions have consequences for the modelling. For example, changes in inflation, adoption of new projects not included in the forecasts, additions to the building design or significant changes to the proposed operating model will have flow on consequences for the long term financial plan.

Discussion

Preparation of long term plan forecasts for 10 years requires that Council model revenues, expenses and cash flows using information we currently have. Modelling is a predictor and as such provides a level of confidence about where Council finances may be in future years.

Internal input for the modelling comes from Council's own budget and financial management systems that have included maintaining asset sustainability ratios, existing services and standards of service, community support facilities and commitments for capital expenditure. Council staff and Elected Member's viewpoints also benefitted from discussions with the Community Reference Group and many meetings with sporting clubs and associations at local, state and national levels.

While Council is well experienced in operational financial management, financial modelling has been subjected to peer review by Mark Booth of BRM Holdich. The review by BRM Holdich has validated our internal position to which the costs of building and operating the Community and Recreation Hub can be added.

External information about the costs of building and operating the Community and Recreation Hub has come from numerous sources that have been added to the long term financial plans to provide information about the project's financial viability. These include:

- Appointed cost consultants, Rider Levett Bucknall, working with the architects Design Inc Adelaide and CO-OP Studio have provided the capital cost of construction including escalation and contingency costs of \$3,175,000 (8%).
- Simply Great Leisure (SGL who have many years of experience in aquatic and leisure centre management and operations) were requested to update a previously completed feasibility study done for Council in 2006. Using updated data obtained from meetings with local stakeholders, SGL provided data on aquatic and court facility projected usage and costs of operation with outcomes representing a portion of the information required for inclusion in the business case.
- Mark Booth of BRM Holdich (who have worked with many Councils in South Australia to prepare business cases for recreation facilities) prepared a detailed analysis of projected costs for the whole facility including court, events, café and other spaces. The report has focused on a moderate view of demand and potential revenues for the Community and



Recreation Hub with utilisation that may come from new uses still to be explored. The report identifies potential utilisation options through a sensitivity analysis that adopts a base line option and also details low, medium low, medium high and high use options.

The business case prepared by BRM Holdich is included as Attachment 1.

Conclusion

Consolidation of internal and external information from numerous reports has been added to the long term financial plan to show Council's financial position after inclusion of the Community and Recreation Hub. The financial position is currently robust with the addition of the Community and Recreation Hub demonstrating that the project is viable.

Attachments

[Attachment 1 \(AR18/49779\): BRM Holdich Business Case Nov 2018](#)



Dr Judy NAGY
GENERAL MANAGER CITY GROWTH



Mark McSHANE
CHIEF EXECUTIVE OFFICER

27 November 2018
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5.5. Community Engagement Program - Report No. AR18/48934

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	3 December 2018
REPORT NO.	AR18/48934
RM8 REFERENCE	AF18/175
AUTHOR	Barbara Cernovskis
SUMMARY	This report provides an update on the Community Engagement and Communication strategy for the Community and Recreation Hub.
COMMUNITY PLAN REFERENCE	Goal 1: Our People
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

REPORT RECOMMENDATION

- (a) That Regional Sport and Recreation Centre Committee Report No. AR18/48934 titled '*Community Engagement Program*' as presented to the Regional Sport and Recreation Centre Committee on 3 December 2018 be received and noted.

Moved:

Seconded:



Background

At the Council meeting held 19 June 2018, Council passed a resolution to establish a Community Reference Group as follows:

13.42 Community Reference Group - Report No. AF18/175

- (a) That Council establish a Community Reference Group represented by a cross section of stakeholders and community members to contribute to the project by:
- Participating in its design so that the needs of future users are considered
 - Provide a local perspective on the impact of the facility in terms of use and access

At the Council meeting held 21 August 2018, Council passed a number of resolutions that included the following:

14.2 Mount Gambier Regional Sport and Recreation Centre – Report No. AR18/32703

- (f) The working and content of the community survey question/s not be finalised until such time as the Council is satisfied that sufficient information has been obtained to construct an appropriate survey ***and the community has been informed, as much as practicable, of the Centre proposal.***

Discussion

The focus of the community engagement campaign has been to inform the City of Mount Gambier community and electors about the Community and Recreation Hub, the intermediate design elements including possible functions and uses, the costs and to provide the opportunity for questions to enable the community to make an informed decision when surveyed.

Formal engagement commenced on Saturday, 10 November 2018 with a door knock throughout the residential area south of the proposed complex and the businesses north of the proposed complex along Margaret Street. The community engagement campaign has included an extensive calendar of daily activities from the 10 November 2018 to 7 December 2018 period that include:

Residential door knock (immediate area)	Library Markets
Probus presentations x 2	Mount Gambier Central (1 week)
Soroptimist presentation	Main Street Businesses
Rotary presentation x 3	Permanent presence in Commercial St (old BUPA)
Men's Shed	Coles Supermarket
CRG member groups	Market Place (1 wk)
Basketball Association (Icehouse)	Woolworths Supermarket
Party in the Park	Bunnings
Park Run	Valley Lakes
Library	Farmers Market
Truck Show	Blue Lake Fun Run/Main Corner
Aquatic Centre	City Hall public meeting
Boandik Lodge Inc, Crouch Street	



The engagement strategy has been supported with high profile placement of marketing material, including a media campaign consisting of traditional and social mediums, and an extensive face to face component as outlined above.

This engagement campaign has been a collaborative effort with Council representatives of the Community Reference Group and Councillors.

The reach throughout the community has been widespread and we have found that people are actively seeking information and in some cases returning 2 and 3 times to various sites to clarify issues of concern.

Preliminary reporting indicates the following to date:

Distributed information:

- 500 information packs (fact sheets & site plan)
- Over 2,600 brochures

Pop up sites:

- Approximately 4,200 active participants

Online:

- 30 actively engaged
- 679 informed
- 1,138 aware

We are receiving consistent feedback from residents within the District Council of Grant and Wattle Range Council expressing their support for the project and equally their disappointment with not being able to vote. It has become clear through this engagement process the appetite for this regional facility in Mount Gambier and that it will relieve the 'leakage' to western Victoria.

Another key issue worth noting is the perception within the community that this is a 'done deal'. We are constantly assuring the community that this is not the case and highlighting the importance for their participation in the survey. Everyone that we have engaged with has been reminded that it is important that they actively participate in the survey and have their say by returning their vote in the post by 21 December 2019.

Conclusion

It has been important that this engagement has been as broad as possible within the community. We have remained committed to being agile with our response to any enquiry and concise with accurate information that will enable our community to be informed.

Attachments

Nil





Barbara CERNOVSKIS
GENERAL MANAGER COMMUNITY WELLBEING



Mark McShane
CHIEF EXECUTIVE OFFICER

27 November 2018
BC



5.6. Elector Survey Update - Report No. AR18/48941

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	3 December 2018
REPORT NO.	AR18/48941
RM8 REFERENCE	AF18/175
AUTHOR	Barbara Cernovskis
SUMMARY	This report provides an update on the Community Survey for the Community and Recreation Hub.
COMMUNITY PLAN REFERENCE	Goal 1: Our People
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

REPORT RECOMMENDATION

- (a) That Regional Sport and Recreation Centre Committee Report No. AR18/48941 titled '*Elector Survey Update*' as presented to the Regional Sport and Recreation Centre Committee on 3 December 2018 be received and noted.

Moved:

Seconded:



Background

At the Council meeting held 21st August 2018, Council passed a number of resolutions that included the following:

14.2. Mount Gambier Regional Sport and Recreation Centre - Report No. AR18/32703

- (d) The CEO be authorised to prepare a community survey including the engagement of external specialist support as necessary to enable the survey for the Mount Gambier Regional Sport and Recreation Centre to be conducted as soon as practicable following the November 2018 Council elections.
- (e) To meet the requirements of a comprehensive elector survey seeking feedback from the Mount Gambier community an estimated budget of \$65,000 is required and the CEO is authorised to expend up to this amount with adjustments in the 2018/19 budget being made from the operating surplus at Budget Review Number 3.
- (f) The wording and content of the community survey question/s not be finalised until such time as the Council is satisfied that sufficient information has been obtained to construct an appropriate survey and the community has been informed, as much as practicable, of the Centre proposal.
- (g) Proceeding with the full grant funding submission to both Federal and State Government agencies will be dependent on Council's confirmation of the project's readiness, business case, and the majority of community support as determined by the community survey. Alternatively Council may consider applying for any subsequent rounds of Federal (and State) funding.

As part of an Open Tender process, Market Solutions were appointed to undertake the task of preparing the elector survey in line with the following timelines:

Community Engagement	commencing 10 November 2018
Survey Distribution	29 November 2018
Survey Closes	21 December 2018 (last post received)
Survey Results	Early – mid January 2019

Discussion

Market Solutions began distribution of a personally addressed survey via mail to approximately 19,000 electors of the City of Mount Gambier on Wednesday 28 November 2018. Processes have been put in place to ensure any eligible electors that may not receive a survey are able to contact Council to update their details and still submit a survey without compromising the process.

Council will continue the community engagement campaign up to Friday, 7 December 2018 to maximize accessibility to detailed information that can assist people to make an informed decision.



A media campaign will run until 19 December 2018 reminding the community that there is one way to have their say on the project and that is to actively participate in the survey by posting their vote by 21 December 2018.

Conclusion

To maintain the survey integrity all voting slips have been individually bar coded and will be processed independently by Market Solutions.

It is expected that the survey results will be available no later than mid-January 2019.

Attachments

Nil

A handwritten signature in black ink, appearing to read 'Barbariskis'.

Barbara CERNOVSKIS
GENERAL MANAGER COMMUNITY WELLBEING

A handwritten signature in black ink, appearing to read 'Mark McShane'.

Mark McSHANE
CHIEF EXECUTIVE OFFICER

27 November 2018
BC



6. MOTION(S) - With Notice

Nil Submitted

7. MOTION(S) - Without Notice

Meeting closed at p.m.

AR18/50004



8. REPORT ATTACHMENTS



Recommended resolutions for endorsement of secret ballot

RESOLUTIONS FOR SECRET BALLOT (These do not need to be reproduced in Council Agenda)

- (b) Council determines that the method of choosing a Presiding Member for the XYZ Committee be by a secret ballot.
- (c) the successful candidate will be the candidate with the highest number of votes.
- (d) where two or more candidates have an equal number of votes one of those candidates will be determined as successful from a drawing of lots by the Returning Officer.
- (e) the Chief Executive Officer (or other Senior Officer present at the meeting) be appointed Returning Officer for the ballot.
- (f) upon the completion of the ballot, the Returning Officer be authorised to declare the successful candidate for the position of XYZ Committee Presiding Member.
- (g) upon the declaration of the Returning Officer the candidate will be recommended to Council for the position of XYZ Presiding Member for the term of office determined by Council.

PROCESS / SAMPLE MINUTES FOR SECRET BALLOT

Nominations called for the position of XYZ Committee Presiding Member:

The following nominations were received:

- (i) Cr _____ nominated to be XYZ Committee Presiding Member.
- (ii) Cr _____ nominated to be XYZ Committee Presiding Member.

If more than one nomination received:

The Returning Officer conducted the secret ballot.

Then –

There being only one candidate the Returning Officer declared Cr _____ to be the successful candidate to be recommended to Council for the position of XYZ Committee Presiding Member.

OR

The Returning Officer declared the successful candidate with the highest number of votes as Cr _____ to be the successful candidate to be recommended to Council for the position of XYZ Committee Presiding Member.

OR

Cr _____ and Cr _____ each having an equal highest number of votes, the Returning Officer drew a lot and declared the successful candidate being the first name drawn as Cr _____ to be the successful candidate to be recommended to Council for the position of XYZ Committee Presiding Member.

OPTIONAL RESOLUTION TO ENDORSE RESULT

move a motion to endorse the result of the ballot that Cr _____ selected as the successful candidate to be recommended to Council for the position of XYZ Committee Presiding Member.



Regional Sport and Recreation Centre Committee

TERMS OF REFERENCE

A Committee of Council Established
pursuant to the provisions of Section 41
of the Local Government Act 1999.

Terms of Reference for the conduct of the business of the Council Regional Sport and Recreation Centre Committee were approved and adopted by the City of Mount Gambier at its meeting held on 19 June 2018.

Regional Sport and Recreation Centre Committee

The Regional Sport and Recreation Centre Committee has been established to:

- provide considered advice to assist Council in decision making on matters associated with the grant application and potential development of a Regional Sport and Recreation Centre.
- conduct and/or assist with stakeholder and community engagement
- assist with advocacy that supports Council's resolved position on the Regional Sport and Recreation Centre.

Regional Sport and Recreation Centre Committee

CONTENTS

1.	Name	1.
2.	Interpretation	1.
	Definitions	1.
	Application of Local Government Act	1.
	Notices	1.
3.	Establishment	2.
4.	Objectives	2.
5.	Membership	2.
6.	Casual Vacancies and Replacement of Representatives	2.
7.	No Proxy	3.
8.	Resignation of Representatives	3.
9.	Quorum	3.
10.	Meetings of the Committee	3.
11.	Procedures at Meetings	3.
12.	Liability of the Committee	4.
13.	Delegation	4.
14.	Sub-Committees	4.
15.	Minutes of the Committee	4.
16.	Amendments to Terms of Reference	5.
17.	Interpretation of Terms of Reference	5.
18.	Winding Up	5.

1. NAME

- 1.1 The name of the Council Committee shall be the Regional Sport and Recreation Centre Committee (in these Terms of Reference referred to as “the Committee”).

2. INTERPRETATION

For the purpose of these Terms of Reference, unless inconsistent with the subject matter or context: -

2.1 Definitions

- 2.1.1 “Act” means the Local Government Act 1999 and includes all Regulations and Schedules.
- 2.1.2 “Committee” means the Committee of Council established pursuant to 3.
- 2.1.3 “Committee Member” means the persons appointed by the Council pursuant to clause 5.
- 2.1.4 “Commencement Date” means the date on which the Committee is established and becomes operative pursuant to clause 3.2.
- 2.1.5 “Council” means the City of Mount Gambier.
- 2.1.6 “Council Members” means the Elected Members of the Council.
- 2.1.7 “Presiding Member” means the person appointed to that position pursuant to 5.
- 2.1.8 “Observers” means those persons attending any meeting of the Committee of Council, but not having a vote on any matter to be determined by the Committee and not having been appointed as Members.
- 2.1.9 “Singular” includes a reference to the “plural”.
- 2.1.10 “Standing Committee” means the Strategic Standing Committee or Operational Standing Committee of the Council.

Any words, phrases or terms used in these Terms of Reference that are defined in the Act shall have the same meaning as are given in the Act.

2.2 Application of Local Government Act

The Committee shall operate and the Terms of Reference shall be interpreted in accordance with the provisions of the Local Government Act.

2.3 Notices

All communication to be given to the Committee shall be addressed to: -

Regional Sport and Recreation Centre Committee
PO Box 56
MOUNT GAMBIER SA 5290
Email: city@mountgambier.sa.gov.au

3. ESTABLISHMENT

- 3.1 The Regional Sport and Recreation Centre Committee is established under Section 41 of the Local Government Act 1999.
- 3.2 The Committee will be established and become operative from the time a resolution of the Council is passed.
- 3.3 The Committee is established by the Council to provide considered advice to assist decision making on matters associated with the development of a Regional Sport and Recreation Centre.

4. OBJECTIVES

- 4.1 The Committee is created for the express purpose of providing considered advice to assist Council in decision making on matters associated with the development of a Regional Sport and Recreation Centre.

5. MEMBERSHIP

- 5.1 Membership of the Committee will comprise Elected Members of the Council as determined by resolution of Council in accordance with Council policy guiding appointment to committees.
- 5.2 The Mayor has Ex-Officio membership on this Committee.
- 5.3 City of Mount Gambier Elected Members will serve on the Committee for a term of office determined at the pleasure of Council.
- 5.4 The Committee has the right to co-opt individual members who have special expertise to assist the Committee under its objective. Such co-opted members have the right to attend meetings and participate in discussion but will have no voting rights on the Committee.
- 5.5 The Committee will appoint one of the Committee Members determined by Council as a Presiding Member.
- 5.6 If a Committee Member is absent from 2 or more consecutive meetings of the Committee without an apology accepted by the Council then that Committee Members position shall be considered vacant.
- 5.7 The Council reserves the right not to appoint any nominee, to remove and replace any Committee Member including a co-opted member, or to leave any Committee Member position vacant.

6 CASUAL VACANCIES AND REPLACEMENT REPRESENTATIVES

- 6.1 The Council may replace any Member on the Committee or fill any casual vacancies, by notifying the Committee the identity of the person proposed to replace the representative or fill the casual vacancy.

7 NO PROXY

- 7.1 The appointment of a person as proxy for any Member on the Committee is not permissible.

8 RESIGNATION OF REPRESENTATIVES

- 8.1 Any Committee Member may resign from the Committee, but such resignation shall not be effective until the Presiding Member has received written notice to that effect.

9 QUORUM

- 9.1 At all Meetings of the Committee a quorum must be present.
- 9.2 A quorum will be determined by dividing by 2 the number of Members formally appointed to the Committee ignoring any fraction and adding 1 (excluding Mayor as ex-officio).

10 MEETINGS OF THE COMMITTEE

- 10.1 The Committee shall hold ordinary meetings at least monthly as and when determined by the Presiding Member.
- 10.2 No business shall be transacted at any meeting of the Committee unless a quorum of Members is present.
- 10.3 The Presiding Member, when physically present, shall preside at all meetings of the Committee and at any other time the Committee shall appoint an Acting Presiding Member who shall preside at that meeting.
- 10.4 Each Member of the Committee including the Presiding Member present at any meeting of the Committee must vote on any matter requiring determination and all decisions shall be decided on a simple majority of votes cast.
- 10.5 Each Member of the Committee including the Presiding Member present at any meeting of the Committee shall have one deliberate vote only.

11 PROCEDURES AT MEETINGS

- 11.1 The procedure to be observed in relation to the conduct of meetings of the Committee is in accordance with Local Government (Procedures at Meetings) Regulations 2013.
- 11.2 In accordance with s89 of the Act, insofar as a procedure is not prescribed by regulation, it shall be as determined by the Council, and insofar as a procedure is not determined by the Council, it shall be as determined by the Committee itself.

12 LIABILITY OF THE COMMITTEE

- 12.1 A liability incurred by the Committee rests against Council.
- 12.2 No liability attaches to a Member of the Committee for an honest act or omission by that Member of the Committee in the performance or discharge, or purported performance or discharge, of the Member's or the Committee's functions or duties.
- 12.3 All members of the committee are bound by the Council Member Code of Conduct as published in accordance with Section 63 of the Act.

13 DELEGATION

- 13.1 The Committee has no delegation to act with all recommendations of the Committee (and of any Sub-Committees established by the Committee) to be considered by full Council for final decision and resolution.

14 SUB-COMMITTEES

- 14.1 The Committee may establish a Sub-Committee to assist it in a matter directly related to the Committees objectives.
- 14.2 When establishing a Sub-Committee the Committee must set out the Terms of Reference for the subcommittee.
- 14.3 The Committee may appoint to a Sub-Committee Council Members who are not members of the Committee, Council Officers and members of the public with skills or expertise in a field relevant to the matters which the Sub-committee is established to assist with.
- 14.4 A Sub-Committee established in accordance with this clause will report to the Committee and will have the same meeting notice, minute keeping and procedural obligations as the Committee as defined in the Act.
- 14.5 If a Sub-Committee Member is absent from 2 or more consecutive meetings of the Sub-Committee without an apology accepted by the Committee and Council then that Sub-Committee Members position shall be considered vacant.
- 14.6 If a Sub-Committee established under this Clause 14 fails to achieve quorum on 2 consecutive occasions then the Sub-Committee will be considered to be in recess and the Chief Executive Officer is to present a report to the Committee for consideration.

15 MINUTES OF THE COMMITTEE

- 15.1 The CEO or his appointee must cause minutes to be kept of the proceedings of the Committee.
- 15.2 Minutes of the Committee shall be available to all Members of the Committee, Council and the public.
- 15.3 The Minutes of the proceedings of a meeting are to comply with the requirements of the Act.

15.4 Minutes of the Committee Meeting shall be submitted for confirmation at the next meeting of the Committee and if confirmed, shall be signed by the Presiding Member or other person presiding at the subsequent meeting.

15.5 Minutes of the Committee Meeting and any recommendations (including the minutes and recommendations of any Sub-Committee established by the Committee) shall be submitted to Council and shall be of no effect until endorsed as a resolution of Council.

16 AMENDMENTS TO TERMS OF REFERENCE

16.1 It will be lawful for the Council by resolution to revoke, vary or add to any of the provisions of these Terms of Reference at its own discretion within the parameters of the Act and any other relevant legislation.

16.2 Notwithstanding 16.1 hereof before the Council resolves to revoke, vary or add to any of the provisions of these Terms of Reference it may, but will be under no obligation, to obtain the opinion of the Committee.

17 INTERPRETATION OF TERMS OF REFERENCE

17.1 Should there be any dispute as to the definition and/or interpretation of these Terms of Reference, or any part thereof or any irregularities whatsoever that are unable to be resolved by the Presiding Member then the Council shall determine the dispute and the decision of the Council shall be final and binding.

18 WINDING UP

18.1 The Council may cease the operation of the Committee and the Committee may make such recommendation to the Council on the completion of its function.



City of Mount Gambier

Mount Gambier Community and Recreation Hub

November 2018



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EXPERTISE

- Strategic and Business Planning
- Commercial, contract and joint venture negotiations
- Governance
- Facilitation and consultation
- Organisational review and restructure
- Benchmarking

EXPERIENCE

Mark has an extensive background in senior management in the public and private sectors and holds positions on a number of public and private sector boards and committees.

As a consultant Mark has advised public and private sector organisations on projects in Australia and overseas. He has particular expertise in working with local government, the legal industry and in waste management.

Mark has a significant track record in advising local government in South Australia across the spectrum of issues a council must deal with and in working with professional service firms to meet the financial, human and technological challenges they face.

Mark is able to bring strong conceptual and analytical skills to assist his clients to deal with complex and strategic issues.

QUALIFICATIONS & MEMBERSHIPS

- Master of Business Administration, University of South Australia
- Bachelor of Business, University of South Australia
- Member of the Institute of Company Directors
- Member of the Law Council of Australia
- Affiliate of the Institute of Chartered Accountants in Australia
- Chairperson, Southern Region Waste Resource Authority
- Chairperson, Southern Recycling Centre
- Chairperson, Kain Lawyers Board
- Member, SRWRA Audit Committee

PROJECT EXPERIENCE

Our experience working with local government is best reflected in the diversity of the projects we have undertaken for our local government clients and in the range of Councils we have worked with over a long period of time.

The following list provides some of the more relevant and recent examples of these projects and the clients we have worked for.

- City of Adelaide – Review of operating Charters for Council’s subsidiaries (including Rundle Mall Management Authority and Central Market Authority)
- City of Adelaide - Organisational Restructure and Program Reviews
- City of Burnside – Adelina Café Service Delivery Options
- City of Campbelltown – Athelstone Football Club Operational Review
- City of Campbelltown - Business Case for the ARC (Leisure Centre)
- City of Onkaparinga – Noarlunga Leisure Centre
- City of Playford – Business Case for the Stretton Centre
- City of Playford – John McVeity Centre Business Case and Operations Review
- City of Unley – Business Case for General Inspectorate Shared Service
- City of Victor Harbor – Business Case for Marina / Boat Ramp
- City of Victor Harbor – Horse Tram Operations Review
- City of Victor Harbor – Section 48 Report Regional Aquatic Centre
- District Council of Loxton Waikerie - Section 48 Report Loxton Recreation Centre
- ERA Water – Prudential Report on the Business Case for establishing the Regional Subsidiary
- Renmark Paringa Council – Tourism and Events Business Case
- Renmark Paringa Council – Houseboat Management Plan

Table of Contents

1.	BACKGROUND	1
2.	MANAGEMENT OF THE HUB.....	2
2.1	Potential Management Models	2
2.2	Core Requirements	5
2.3	Preferred Management Model	6
3.	MARKET AND DEMAND ANALYSIS.....	7
3.1	City of Mount Gambier Indoor Recreation Centre Feasibility Study 2018	7
3.2	Aquatic Demand	7
3.3	Indoor Facilities	7
4.	FINANCIAL OUTCOMES.....	10
4.1	Overview	10
4.2	Capital	11
4.3	Operating	11
4.4	Net operating result	13
4.5	Funding sources	13
4.6	Cash impact	14
4.7	Financial Sensitivity	15
	ATTACHMENT ONE: CAPITAL COST ESTIMATES.....	17
	ATTACHMENT TWO: BASE CASE FINANCIAL MODEL	19
	ATTACHMENT THREE: HIGH SCENARIO FINANCIAL MODEL	20
	ATTACHMENT FOUR: MEDIUM HIGH SCENARIO FINANCIAL MODEL	21
	ATTACHMENT FIVE: MEDIUM LOW SCENARIO FINANCIAL MODEL	22
	ATTACHMENT SIX: LOW SCENARIO FINANCIAL MODEL.....	23

1. BACKGROUND

- 1.1 At the March 2018 meeting the City of Mount Gambier Council resolved to provide funding for “the preparation of documentation for a proposed multifunction indoor recreation and aquatics centre including feasibility study, concept plans including initial engagement with stakeholder groups, facility management options and a ratepayer impact report”.
- 1.2 The centre is referred to as the Mount Gambier Community and Recreation Hub (Hub).
- 1.3 The Hub will be located at Olympic Park adjacent to the existing 50m outdoor pool and overlaying some of the outdoor netball courts. A preliminary design concept was prepared to assist with funding applications, and included:
 - 1.3.1 Aquatics
 - 1.3.1.1 25 metre lap pool;
 - 1.3.1.2 Recreation/learners/water play pool with water features and beach entry;
 - 1.3.1.3 Warm water pool with ramp access;
 - 1.3.1.4 Concourse around the pool that would also include ramped seating on one side for spectators;
 - 1.3.1.5 The 50 metre outdoor pool remains and all the other smaller recreation/babies pools are removed; and
 - 1.3.1.6 Change rooms and toilets.
 - 1.3.2 Dry areas
 - 1.3.2.1 Six multi use courts (at a minimum) with one being a show court with extensive retractable seating;
 - 1.3.2.2 Health and Fitness;
 - 1.3.2.3 Administration and support areas;
 - 1.3.2.4 Storage;
 - 1.3.2.5 Change rooms and toilets;
 - 1.3.2.6 Café; and
 - 1.3.2.7 Crèche.
 - 1.3.3 Conferences and events
 - 1.3.3.1 Capacity to hold conferences and events in the main court area and on the first floor meeting and functions area, to be serviced from the café and commercial kitchen.
- 1.4 Once completed, the Hub will be used for a variety of community, sporting and recreation activities. There will also be a number of function rooms and other spaces which can be used for private enterprise and community groups to host events and other activities.

2. MANAGEMENT OF THE HUB

2.1 Potential Management Models

- 2.1.1 Upon completion, the City of Mount Gambier will be the owner of the Hub and be responsible for implementing a management model for its ongoing operation.
- 2.1.2 The City of Mount Gambier will implement a management model for the Hub to ensure that the community receives the maximum benefit and best outcomes from the operation while minimising the financial subsidy expected to be incurred by Council.
- 2.1.3 There are a number of potential management models that could be implemented to manage the Hub, but essentially the City of Mount Gambier can either Insource or Outsource management of the Hub or implement a Hybrid model whereby some elements of the Hub are insourced with the remainder being outsourced. Table One shows the relevant derivations of the insource and outsource models available to the City of Mount Gambier for the ongoing management of the Hub.

Table One: Potential Management Models

Operating Model	Description
<u>Insource:</u>	
Direct Management	The City of Mount Gambier retains total control and accountability for the management model using either Council staff and/or contract or labour hire staff to resource the Hub.
Section 41 Committee	Management and oversight is delegated by Council to a Committee established under Section 41 of the Local Government Act.
Section 42 Subsidiary	Council establishes a Subsidiary under Section 42 of the Local Government Act to operate the Hub as a separate 'body corporate'. The Subsidiary would have a Charter and a Board of Management and would be responsible for administering the Hub in accordance with the Charter.
<u>Outsource</u>	
Joint Venture	Two or more external parties (i.e. the City of Mount Gambier, sporting clubs or community groups) manage the Hub under a joint access / usage agreement.
External Manager	The City of Mount Gambier outsources the management of the Hub to a 3 rd party management company. Responsibilities are set out in a formal contract or management agreement with the City of Mount Gambier usually retaining control of the asset and the 3 rd party being responsible for operations.
<u>Hybrid</u>	
Hybrid	The City of Mount Gambier outsources some specific elements of the operations of the Hub such as the kiosk or fitness / wellbeing area to the private sector while operating other elements of the facility under a Direct Management model.

2.1.4 Direct Management

- 2.1.4.1 Under Direct Management the City of Mount Gambier has total control and accountability for the operation of the Hub through directly employed staff and or contract / labour hire staff.
- 2.1.4.2 Given the size and scale of the Hub, new specialised resources would need to be recruited by the City of Mount Gambier.
- 2.1.4.3 Based on our analysis, approximately 12.6 additional full time equivalent employees (FTE's) could be required to operate the Hub.
- 2.1.4.4 One major disadvantage of Direct Management is the limitations on the City of Mount Gambier from an Enterprise Bargaining / Award perspective in terms of evening / weekend work and the application of penalty rates. Given the expected opening hours, flexibility in terms of award rates will be a key factor in the future financial performance of the Hub.
- 2.1.4.5 Accessing some staff through a labour hire / contractual arrangement with a 3rd party is one approach to addressing this issue for the City of Mount Gambier.
- 2.1.4.6 The Arc at Campbelltown is an example of a large recreation centre (with a pool) operating under a Direct Management model.

2.1.5 Section 41 Committee

- 2.1.5.1 A derivation of the Direct Management model is for Council to establish a Section 41 Committee with responsibility for overseeing the operations of the Hub.
- 2.1.5.2 The level of oversight would be dependent on the terms of reference that would need to be established.
- 2.1.5.3 We are not aware of any aquatic / recreation facilities in South Australia reporting to a Section 41 Committee.

2.1.6 Section 42 Subsidiary

- 2.1.6.1 The Local Government Act provides the ability for Council's to establish dedicated Subsidiaries to provide a specified service and/or to administer a property or facility on their behalf.
- 2.1.6.2 The Subsidiary would be a separate body corporate and would be compelled to act in accordance with a Charter which is required under the Act.
- 2.1.6.3 Among other things, the Subsidiary's Charter determines the powers, functions and duties of the Subsidiary.
- 2.1.6.4 A Subsidiary is required to appoint a board of management which may include individuals who are not a member of Council and who may have

specific skills and industry experience to assist with the operation and governance of the entity.

2.1.6.5 A Section 42 Subsidiary is also required to prepare a Business Plan, a Budget, audited Financial Statements, appoint an Audit Committee and maintain an appropriate internal control environment.

2.1.6.6 No other recreational centres in South Australia to our knowledge are operated under a single Council Subsidiary model.

2.1.7 Joint Venture

2.1.7.1 A joint venture management model is one where management of the Hub is shared by a number of entities which may include Council, Community Groups, Sporting Clubs, Schools etc.

2.1.7.2 This structure is most suitable for smaller facilities or facilities that do not require full time staffing where volunteers can effectively manage the facility.

2.1.7.3 In this case, the joint venture model is unlikely to be suitable for the Hub.

2.1.8 External Manager

2.1.8.1 The outsource model delegates management responsibility to a private or not-for-profit sector manager under a Management Agreement.

2.1.8.2 The South Australian market for managers experienced in managing a facility of the size and scale is likely to be limited. There is of course the potential for new entrants to enter the market, including operators who operate predominantly on the east coast.

2.1.8.3 Experienced outsource providers have the following major advantages when compared to an insource model.

- (a) Industry knowledge and expertise and an understanding of key industry trends;
- (b) Access to benchmark data from other recreation facilities both in South Australia and interstate;
- (c) Economies of scale where shared specialised corporate resources can be shared across multiple recreation centres;
- (d) Specialised systems and process and technology specifically developed to run recreation centres;
- (e) Established specialised board and management structures; and
- (f) Financial risk can be shared depending on the structure of the Management Agreement.

2.1.8.4 Disadvantages of the outsource model include the following.

- (a) Corporate overheads and profit margins allocated to the facility which can significantly add to the cost and required financial subsidy from operations;
- (b) Alignment of objectives between Council, who may have broader community objectives, and the provider who may be focussed on financial outcomes; and
- (c) The City of Mount Gambier loses an element of control over operations, risk management and programs that are run at the facility (subject to the terms of the Management Agreement).

2.1.9 Hybrid model

2.1.9.1 The Hybrid model involves the City of Mount Gambier managing the Hub while outsourcing some elements of operations.

2.1.9.2 For example, the City of Mount Gambier could choose to outsource the operations of the café and fitness / wellbeing area but choose to manage the stadium courts and function rooms.

2.1.9.3 The Hybrid model can provide the best elements of each model by recognising that the private sector may have greater expertise and competitive advantages in some elements of the operation and not in others.

2.1.9.4 If the City of Mount Gambier chooses to progress an insource model, strong consideration should be given to outsourcing some elements, such as the café to the private sector.

2.2 Core Requirements

A successful management model for the Hub needs to demonstrate the capacity to:

2.2.1 Balance Council's identified community and financial objectives;

2.2.2 Build relationships with a cross-section of entities including clubs, sporting associations and the community in general to promote court, events and aquatic utilisation and programming;

2.2.3 Access managerial and operational talent; and

2.2.4 Partner with 3rd parties to offer non-core services which may include operating a café or fitness / wellbeing area or running competitions and events.

2.3 Preferred Management Model

- 2.3.1 In our view the Hybrid Management model best allows the City of Mount Gambier to achieve the Core Requirements as listed at Section 2.2.
- 2.3.2 At a high level, this involves the City of Mount Gambier operating the Hub under a Direct Management Model with certain elements of the Hub, such as a fitness / wellbeing area and / or the café being outsourced to the private sector.
- 2.3.3 The rationale for this recommendation is:
 - 2.3.3.1 As a new facility, it allows the City of Mount Gambier to understand the strengths and weaknesses of the Hub in terms of its revenue generation capability and cost structures;
 - 2.3.3.2 It ensures the City of Mount Gambier retains total control over the community and financial outcomes of the Hub;
 - 2.3.3.3 It provides flexibility in responding to community needs and requirements;
 - 2.3.3.4 It allows the City of Mount Gambier to build relationships with clubs and associations; and
 - 2.3.3.5 It provides the ability to review and assess the suitability of the management model.

3. MARKET AND DEMAND ANALYSIS

3.1 City of Mount Gambier Indoor Recreation Centre Feasibility Study 2018

- 3.1.1 The market and demand analysis for the Hub was undertaken as part of the City of Mount Gambier Indoor Recreation Centre Feasibility Study 2018 by SGL Consulting Group (SGL).
- 3.1.2 The market and demand analysis is driven by the population catchment area. The City of Mount Gambier population is approximately 27,000, the District Council of Grant has a population of approximately 8,500, and the 12,000 population of the Wattle Range Council provides a combined population base of 47,500.
- 3.1.3 This Feasibility Study noted the City of Mount Gambier has an aspirational target to increase its population to 32,000 people by 2027, up from 26,276 in the 2016 Census.
- 3.1.4 The Feasibility Study highlighted that the catchment area for an indoor aquatic centre will extend to Naracoorte and Millicent, whereas the courts and fitness facilities will rely on a primary catchment from within the City of Mount Gambier and the District Council of Grant.

3.2 Aquatic Demand

- 3.2.1 According to SGL, current attendances at pools in Mount Gambier fluctuate and average around 90,000 – 95,000 per annum. In their view given the construction of a new indoor aquatic centre, this data suggests that the number of annual swim attendances will increase to at least 100,000 and more likely 110,000+.
- 3.2.2 The SGL Feasibility Study identifies distinct market segments for the aquatics market each of which will require a specific marketing mix to maximise market share. The market segments are as follows.
 - 3.2.2.1 Lap swimming;
 - 3.2.2.2 Swim coaching and squads;
 - 3.2.2.3 Learn to swim lessons;
 - 3.2.2.4 Recreational aquatic play; and
 - 3.2.2.5 Aquatic fitness programs.

3.3 Indoor Facilities

3.3.1 Indoor Courts

A number of sporting organisations have been contacted regarding the potential for their involvement in the Hub and the benefits they see for their sport arising from the redevelopment. The following is intended as a guide to demonstrate the strong demand for new indoor court facilities and their potential use.

3.3.1.1 Basketball. Basketball Mount Gambier has given an 'in principle' endorsement for the facility recognising their aging infrastructure is likely to limit growth opportunities. The ability to host a national junior or major basketball championship is also constrained by access to courts of national standard. A new air-conditioned stadium will facilitate a range of additional opportunities for the community including:

- (a) Domestic competitions;
- (b) Development programs;
- (c) Play groups; and
- (d) Programs for groups with special needs.

3.3.1.2 Netball. The Mount Gambier Netball Association will be able to increase the competition offering to two full winter and summer seasons as well as providing training and development programs using the indoor facilities.

3.3.1.3 Futsal. Futsal is the only form of 'indoor soccer' or 'five-a-side' that is officially approved by Federation of International Football Association (FIFA) and Football Federation Australia (FFA). It is one of the fastest growing sports in the world, is played in over 100 countries and boasts millions of players around the world. With the strong participation rate of soccer in Mount Gambier and the Limestone Coast region the Hub will provide the facilitates to grow futsal competitions.

3.3.1.4 Cricket. South Australian Cricket Association (SACA) have expressed interest in the use of courts as indoor training facilities, for junior academy programs, for male and female indoor cricket competitions, and Indoor 4's. SACA has expressed the view that there is a lot of potential to expand upon their identified use.

3.3.1.5 Elite Junior Sports. In 2017 the Limestone Coast Local Government Association (LCLGA), in partnership with the Office for Recreation and Sport, launched the Limestone Coast Regional Sporting Academy (the Academy) in Mount Gambier. The Academy intends to capture and nurture talented elite athletes and having the sporting facilities to develop such talent will be important. Since the launch the academy has already doubled in size.

3.3.2 Fitness / Wellbeing and Group Fitness

3.3.2.1 Modern fitness / wellbeing facilities and a professionally managed fitness / wellbeing area would attract members and casual users to the Hub.

3.3.2.2 The success of this component will depend on the quality of the operator attracted to the Hub.

3.3.3 Other spaces

- 3.3.3.1 Meeting rooms and function spaces are highly likely to be attractive to community and business groups and contribute significantly to the number of users of the Hub.
- 3.3.3.2 There is also the opportunity to provide sporting clubs or associations with access to modern office facilities and meeting rooms. These bodies and the sports they administer would benefit from increased training and development opportunities for their staff who may wish to pursue a career in the sports and recreation industry.

4. FINANCIAL OUTCOMES

4.1 Overview

- 4.1.1 An allowance has been made for start-up expenditure of \$250,000 in the year prior to the Hub becoming fully operational.
- 4.1.2 Based on a full year of operations the Hub is forecast to generate revenues of \$1.563 million with operational costs of \$2.964 million producing a loss on the Council Operating Statement of \$1.401 million (\$0.807 million of this loss related to depreciation). Based on a full year of operations (inflated to FY2022 when the Hub is expected to open), an indicative Profit and Loss Statement for the Hub is shown in Figure One.

Figure One: Indicative Profit and Loss Statement post opening

Mount Gambier Community and Recreation Hub	
Profit and Loss	
	2021/22
Revenue	
Courts	510,692
Fitness / wellbeing	55,671
Swimming operations	231,992
Swimming lessons	510,929
Café / Catering	208,676
Merchandise / Other	45,500
Total Revenue	1,563,461
Expenses	
Direct costs	
Courts	-
Fitness / wellbeing	-
Swimming operations	220,012
Swimming lessons	183,616
Café / Catering	113,674
Merchandise / Other	22,750
Total Direct costs	540,053
Centre overheads	
Salaries and on costs	645,191
Insurance	37,471
Council support costs	53,530
Other centre expenses	195,534
Total centre	931,726
Building overheads	
Utilities	519,241
Depreciation	807,086
Other building costs	165,943
Total building overheads	1,492,270
Total expenses	2,964,049
Net Profit / (Loss)	(1,400,588)

4.2 Capital

- 4.2.1 The latest summary cost estimate for the capital cost of the Hub, prepared by Rider Levett Bucknall (RLB), a leading independent organisation in cost management and quantity surveying, project management and advisory services, is shown in Attachment One.
- 4.2.2 The total capital cost is estimated by RLB at \$39.116 million (including contingencies but excluding GST). This consists of \$37.725 million of external construction costs and \$1.391 million of internal construction costs (those to be undertaken by the City of Mount Gambier from re-direction of the capital works program).

4.3 Operating

- 4.3.1 A financial model has been developed estimating the operating revenue and costs of the Hub using a number of assumptions. The financial model has been informed by:
 - 4.3.1.1 The SGL Feasibility Study;
 - 4.3.1.2 Assessing expected demand and building a bottom up revenue budget based on expected court utilisation and swimming patronage (informed by the existing pool); and
 - 4.3.1.3 Benchmarking of comparable recreation centres including The Arc (Campbelltown) Fleurieu Aquatic Centre (Victor Harbor + Alexandrina), The Rex (Barossa Council), The John McVeity Centre and the Aquadome (Playford).
- 4.3.2 General Assumptions:
 - 4.3.2.1 10 year model with costs and revenue escalated by 2.30% per annum.
 - 4.3.2.2 Assets to be constructed include six courts, new indoor pools, café, meeting rooms and space for a privately run fitness / wellbeing area.
 - 4.3.2.3 Interest and funding costs (including the opportunity cost of Council's proposed funding contribution) have been excluded from the modelling.
- 4.3.3 Key revenue assumptions:
 - 4.3.3.1 Court hire revenue based on assessed levels of demand and 42 active court weeks per annum.
 - (a) All six courts are used between 3.30pm and 10.00pm Monday to Friday.
 - (b) All six courts are used on a Saturday between 8.00am and 5.00pm.
 - (c) Two courts are used on a Sunday.
 - (d) Assumed other community use for three courts between 10.00am and 1.00pm Monday to Friday.
 - (e) Overall court utilisation of approximately 55%.

- (f) Revenue per court, based on bottom up budget approach is \$79.5k per annum.
- 4.3.3.2 Court hire rates (including GST): \$49.50 peak, \$38.50 shoulder, \$27.50 off-peak.
- 4.3.3.3 Pool attendances based on the SGL Feasibility Study assuming 36,870 casual attendances per annum, 20,000 school attendances and 26,560 'learn to swim' attendances.
- 4.3.3.4 Casual pool attendance rates (including GST): \$6.80 adult swim, \$5.80 child swim, \$5.00 concession swim.
- 4.3.3.5 Fitness / wellbeing area outsourced to a private operator for \$1,000 per week.
- 4.3.3.6 Café and catering revenue based on benchmark performance of comparable centres (approximately \$10k per month). Catering / Room Hire net revenue of \$75k.
- 4.3.3.7 Total annual revenue of \$1.460 million (FY2019 dollars) which corresponds to \$1.563 million inflated to FY2022 dollars.
- 4.3.4 Key expense assumptions:
 - 4.3.4.1 No direct costs associated with court hire, i.e. assumes other groups run events and competitions.
 - 4.3.4.2 Fitness / wellbeing area is outsourced with no direct costs to the City of Mount Gambier.
 - 4.3.4.3 Staffing assumes 12.6 FTE including, 1.0 Hub Manager, 1.0 Duty Manager, 3.0 administration, 1.0 cleaner, 2.9 Learn to Swim instructors, 3.7 Lifeguards.
 - 4.3.4.4 Café direct costs at 85% of sales.
 - 4.3.4.5 \$100k provision for overtime and casual staff.
 - 4.3.4.6 Operational Minor Maintenance: \$80k per annum based on SGL Feasibility Study.
 - 4.3.4.7 Utilities and chemicals - \$515k per annum based on benchmarking of other similar centres.
 - 4.3.4.8 Depreciation - \$807k per annum based on useful life estimates by asset class.
 - 4.3.4.9 The City of Mount Gambier support costs - \$50k to provide administrative support to the operations of the Hub.
 - 4.3.4.10 Other expenses – commensurate to benchmarking from other similar centres.

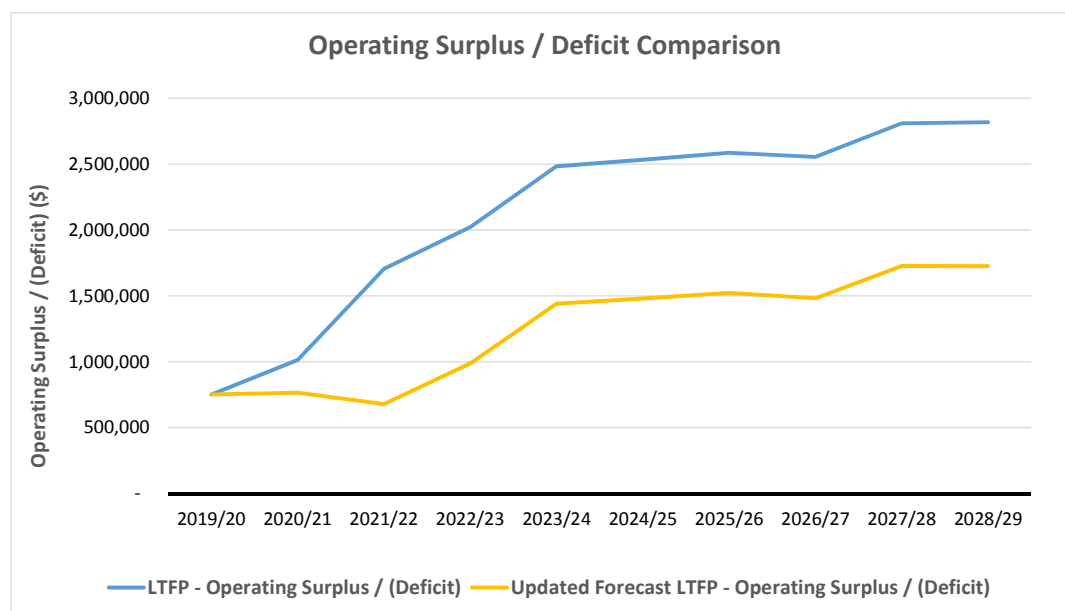
4.4 Net operating result

4.4.1 Table Two and Figure Two shows the forecast impact on the Operating Statement including the Hub.

Table Two: Operating Statement impact

LTFP Update - Operating Surplus / Deficit including Mount Gambier Community and Recreation Hub							
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
LTFP - Operating Surplus / (Deficit)	750,679	1,013,518	1,704,425	2,021,266	2,483,581	2,532,995	2,585,636
Forecast Hub Operations		(250,000)	(1,400,588)	(1,414,239)	(1,428,203)	(1,442,489)	(1,457,103)
Add back: Existing swimming pool subsidy			198,061	202,616	207,276	212,044	216,921
Add back: Existing swimming pool depreciation (50%)			62,810	62,810	62,810	62,810	62,810
Add back: Existing maintenance (50%)			114,178	114,178	114,178	114,178	114,178
Updated Forecast LTFP - Operating Surplus / (Deficit)	750,679	763,518	678,885	986,630	1,439,641	1,479,537	1,522,441

Figure Two: Operating Statement impact



4.4.2 The indicative 10 year financial model is shown in Attachment Two.

4.5 Funding sources

The assumed funding model for the Hub is:

- 4.5.1 \$15.0 million in Commonwealth funding;
- 4.5.2 \$15.0 million in State Government funding;
- 4.5.3 \$1.391 million in the City of Mount Gambier internally funded works (from existing budget provisions; and
- 4.5.4 \$7.725 million in cash and cash equivalents contributions by Council.

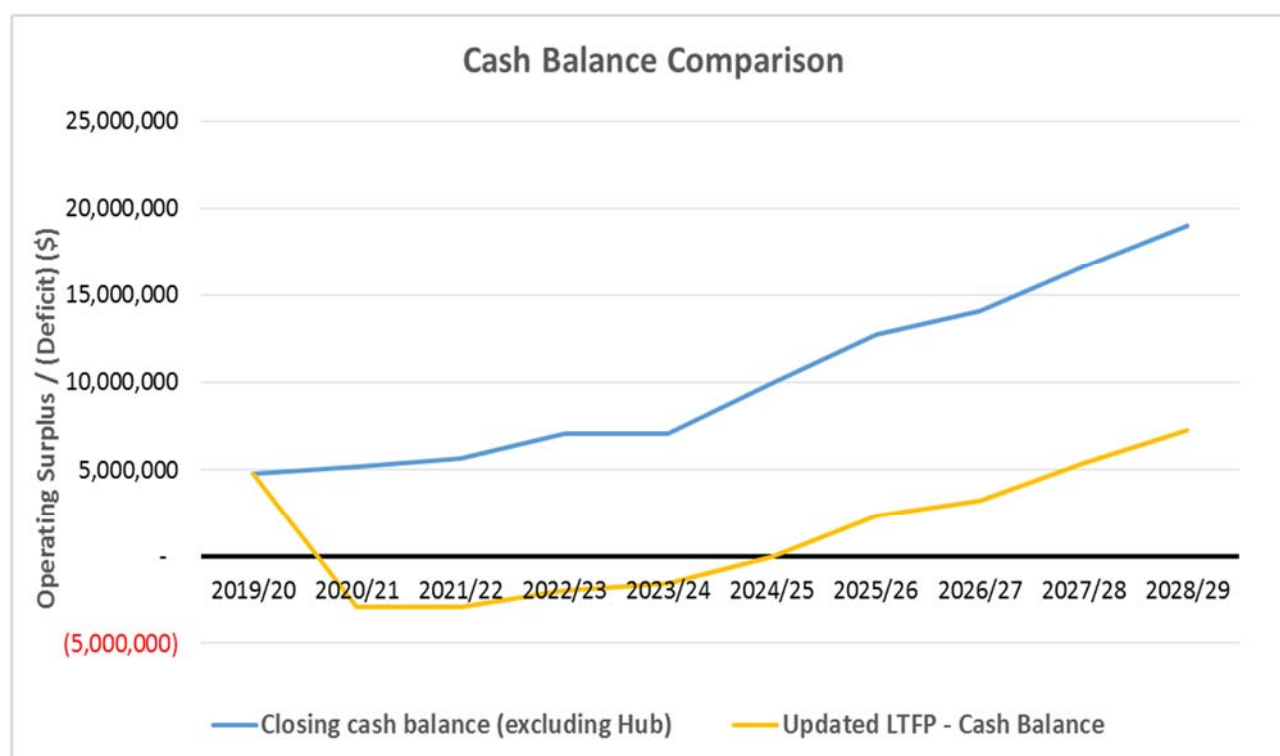
4.6 Cash impact

4.6.1 Table Three and Figure Three shows the modelled cash impact of progressing the Hub based on the assumptions provided.

Table Three: Cash impact

LTFP Update - Cash Balance including Mount Gambier Community and Recreation Hub							
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
LTFP cash movement (excluding Hub)		341,790	522,772	1,388,461	889,563	1,999,669	2,778,991
Closing cash balance (excluding Hub)	4,816,168	5,157,958	5,680,730	7,069,191	7,069,191	9,958,422	12,737,413
<i>Hub operations:</i>							
Council capital contribution		(7,725,100)					
Hub trading (per model)		(250,000)	(1,400,588)	(1,414,239)	(1,428,203)	(1,442,489)	(1,457,103)
Add depreciation (non cash)		-	807,086	807,086	807,086	807,086	807,086
Add existing swimming pool subsidy not required		-	198,061	202,616	207,276	212,044	216,921
Finance cost on negative cash balance		(105,204)	(104,378)	(71,532)	(56,438)		
Hub operations cash movement		(8,080,304)	(499,819)	(476,068)	(470,279)	(423,359)	(433,096)
Updated LTFP - Cash Balance	4,816,168	(2,922,346)	(2,899,394)	(1,987,001)	(1,567,716)	8,594	2,354,489

Figure Three: Cash impact



4.6.2 Table Three shows that the City of Mount Gambier projected cash balance is forecast to go into overdraft for four years with a maximum year end cash overdraft balance of \$2.9 million. An indicative finance charge, calculated on the forecast negative cash balance at an assumed CAD rate of 3.60%, has been included in the cash balance forecasts.

4.7 Financial Sensitivity

A financial scenario analysis has been undertaken on the Base Case model to develop a High, Medium High, Medium Low and Low Scenario. The output of the analysis is shown in Attachment Three to Attachment Six.

4.7.1 High Scenario (see Attachment Three)

The High Scenario forecasts the financial impact of an increase in patronage over the Base Case, based on the assumptions below, the additional utilisation is not forecast to materially impact operational costs other than labour as stated below.

- 4.7.1.1 The Base Case assumes 2.5 hours of off-peak community use per day for three courts. This has been increased to all six courts.
- 4.7.1.2 The Base Case assumes only two courts are used on Sunday between 10.30pm and 6.30pm. This has been increased to four courts.
- 4.7.1.3 Swimming patronage and swimming lessons have been increased by 20% (with an allowance for additional FTE for swimming lessons).

4.7.2 Medium High Scenario (see Attachment Four)

The Medium High Scenario forecasts the financial impact of an increase in court use patronage over the Base Case, based on the assumptions below, the additional utilisation is not forecast to impact operational costs.

- 4.7.2.1 Court usage is the same as the High Scenario.
- 4.7.2.2 There is no change in Swimming patronage from the Base Case.
- 4.7.2.3 The increase in court utilisation has no impact on operational costs.

4.7.3 Medium Low Scenario (see Attachment Five)

The Medium Low Scenario forecasts the financial impact of a decrease in court use patronage from the Base Case, based on the assumptions below, the additional utilisation is not forecast to impact operational costs.

- 4.7.3.1 Court court usage is the same as the Low Scenario.
- 4.7.3.2 There is no change in Swimming patronage or utilities expenditure from the Base Case.

4.7.4 Low Scenario (see Attachment Six)

The Low Scenario forecasts the financial impact of a decrease in patronage over the Base Case, based on the assumptions below, and higher utilities costs.

- 4.7.4.1 The Base Case assumes 2.5 hours of off-peak community use per day for three courts. This has been reduced to one court.

- 4.7.4.2 The Base Case assumes full utilisation of six courts from Monday to Friday in peak times. This has been reduced to five courts.
- 4.7.4.3 Swimming patronage and swimming lessons has been decreased by 20% (with an allowance for reduced FTE for swimming lessons).
- 4.7.4.4 Utilities expenses increase by 20% (Electricity, Gas, Water).

4.7.5 Summary

Figure Four: Scenario Analysis High Level Output

Scenario Analysis - Net Profit / (Loss)						
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Base Case	(250,000)	(1,400,588)	(1,414,239)	(1,428,203)	(1,442,489)	(1,457,103)
High Scenario	(250,000)	(1,232,764)	(1,242,554)	(1,252,570)	(1,262,816)	(1,273,298)
Medium High Scenario	(250,000)	(1,348,878)	(1,361,339)	(1,374,087)	(1,387,128)	(1,400,469)
Medium Low Scenario	(250,000)	(1,479,839)	(1,495,313)	(1,511,142)	(1,527,335)	(1,543,901)
Low Scenario	(250,000)	(1,699,802)	(1,720,335)	(1,741,339)	(1,762,827)	(1,784,809)

- 4.7.5.1 The scenario analysis undertaken shows a reduction in the operating result of appropriately \$300k in FY2021/22 under the Low Scenario when compared to the Base Case.
- 4.7.5.2 The High Scenario shows an improvement in financial performance by \$168k in FY2021/22 compared to the Base Case.
- 4.7.5.3 The detailed profit and loss statements resulting from the Scenario Analysis are shown in Attachment Three to Attachment Six.
- 4.7.5.4 Based on the recent experience of other South Australian Councils who have built sports, recreation and community facilities, once the communities experience and appreciate what is on offer, the use of the facilities has been much higher than the base case expectation.

ATTACHMENT ONE: CAPITAL COST ESTIMATES



MOUNT GAMBIER REGIONAL SPORT AND RECREATION CENTRE

Order of Cost Estimate - October 2018

Location Summary

GFA: Gross Floor Area
Rates Current At October 2018

Location	GFA m ²	Cost/m ²	Total Cost
DE SITE PREPARATION			67,990.00
BW BUILDING WORKS	12,625	2,405	30,360,599.00
FE FFE / AV / ICT			2,159,000.00
ESTIMATED NET COST	12,625	\$2,581	\$32,587,589.00
MARGINS & ADJUSTMENTS			
Allowance for Construction Contingency	5.0 %		\$1,635,000.00
Allowance for Professional Fees	5.4 %		\$1,850,000.00
Allowance for Locality Loading (assumes use of local trades where possible)	0.0 %		\$0.00
Allowance for Escalation to Completion (assumed late 2020)	4.3 %		\$1,540,000.00
Allowance for Statutory Charges incl CITB Levy	0.3 %		\$112,511.00
ESTIMATED TOTAL COST	12,625	\$2,988	\$37,725,100.00

MOUNT GAMBIER REGIONAL SPORT AND RECREATION CENTRE

Order of Cost Estimate - October 2018

Location Summary

Rates Current At October 2018

Location		Total Cost
EWC	COUNCIL WORKS - EXTERNAL WORKS	572,627.90
CW	COUNCIL WORKS - DEMOLITION & LANDSCAPING	269,645.00
EW	EXTERNAL WORKS	362,000.00
ESTIMATED NET COST		\$1,204,272.90
MARGINS & ADJUSTMENTS		
	Allowance for Construction Contingency	5.5 % \$65,000.00
	Allowance for Professional Fees	5.3 % \$66,600.00
	Allowance for Locality Loading (assumes use of local trades where possible)	0.0 % \$0.00
	Allowance for Escalation to Completion (assumed late 2020)	3.8 % \$50,000.00
	Allowance for Statutory Charges incl CITB Levy	0.4 % \$5,027.10
ESTIMATED TOTAL COST		\$1,390,900.00

ATTACHMENT TWO: BASE CASE FINANCIAL MODEL

Mount Gambier Community and Recreation Hub

Profit and Loss

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Revenue												
Courts	-	510,692	522,438	534,454	546,746	559,321	572,186	585,346	598,809	612,582	626,671	641,084
Fitness/Wellbeing	-	55,671	56,952	58,261	59,601	60,972	62,375	63,809	65,277	66,778	68,314	69,885
Swimming operations	-	231,992	237,328	242,787	248,371	254,083	259,927	265,906	272,021	278,278	284,678	291,226
Swimming lessons	-	510,929	522,680	534,702	547,000	559,581	572,451	585,618	599,087	612,866	626,962	641,382
Café / Catering	-	208,676	213,476	218,386	223,409	228,547	233,804	239,181	244,682	250,310	256,067	261,957
Merchandise / Other	-	45,500	46,547	47,618	48,713	49,833	50,979	52,152	53,351	54,578	55,834	57,118
Total Revenue	-	1,563,461	1,599,421	1,636,207	1,673,840	1,712,338	1,751,722	1,792,012	1,833,228	1,875,392	1,918,526	1,962,652
Expenses												
Direct costs												
Courts	-	-	-	-	-	-	-	-	-	-	-	-
Fitness/Wellbeing	-	-	-	-	-	-	-	-	-	-	-	-
Swimming operations	-	220,012	225,073	230,249	235,545	240,963	246,505	252,174	257,974	263,908	269,978	276,187
Swimming lessons	-	183,616	187,839	192,160	196,579	201,101	205,726	210,458	215,298	220,250	225,316	230,498
Café / Catering	-	113,674	116,289	118,963	121,699	124,498	127,362	130,291	133,288	136,354	139,490	142,698
Merchandise / Other	-	22,750	23,273	23,809	24,356	24,917	25,490	26,076	26,676	27,289	27,917	28,559
Total Direct costs	-	540,053	552,474	565,181	578,180	591,479	605,083	618,999	633,236	647,801	662,700	677,942
Centre overheads												
Salaries and on costs	-	645,191	660,031	675,211	690,741	706,628	722,881	739,507	756,516	773,915	791,716	809,925
Insurance	-	37,471	38,333	39,214	40,116	41,039	41,983	42,949	43,936	44,947	45,981	47,038
Council support costs	-	53,530	54,761	56,021	57,309	58,627	59,976	61,355	62,766	64,210	65,687	67,198
Other centre expenses	-	195,534	200,032	204,632	209,339	214,154	219,079	224,118	229,273	234,546	239,940	245,459
Total centre	-	931,726	953,156	975,079	997,506	1,020,448	1,043,918	1,067,929	1,092,491	1,117,618	1,143,323	1,169,620
Building overheads												
Utilities	-	519,241	531,183	543,400	555,899	568,684	581,764	595,145	608,833	622,836	637,161	651,816
Depreciation	-	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086
Other building costs	250,000	165,943	169,760	173,664	177,658	181,744	185,925	190,201	194,575	199,051	203,629	208,312
Total building overheads	250,000	1,492,270	1,508,029	1,524,151	1,540,643	1,557,515	1,574,775	1,592,432	1,610,495	1,628,973	1,647,876	1,667,214
Total expenses	250,000	2,964,049	3,013,659	3,064,410	3,116,329	3,169,442	3,223,776	3,279,360	3,336,222	3,394,392	3,453,900	3,514,777
Net Profit / (Loss)	(250,000)	(1,400,588)	(1,414,239)	(1,428,203)	(1,442,489)	(1,457,103)	(1,472,054)	(1,487,348)	(1,502,994)	(1,519,000)	(1,535,374)	(1,552,124)

ATTACHMENT THREE: HIGH SCENARIO FINANCIAL MODELMount Gambier Community and Recreation HubProfit and Loss

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Revenue												
Courts	-	562,402	575,337	588,570	602,107	615,955	630,122	644,615	659,441	674,608	690,124	705,997
Fitness / Wellbeing	-	55,671	56,952	58,261	59,601	60,972	62,375	63,809	65,277	66,778	68,314	69,885
Swimming operations	-	278,391	284,794	291,344	298,045	304,900	311,913	319,087	326,426	333,934	341,614	349,471
Swimming lessons	-	613,115	627,216	641,642	656,400	671,497	686,942	702,741	718,904	735,439	752,354	769,658
Café / Catering	-	226,328	231,534	236,859	242,307	247,880	253,581	259,413	265,380	271,483	277,728	284,115
Merchandise / Other	-	45,500	46,547	47,618	48,713	49,833	50,979	52,152	53,351	54,578	55,834	57,118
Total Revenue	-	1,781,407	1,822,379	1,864,294	1,907,173	1,951,038	1,995,912	2,041,818	2,088,779	2,136,821	2,185,968	2,236,245
Expenses												
Direct costs												
Courts	-	-	-	-	-	-	-	-	-	-	-	-
Fitness / Wellbeing	-	-	-	-	-	-	-	-	-	-	-	-
Swimming operations	-	220,012	225,073	230,249	235,545	240,963	246,505	252,174	257,974	263,908	269,978	276,187
Swimming lessons	-	218,734	223,765	228,911	234,176	239,562	245,072	250,709	256,475	262,374	268,409	274,582
Café / Catering	-	128,678	131,638	134,665	137,763	140,931	144,173	147,489	150,881	154,351	157,901	161,533
Merchandise / Other	-	22,750	23,273	23,809	24,356	24,917	25,490	26,076	26,676	27,289	27,917	28,559
Total Direct costs	-	590,174	603,748	617,635	631,840	646,373	661,239	676,448	692,006	707,922	724,204	740,861
Centre overheads												
Salaries and on costs	-	645,191	660,031	675,211	690,741	706,628	722,881	739,507	756,516	773,915	791,716	809,925
Insurance	-	37,471	38,333	39,214	40,116	41,039	41,983	42,949	43,936	44,947	45,981	47,038
Council support costs	-	53,530	54,761	56,021	57,309	58,627	59,976	61,355	62,766	64,210	65,687	67,198
Other centre expenses	-	195,534	200,032	204,632	209,339	214,154	219,079	224,118	229,273	234,546	239,940	245,459
Total centre	-	931,726	953,156	975,079	997,506	1,020,448	1,043,918	1,067,929	1,092,491	1,117,618	1,143,323	1,169,620
Building overheads												
Utilities	-	519,241	531,183	543,400	555,899	568,684	581,764	595,145	608,833	622,836	637,161	651,816
Depreciation	-	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086
Other building costs	250,000	165,943	169,760	173,664	177,658	181,744	185,925	190,201	194,575	199,051	203,629	208,312
Total building overheads	250,000	1,492,270	1,508,029	1,524,151	1,540,643	1,557,515	1,574,775	1,592,432	1,610,495	1,628,973	1,647,876	1,667,214
Total expenses	250,000	3,014,171	3,064,933	3,116,864	3,169,989	3,224,336	3,279,932	3,336,808	3,394,991	3,454,513	3,515,404	3,577,695
Net Profit / (Loss)	(250,000)	(1,232,764)	(1,242,554)	(1,252,570)	(1,262,816)	(1,273,298)	(1,284,021)	(1,294,990)	(1,306,212)	(1,317,692)	(1,329,436)	(1,341,450)

ATTACHMENT FOUR: MEDIUM HIGH SCENARIO FINANCIAL MODEL

Mount Gambier Community and Recreation Hub

Profit and Loss

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Revenue												
Courts	-	562,402	575,337	588,570	602,107	615,955	630,122	644,615	659,441	674,608	690,124	705,997
Fitness / wellbeing	-	55,671	56,952	58,261	59,601	60,972	62,375	63,809	65,277	66,778	68,314	69,885
Swimming operations	-	231,992	237,328	242,787	248,371	254,083	259,927	265,906	272,021	278,278	284,678	291,226
Swimming lessons	-	510,929	522,680	534,702	547,000	559,581	572,451	585,618	599,087	612,866	626,962	641,382
Café / Catering	-	208,676	213,476	218,386	223,409	228,547	233,804	239,181	244,682	250,310	256,067	261,957
Merchandise / Other	-	45,500	46,547	47,618	48,713	49,833	50,979	52,152	53,351	54,578	55,834	57,118
Total Revenue	-	1,615,171	1,652,320	1,690,323	1,729,201	1,768,972	1,809,659	1,851,281	1,893,860	1,937,419	1,981,980	2,027,565
Expenses												
Direct costs												
Courts	-	-	-	-	-	-	-	-	-	-	-	-
Fitness / wellbeing	-	-	-	-	-	-	-	-	-	-	-	-
Swimming operations	-	220,012	225,073	230,249	235,545	240,963	246,505	252,174	257,974	263,908	269,978	276,187
Swimming lessons	-	183,616	187,839	192,160	196,579	201,101	205,726	210,458	215,298	220,250	225,316	230,498
Café / Catering	-	113,674	116,289	118,963	121,699	124,498	127,362	130,291	133,288	136,354	139,490	142,698
Merchandise / Other	-	22,750	23,273	23,809	24,356	24,917	25,490	26,076	26,676	27,289	27,917	28,559
Total Direct costs	-	540,053	552,474	565,181	578,180	591,479	605,083	618,999	633,236	647,801	662,700	677,942
Centre overheads												
Salaries and on costs	-	645,191	660,031	675,211	690,741	706,628	722,881	739,507	756,516	773,915	791,716	809,925
Insurance	-	37,471	38,333	39,214	40,116	41,039	41,983	42,949	43,936	44,947	45,981	47,038
Council support costs	-	53,530	54,761	56,021	57,309	58,627	59,976	61,355	62,766	64,210	65,687	67,198
Other centre expenses	-	195,534	200,032	204,632	209,339	214,154	219,079	224,118	229,273	234,546	239,940	245,459
Total centre	-	931,726	953,156	975,079	997,506	1,020,448	1,043,918	1,067,929	1,092,491	1,117,618	1,143,323	1,169,620
Building overheads												
Utilities	-	519,241	531,183	543,400	555,899	568,684	581,764	595,145	608,833	622,836	637,161	651,816
Depreciation	-	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086
Other building costs	250,000	165,943	169,760	173,664	177,658	181,744	185,925	190,201	194,575	199,051	203,629	208,312
Total building overheads	250,000	1,492,270	1,508,029	1,524,151	1,540,643	1,557,515	1,574,775	1,592,432	1,610,495	1,628,973	1,647,876	1,667,214
Total expenses	250,000	2,964,049	3,013,659	3,064,410	3,116,329	3,169,442	3,223,776	3,279,360	3,336,222	3,394,392	3,453,900	3,514,777
Net Profit / (Loss)	(250,000)	(1,348,878)	(1,361,339)	(1,374,087)	(1,387,128)	(1,400,469)	(1,414,117)	(1,428,079)	(1,442,362)	(1,456,973)	(1,471,920)	(1,487,212)

ATTACHMENT FIVE: MEDIUM LOW SCENARIO FINANCIAL MODEL

Mount Gambier Community and Recreation Hub

Profit and Loss

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Revenue												
Courts	-	431,441	441,364	451,515	461,900	472,524	483,392	494,510	505,884	517,519	529,422	541,599
Fitness / wellbeing	-	55,671	56,952	58,261	59,601	60,972	62,375	63,809	65,277	66,778	68,314	69,885
Swimming operations	-	231,992	237,328	242,787	248,371	254,083	259,927	265,906	272,021	278,278	284,678	291,226
Swimming lessons	-	510,929	522,680	534,702	547,000	559,581	572,451	585,618	599,087	612,866	626,962	641,382
Café / Catering	-	208,676	213,476	218,386	223,409	228,547	233,804	239,181	244,682	250,310	256,067	261,957
Merchandise / Other	-	45,500	46,547	47,618	48,713	49,833	50,979	52,152	53,351	54,578	55,834	57,118
Total Revenue	-	1,484,210	1,518,347	1,553,269	1,588,994	1,625,541	1,662,928	1,701,175	1,740,302	1,780,329	1,821,277	1,863,166
Expenses												
Direct costs												
Courts	-	-	-	-	-	-	-	-	-	-	-	-
Fitness / wellbeing	-	-	-	-	-	-	-	-	-	-	-	-
Swimming operations	-	220,012	225,073	230,249	235,545	240,963	246,505	252,174	257,974	263,908	269,978	276,187
Swimming lessons	-	183,616	187,839	192,160	196,579	201,101	205,726	210,458	215,298	220,250	225,316	230,498
Café / Catering	-	113,674	116,289	118,963	121,699	124,498	127,362	130,291	133,288	136,354	139,490	142,698
Merchandise / Other	-	22,750	23,273	23,809	24,356	24,917	25,490	26,076	26,676	27,289	27,917	28,559
Total Direct costs	-	540,053	552,474	565,181	578,180	591,479	605,083	618,999	633,236	647,801	662,700	677,942
Centre overheads												
Salaries and on costs	-	645,191	660,031	675,211	690,741	706,628	722,881	739,507	756,516	773,915	791,716	809,925
Insurance	-	37,471	38,333	39,214	40,116	41,039	41,983	42,949	43,936	44,947	45,981	47,038
Council support costs	-	53,530	54,761	56,021	57,309	58,627	59,976	61,355	62,766	64,210	65,687	67,198
Other centre expenses	-	195,534	200,032	204,632	209,339	214,154	219,079	224,118	229,273	234,546	239,940	245,459
Total centre	-	931,726	953,156	975,079	997,506	1,020,448	1,043,918	1,067,929	1,092,491	1,117,618	1,143,323	1,169,620
Building overheads												
Utilities	-	519,241	531,183	543,400	555,899	568,684	581,764	595,145	608,833	622,836	637,161	651,816
Depreciation	-	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086
Other building costs	250,000	165,943	169,760	173,664	177,658	181,744	185,925	190,201	194,575	199,051	203,629	208,312
Total building overheads	250,000	1,492,270	1,508,029	1,524,151	1,540,643	1,557,515	1,574,775	1,592,432	1,610,495	1,628,973	1,647,876	1,667,214
Total expenses	250,000	2,964,049	3,013,659	3,064,410	3,116,329	3,169,442	3,223,776	3,279,360	3,336,222	3,394,392	3,453,900	3,514,777
Net Profit / (Loss)	(250,000)	(1,479,839)	(1,495,313)	(1,511,142)	(1,527,335)	(1,543,901)	(1,560,848)	(1,578,184)	(1,595,919)	(1,614,063)	(1,632,623)	(1,651,610)

ATTACHMENT SIX: LOW SCENARIO FINANCIAL MODELMount Gambier Community and Recreation Hub

Profit and Loss

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Revenue												
Courts	-	431,441	441,364	451,515	461,900	472,524	483,392	494,510	505,884	517,519	529,422	541,599
Fitness / Wellbeing	-	55,671	56,952	58,261	59,601	60,972	62,375	63,809	65,277	66,778	68,314	69,885
Swimming operations	-	185,594	189,863	194,229	198,697	203,267	207,942	212,725	217,617	222,622	227,743	232,981
Swimming lessons	-	408,743	418,144	427,761	437,600	447,665	457,961	468,494	479,270	490,293	501,569	513,106
Café / Catering	-	191,024	195,418	199,913	204,511	209,214	214,026	218,949	223,985	229,136	234,406	239,798
Merchandise / Other	-	45,500	46,547	47,618	48,713	49,833	50,979	52,152	53,351	54,578	55,834	57,118
Total Revenue	-	1,317,974	1,348,287	1,379,298	1,411,022	1,443,475	1,476,675	1,510,639	1,545,383	1,580,927	1,617,288	1,654,486
Expenses												
Direct costs												
Courts	-	-	-	-	-	-	-	-	-	-	-	-
Fitness / Wellbeing	-	-	-	-	-	-	-	-	-	-	-	-
Swimming operations	-	220,012	225,073	230,249	235,545	240,963	246,505	252,174	257,974	263,908	269,978	276,187
Swimming lessons	-	148,499	151,914	155,408	158,983	162,639	166,380	170,207	174,122	178,126	182,223	186,415
Café / Catering	-	98,670	100,939	103,261	105,636	108,066	110,551	113,094	115,695	118,356	121,078	123,863
Merchandise / Other	-	22,750	23,273	23,809	24,356	24,917	25,490	26,076	26,676	27,289	27,917	28,559
Total Direct costs	-	489,932	501,200	512,728	524,520	536,584	548,926	561,551	574,467	587,680	601,196	615,024
Centre overheads												
Salaries and on costs	-	645,191	660,031	675,211	690,741	706,628	722,881	739,507	756,516	773,915	791,716	809,925
Insurance	-	37,471	38,333	39,214	40,116	41,039	41,983	42,949	43,936	44,947	45,981	47,038
Council support costs	-	53,530	54,761	56,021	57,309	58,627	59,976	61,355	62,766	64,210	65,687	67,198
Other centre expenses	-	195,534	200,032	204,632	209,339	214,154	219,079	224,118	229,273	234,546	239,940	245,459
Total centre	-	931,726	953,156	975,079	997,506	1,020,448	1,043,918	1,067,929	1,092,491	1,117,618	1,143,323	1,169,620
Building overheads												
Utilities	-	623,089	637,420	652,080	667,078	682,421	698,117	714,173	730,599	747,403	764,593	782,179
Depreciation	-	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086	807,086
Other building costs	250,000	165,943	169,760	173,664	177,658	181,744	185,925	190,201	194,575	199,051	203,629	208,312
Total building overheads	250,000	1,596,118	1,614,266	1,632,831	1,651,823	1,671,252	1,691,128	1,711,460	1,732,261	1,753,540	1,775,309	1,797,578
Total expenses	250,000	3,017,776	3,068,622	3,120,637	3,173,849	3,228,284	3,283,972	3,340,940	3,399,219	3,458,838	3,519,828	3,582,221
Net Profit / (Loss)	(250,000)	(1,699,802)	(1,720,335)	(1,741,339)	(1,762,827)	(1,784,809)	(1,807,297)	(1,830,302)	(1,853,836)	(1,877,911)	(1,902,540)	(1,927,735)

Meeting held in the Committee Room, Civic Centre, 10 Watson Terrace, Mount Gambier on
Monday, 22 October 2018 at 5:30 pm

Cr Ian Von Stanke
Cr Hanna Persello
Cr Frank Morello
Cr Sonya Mezinec

Cr Penny Richardson
Cr Josh Lynagh
Cr Steven Perryman (arrived at 5:34 p.m.)

Chief Executive Officer
General Manager City Growth
General Manager Community Wellbeing
Project Officer

- Mr M McShane
- Dr J Nagy
- Ms B Cernovskis
- Mrs D Leckie

Nil received.



4. DEPUTATIONS

Nil

The Presiding Member sought the approval of at least two-thirds of the members present at the meeting to suspend meeting procedures:

Purpose of the Suspension:

To discuss the following:

- *Member for Barker, Mr Tony Pasin to provide a briefing to the Sport and Recreation Centre Committee regarding Federal grant funding.*

Carried by more than two-thirds of the members present at the meeting.

Meeting Procedures were suspended at 5:33 p.m.

Cr Perryman arrived at 5:34 p.m.

The Presiding Member determined that the period of suspension should be brought to an end.

Carried by more than two-thirds of the members present at the meeting.

The Period of Suspension came to an end and Meeting Procedures resumed at 5:51 p.m.

5. REGIONAL SPORT AND RECREATION CENTRE COMMITTEE REPORTS

5.1. Community and Recreation Hub Overview - Report No. AR18/41402

COMMITTEE RECOMMENDATION
(a) That Regional Sport and Recreation Centre Committee Report No. AR18/41402 titled ' <i>Community and Recreation Hub Overview</i> ' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be received and noted.

Moved: Cr Von Stanke

Seconded: Cr Persello

Carried

5.2. Community and Recreation Hub Design - Report No. AR18/41729

COMMITTEE RECOMMENDATION
(a) That Regional Sport and Recreation Centre Committee Report No. AR18/41729 titled ' <i>Community and Recreation Hub Design</i> ' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be received and noted.

Moved: Cr Von Stanke

Seconded: Cr Meziniec

Carried



5.3. Community and Recreation Hub Capital Cost Estimate - Report No. AR18/41772

COMMITTEE RECOMMENDATION

- (a) That Regional Sport and Recreation Centre Committee Report No. AR18/41772 titled '*Community and Recreation Hub Capital Cost Estimation*' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be received and noted.

Moved: Cr Von Stanke

Seconded: Cr Meziniec

Carried

5.4. Community and Recreation Hub Capital Funding - Report No. AR18/37859

COMMITTEE RECOMMENDATION

- (a) That Regional Sport and Recreation Centre Committee Report No. AR18/37859 titled '*Community and Recreation Hub Capital Funding*' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be noted.

Moved: Cr Von Stanke

Seconded: Cr Morello

Carried

5.5. Community and Recreation Hub Operations - Report No. AR18/42536

COMMITTEE RECOMMENDATION

- (a) That Regional Sport and Recreation Centre Committee Report No. AR18/42536 titled '*Community and Recreation Hub Operations*' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be noted.

Moved: Cr Von Stanke

Seconded: Cr Persello

Carried

5.6. Community and Recreation Hub Community Survey - Report No. AR18/37052

COMMITTEE RECOMMENDATION

- (a) That Regional Sport and Recreation Centre Committee Report No. AR18/37052 titled '*Community and Recreation Hub Community Survey*' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be noted.

Moved: Cr Persello

Seconded: Cr Morello

Carried



**5.7. Community and Recreation Hub Community Engagement and Communication
- Report No. AR18/41567**

COMMITTEE RECOMMENDATION
(a) That Regional Sport and Recreation Centre Committee Report No. AR18/41567 titled ' <i>Community and Recreation Hub Community Engagement and Communication</i> ' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be noted.

Moved: Cr Von Stanke

Seconded: Cr Meziniec

Carried

6. MOTION(S) - With Notice

Nil submitted.

7. MOTION(S) - Without Notice

Nil received.

Meeting closed at 6:25 p.m.

AR18/43298
SM

CONFIRMED THIS DAY OF 2018.

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PRESIDING MEMBER

