

18 October, 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, 22 October, 2018 at 5:30 pm

An agenda for the meeting is enclosed.



Mark McSHANE
CHIEF EXECUTIVE OFFICER

AGENDA INDEX

1.	APOLOGY(IES).....	3
2.	CONFIRMATION OF REGIONAL SPORT AND RECREATION CENTRE COMMITTEE MINUTES	3
3.	QUESTIONS.....	3
	3.1. With Notice	3
	3.2. Without Notice	3
4.	DEPUTATIONS	3
5.	REGIONAL SPORT AND RECREATION CENTRE COMMITTEE REPORTS	3
	5.1. Community and Recreation Hub Overview - Report No. AR18/41402	4
	5.2. Community and Recreation Hub Design - Report No. AR18/41729	10
	5.3. Community and Recreation Hub Capital Cost Estimate - Report No. AR18/41772 ...	13
	5.4. Community and Recreation Hub Capital Funding - Report No. AR18/37859	16
	5.5. Community and Recreation Hub Operations - Report No. AR18/42536.....	19
	5.6. Community and Recreation Hub Community Survey - Report No. AR18/37052	22
	5.7. Community and Recreation Hub Community Engagement and Communication - Report No. AR18/41567	25
6.	MOTION(S) - With Notice	28
7.	MOTION(S) - Without Notice	28
8.	REPORT ATTACHMENTS.....	29



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, 22 October 2018 at 5:30 pm

PRESENT Mayor Andrew Lee

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

COUNCIL OFFICERS	Chief Executive Officer	- Mr M McShane
	General Manager City Growth	- Dr J Nagy
	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.

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 3 September 2018

That the minutes of the Regional Sport and Recreation Centre Committee meeting held on 3 September 2018 as previously circulated be confirmed as an accurate record of the proceedings of that meeting.

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

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	22 October 2018
REPORT NO.	AR18/41402
RM8 REFERENCE	AF18/175
AUTHOR	Mark McShane
SUMMARY	This report provides an overview of the Community and Recreation Hub Project during 2018.
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. AR18/41402 titled '*Community and Recreation Hub Overview*' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be received and noted.

Moved:

Seconded:



Background

This report provides an overview of the Community and Recreation Hub project during 2018. The historical context for such a facility extends over many decades with the proposed facility providing a year round community focal point for the next 40-50 years. It is anticipated that the facility will provide for improved health and wellbeing outcomes through increased participation in exercise, provide opportunities to further develop event tourism and provide new employment through additional recreation programs, operations and asset management.

Through flexibility in design increasing opportunities for recreation and leisure pursuits for all ages, the provision of youth engagement choices, the promotion of social inclusion for those with disabilities and migrant communities, we anticipate that the new facility will contribute to regional population retention and attraction.

Noting that many current facilities in Mount Gambier are aging and facing increasing demand into the future, the interim design provides for:

- Conference, events and performance space, adaptable for many users with 1000 person plus capacity.
- 6 Indoor multi-purpose courts catering for all sports from indoor bowls, traditional ball sports, gymnastics and dance.
- All year round aquatics facility including children's water play, learn to swim pool, 25 metre pool and warm water pool.
- Community and Function Rooms.
- Fitness and Gym Areas.
- Dedicated Youth Space.
- Increased ability for many sporting organisations to attract major competitions, State and National, to Mount Gambier. Able to attract major conferences, events and performances into Mount Gambier and be of significant economic benefit.

Discussion

The possibility of funding for a multi-purpose indoor facility became evident early 2018 via the Federal Government's Regional Growth Fund. Grant funding criteria was specific to regions and to projects that demonstrated significant and diverse community use, positive social impact, employment generation and economic benefits. The minimum grant funding amount was \$10 million, reflective of the scale of possible projects.

It must be stressed that the grant amounts sought from the Federal and State Governments are significantly large, certainly beyond what the Council has previously requested. The Community and Recreation Hub is reliant on this significant funding and the close partnering between the three tiers of government to provide long term social and economic benefits to the community. Should grant funding not reach the amounts requested then some rebalancing of the project and financial remodelling will be necessary to deliver the project outcomes.

The Federal Member for Barker, Mr Tony Pasin MP initiated discussion in the community with sporting groups and Council. Community interest was evident by 300 people attending a public meeting held on 21 March, 2018 with a community interest group being formed to progress the



issue. The group organised a petition supportive of a multi-purpose facility that ultimately led to a 10,000 signature petition presented to a Special Council Meeting on 24 April, 2018.

A summary of the resolutions made by Council is as follows;

	Date 2018	Purpose
1	March	To develop EOI and fund development costs
2	April	To approve EOI submission and continue development work for Stage 2
3	June	To establish the Community Reference Group, development of communication and engagement plans and accept tenders for architectural services
4	August	Anticipating stage 2 endorsement, continue development of the all documents, prepare a community survey, lobby State Government for Funding and engage with the community within the confines of an election time period.
5	Proposed Nov	Release of the community survey.

The first Council decision relating to a proposed recreation facility was made in March 2018 with Council resolving the following;

- “(a) That Council allocates \$30,000 this financial year for the preparation of documentation for a proposed multifunctional indoor recreation and aquatics centre, including a feasibility study, concept plans including initial engagement with stakeholder groups, facility management options and a ratepayer impact report.*
- (b) That documentation to be tabled at the Strategic Standing Committee meeting by or prior to July 2018.*
- (c) That the documentation will form the basis of an extensive community and stakeholder engagement process to be determined after the completion of the above reports.*
- (d) That Council establish a working party comprising the Mayor, Councillors (to be determined at tonight’s meeting), the Chief Executive Officer, the General Manager City Growth and other relevant stakeholders as determined by the working party, to develop an expression of interest for the Federal Government’s Regional Growth Fund. The EOI will be further considered by Council ahead of potential lodgement by the 27th April.”*

The allocation of funds focused on updating a previous 2007 comprehensive report conducted by SGL Consulting on a multi-use sport and aquatic facility and to refresh designs and cost estimates.

While noting the extremely short time frame, the Working Party met 5 times over four weeks and the key elements of the project, design and cost estimates were completed by external specialists. Simultaneously with the above, the Federal Government’s Expression of Interest was prepared by Council Staff and the Working Party in anticipation of Council’s endorsement of its submission.

At the Special Meeting 24 April, 2018 Council resolved;



- “(a) That Council report No. AR18/15113 titled ‘Mount Gambier Regional Sport and Recreation Centre’ as presented to the Council on 24 April 2018 be noted.*
- (b) That Council endorses the submission of an Expression of Interest (EOI) to the Department of Infrastructure, Regional Development and Cities for the Regional Growth Fund to secure funding for a Regional Sport and recreation Centre by the due date of April 27 2018.*
- (c) Staff are authorised to make non material changes to wording and content of the EOI to finalise for submission.*
- (d) That Council, in anticipation of the EOI being favourably assessed;*
- i) endorses the continued development of the full business case for the building and operation of a Regional Sport and Recreation Centre as proposed in the EOI;*
 - ii) endorses funding of \$80,000 to enable more detailed architectural design, project management, costings and associated work to be prepared to satisfy the criteria of a full business case submission;*
 - iii) engages with a broad range of stakeholders in developing the design and functionality of the proposed centre;*
 - iv) continues to lobby the State Government for a funding commitment of not less than \$10 million as a vital portion of funding for the construction of the Sport and Recreation Centre;*
 - v) resolves for the Councillor Working Party to be continued and seeks nominations for participation in the next stage of development work for the proposed Sport and recreation Centre, and*
 - vi) reviews the full business case for stage two of the application process prior to the submission deadline (date not yet known), confirming Councillor commitment to the funding application for the proposed Sport and Recreation Centre.”*

Whilst the Councillor Working Party provided an agile and efficient short term solution to work on the project, Council resolved to establish a Section 41 Regional Sport and Recreation Centre Committee. This Committee provides a formal process, input and recommendations to Council on project issues.

To date the Committee’s activities have included visits to a number of recreation facilities, architectural tender assessment, cost estimator tender assessment, consideration of reports, attending workshops and Community Reference Group meetings.

Via resolution, June 2018;

- Council established a Community Reference Group (CRG) with broad representation from sporting, recreation and stakeholder groups. The CRG met on four occasions with the appointed architects, Design Inc/Co-op Studio, providing very valuable design input, feedback and project advocacy.
- Via an open tender process Council appointed Rider Levett Bucknall (RLB) as cost estimators for the project. Design Inc/Co-op Studio, RLB and Council met on several occasions working through design and cost issues.



- Council staff and the Mayor also met with a number of Peak Sporting bodies including, Swimming SA, Basketball SA, Netball SA and Tennis SA. At the local level and further to the CRG involvement, staff have met with netball, basketball and cricket.

Furthering the work carried out by SGL on facility demand analysis and costs, BRM Holdich was engaged to carry out detailed financial analysis on the operational, financial and management aspects of the facility. This work included input from Council staff on reviewing Council's Long Term Financial Plan (LTFP), financing options and Council's rating projections.

To meet the requirements of State Government Funding criteria, support was engaged via XLR8 Consulting to develop the business case able to be presented to the State Government. This followed discussion between the State Premier, Mayor Andrew Lee and the CEO in early May 2018 regarding State Government funding. Discussion and advice was also sought from the Office of Recreation and Sport in relation to State Government grant funding application.

As part of the comprehensive community engagement process, an elector survey was endorsed by Council at its meeting on 21 August, 2018;

- “(a) That Council Report No. AR18/32703 titled ‘Mount Gambier Regional Sport and Recreation Centre’ as presented to the Council on 21 August 2018 be noted.*
- (b) Council notes that the Election Caretaker Period which commences on 4 September 2018 and continues throughout the election period is governed by the Local Government Elections Act. Council’s Caretaker Policy C305 provides direction regarding certain activities that should not occur during caretaker period unless otherwise formally resolved by Council due to particular circumstances.*
- (c) Council Administration will continue to develop the concept plans for the Mount Gambier Regional Sport and Recreation Centre including documentation, financial analysis and cost estimation required to progress community consultation, preparation of a community survey and preparation of a full grant application to the Regional Growth Fund should Council’s EOI be accepted by the Federal Government.*
- (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.*



- (h) *Council acknowledges the ongoing support of the Community Reference Group (CRG) and members of the community who have provided input into the proposed Mount Gambier Regional Sport and Recreation Centre. The CRG be placed in recess for the duration of the election period.*
- (i) *That the Mayor and CEO be authorised to provide a closed briefing session to the District Council of Grant to discuss the issue of capital funding support for this regional facility.*

In line with the resolution;

- The Mayor and CEO provided a briefing to the District Council of Grant on 10 September, 2018.
- An open tender for the community survey resulted in Market Solutions being awarded the work.
- Councillors and staff noted the commencement of the election caretaker policy on 4 September 2018.
- Councillors noted that proceeding with the full grant submission was dependent on the project's readiness, business case and community support.

Outcomes from the Federal Government's grant application EOI were scheduled for July 2018 and later amended to October 2018. At the time of this report Council has not been informed whether we will be proceeding to the full grant application. Should this occur it will trigger the completion of the State Government Grant application.

Conclusion

Significant further work will be necessary if we proceed to the full application and in anticipation of this, work has already been carried out on design, cost estimation and financial analysis. The likely time frame from an announcement of EOI outcomes to lodging a full application will be approximately 12 weeks and if this occurs soon then it coincides with the formation of a new Council (mid November 2018) and the Christmas / New Year period.

The input from Councillors, Community, Community Reference Group, Council Staff and external specialists must be acknowledged. Many staff have been involved ensuring time frames have and will be achieved and should we proceed to the next grant application stage we will have a real opportunity to be successful.



Mark McShane
CHIEF EXECUTIVE OFFICER

11 October 2018
LD



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

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	22 October 2018
REPORT NO.	AR18/41729
RM8 REFERENCE	AF18/175
AUTHOR	Mark McShane
SUMMARY	This report provides an overview of the process to determine the intermediate design concepts for the proposed 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. AR18/41729 titled '*Community and Recreation Hub Design*' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be received and noted.

Moved:

Seconded:



Background

The preliminary draft design for the Hub was developed as part of Council's Expression of Interest for the Federal Government's Regional Growth fund, submitted in April 2018. The next stage of design was enriched by significant community and stakeholder input to arrive at the intermediate plans. This report provides an overview of the process to determine the next stage design concepts for the proposed Community and Recreation Hub.

Discussion

Following an open tender process for Architectural services for the Community and Recreation Hub that were assessed by the Sport and Recreation Centre Committee and Council Staff, Design Inc Adelaide/Co-op Studio were appointed to prepare the intermediate building designs. Should government funding applications be successful and the project proceed, the Architects will then complete the full architectural drawings necessary for the building tender and construction works.

Design Inc/Co-op Studio have extensive experience in the design of multi-function community and sport facilities and this includes centres such as Campbelltown ARC, Burnside Swimming Centre, Geelong Grammar Wellbeing Centre, Puckapunyal Health and Wellbeing Centre and the Christ College Aquatic and Sport Facility.

Design Inc/Co-op Studio met regularly with the Council Committee and also on four occasions with the Community Reference Group (CRG). The CRG included 17 representatives from a broad range of sports and recreation, community groups including youth, disability, education and allied health interests. Meetings between CRG and the Architects provided significant opportunity for input into the design process and for feedback to be progressively incorporated into subsequent design stages.

In addition to CRG design input, Council staff collated information obtained from a range of other stakeholders in the community that provided ideas about what purposes the Hub could be used for. Proactive community engagement with groups included service clubs, children from junior primary to high schools, the Council's Youth Advisory Group and those with interests in music, dance and performance. The design process has thus benefitted from a broad cross section of the community providing valuable input into the design process.

The core design features and functional elements are:

- The facility is a community hub – a focal point for Mount Gambier for recreation and sport, community activities and functions.
- 6 regulation size, multi-purpose courts for ball sports such as netball, basketball, indoor soccer, volleyball. Courts can be used for badminton, carpet bowls and a range of other recreation and fitness purposes.
- The courts can be used for other purposes such as large conference events and performance for a 1000 plus and including breakout and smaller conference / meeting rooms. Versatile space with a stage for live performances, retractable seating, efficient acoustics, projection and IT facilities.
- Aquatics including a learn to swim pool, children's water splash/play area, 25 metre pool and a warm water pool. All facilities will be to regulation size with disability access.
- Youth Program area being a need identified by Council's recently completed youth plan.
- Amenities associated with the facility include crèche, café, and office space for sporting groups and allied health, storage and disability access being a major focus.
- Gym and fitness spaces located on the first floor along with community and conference rooms with associated amenities. Seating is also provided on the first floor, overlooking the 6 multi-purpose courts.



- The current 50 metre pool (and grass surrounds) will be retained along with its heating and mechanical services for summer use, within easy access from the proposed facility.
- The exterior features include increased car parking, undercover drop off areas and paved and landscaped entrance.

Should the project proceed to full grant application the interim designs will be a component of the submission. If the project is funded then further engagement will occur with the CRG, other stakeholders, the community and Council to further refine the concepts and features as submitted for the grant.

Conclusion

The interim design has progressed through many iterations with very positive feedback and support from the CRG and Council. The facility is a community hub with a multi-purpose design going significantly beyond traditional sports.

Attachments

[Attachment 1 \(AR18/42843\): Community and Recreation Hub Plans 17 October 2018](#)



Mark McShane
CHIEF EXECUTIVE OFFICER

11 October 2018
LD



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

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	22 October 2018
REPORT NO.	AR18/41772
RM8 REFERENCE	AF18/175
AUTHOR	Mark McShane
SUMMARY	This report provides an overview of the process to obtain the capital cost estimation based on the intermediate design.
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. AR18/41772 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:

Seconded:



Background

Cost estimation for the first stage of concept design for the Federal Government's Regional Growth Fund Expression of Interest in April 2018 was initially conducted by Rider Levett Bucknall (RLB) with an estimation of \$40 million for the project as designed.

As part of preparation for the second stage of project work, the intermediate designs being prepared by the appointed Architects, Design Inc/Co Op Studio, required independent costing to validate that the design could be constructed and fitted out for the purposes identified by stakeholder input. An open tender was called for a cost estimation company to carry out work on the intermediate design and for subsequent work should the project progress to full architectural design drawings. RLB was the successful tenderer.

Of importance is that the work completed by RLB is a cost estimation based on the intermediate design. The estimate represents what the facility may cost to build, however the market conditions that prevail at the time that a tender for construction may be called will test the costing estimates should the project progress to the construction phase.

Discussion

RLB working with Design Inc/Co-op Studio and Council has, following significant work, arrived at a cost estimate (summary attached).

At the macro level the following must be highlighted:

- 1) Council would carry out a range of work within existing capital infrastructure budgets during the construction period, estimated at two years. This work would include site preparation, managing utility connections, landscaping, paving, car park surfacing, street furniture and landscaping. This work is estimated to be approximately \$1.4 million spread over two years and can be accommodated within Council's normal capital infrastructure budget over that period of approximately \$14 million.
- 2) Cost estimation from RLB for the project is \$37,725,000 based upon the intermediate design. This figure includes:
 - Contingency \$3,000,000 – 8% of cost estimate
 - Furniture, Fittings and Equipment \$2,279,050 – 6% of cost estimate
 - Professional Fees \$1,850,000 – 4.8% of cost estimate
 - Escalation of costs for build duration of 2 years \$1,500,000 – 4% of cost estimate

Work will continue on refining the cost estimates particularly if Council's EOI is successful and we are requested to lodge a full grant application.

Conclusion

The cost estimation component has been subject to numerous changes as the designs were altered over several months. Further design changes particularly any that add to the dimensions of the facility, will require corresponding cost adjustments.



Attachments

[Attachment 1 \(AR18/42350\): Cost Estimate Summary \(RLB\) 11 October 2018](#)

A handwritten signature in black ink, appearing to read 'M McShane', is positioned above the printed name and title.

Mark McShane
CHIEF EXECUTIVE OFFICER

11 October 2018
LD



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

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	22 October 2018
REPORT NO.	AR18/37859
RM8 REFERENCE	AF18/175
AUTHOR	Dr Judy Nagy
SUMMARY	This report summarises the sources of funding required to finance the proposed Community and Recreation Hub and the contribution required from each source.
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. AR18/37859 titled '*Community and Recreation Hub Capital Funding*' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be noted.

Moved:

Seconded:



Background

The financial needs of the Community and Recreation Hub include both capital and operational components. Both components reflect the proposed uses the facility may have which have been incorporated into the design. With the input of Elected Members, the Community Reference Group, community feedback and other groups engaged by the Community Development team, a diverse range of opinions and needs have been considered in the design process.

Those using the new facility pay for services with a mix of active and passive activities generating income to assist with operating costs. Commercialisation opportunities will also assist with operational sustainability to balance economic and social benefits for the city.

The funding required for the capital cost of the Community Recreation Hub will be \$39.116 Million. Funding for the project will reflect contributions from three levels of government with requests to the Federal Government for \$20 million, the State Government of \$10 million and the remainder to be provided by Council if the funding requests approximating \$30 million are successful.

Council acknowledges that securing funding to the above levels will be challenging, requiring support and collaboration between the three tiers of government. Grant amounts received may vary from those sought requiring rebalancing of project financial models.

Discussion

Federal Funding

In April 2018 an Expression of Interest for \$20 million was submitted to the Federal Government Regional Growth Fund with outcomes, in the form of an invitation to Stage 2 of the funding process, anticipated in early August 2018. To date the outcome from the EOI process is unknown however the outcome will be the driver of timelines for the Community and Recreation Hub process.

State Funding

Mayor Andrew Lee and the CEO met with the State Premier Steven Marshall, in early May 2018 regarding the potential for State Government funding for the Community and Recreation Hub with follow up communication from the Office of Recreation and Sport.

A request to State Government for up to \$10 million requires an application for funding using a standard template through the Office of Recreation and Sport. The business case required focuses on very different parameters to those used for the Federal Government Regional Growth Fund. XLR8 Consulting have been preparing this business case with parts of the application reliant on information from the Architects and cost consultants and will be dependent on the outcomes of the EOI. If progression to the next stage by the Federal Government is not achieved then the application for State Government Funding will not continue until future opportunities for Federal funding are identified.

Council Funding

Information to determine the affordability of the Community and Recreation Hub by Council to both build and manage the facility each year has been determined from a combination of expert reports and staff financial modeling.

\$1.39 million will be contributed through infrastructure spending by allocating capital expenditure as part of normal Council operational work in years 19/20 and 20/21. The remaining \$7.725 million can be mostly funded by Council cash reserves a deficit of \$2.9 million funded through Cash



Advance Debenture (CCAD) facilities (defined below) that Council already uses as part of treasury management processes. The cash balance will be returned to positive by 2024/25.

Convertible Cash Advance Debenture Facilities (CCAD)

These are very flexible facilities that can be used as a floating rate facility or fixed for varied periods on an interest only basis. South Australian councils predominately use these facilities on a floating rate, come and go basis meaning the principal can be drawn down or repaid with 24 hours' notice.

Funding Source	\$ 000	\$ 000	Notes
Regional Growth Fund		\$20,000	Seeking up to \$20 million. EOI outcomes not yet known
State Government		\$10,000	Seeking up to \$10 million. Application on hold pending EOI
Council			
- Internal Infrastructure spending	\$1,391		From Council capital budget
- Cash and short term borrowing	\$7,725		
		\$9,116	Council Capital contributions
Total Project Cost		\$39,116	Proposed

Conclusion

In depth analysis of the Council's current and future financial position using conservative modelling demonstrates that the proposed Community and Recreation Hub can be accommodated within Council finances without compromising any current services to the community.

As noted in this report, should grant funding vary from the amounts sought, rebalancing of the financial model will be necessary.

Attachments

Nil



Dr Judy Nagy
GENERAL MANAGER CITY GROWTH



Mark McShane
CHIEF EXECUTIVE OFFICER

9 October 2018
JN



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

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	22 October 2018
REPORT NO.	AR18/42536
RM8 REFERENCE	AF18/175
AUTHOR	Dr Judy Nagy
SUMMARY	This report summarises issues considered and evaluated for the operation of the proposed 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. AR18/42536 titled '*Community and Recreation Hub Operations*' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be noted.

Moved:

Seconded:



Background

The proposed Community and Recreation Hub will represent the largest infrastructure project ever undertaken by Council. Such projects are generally unique to a location but are a common facility provided by South Australian regional councils to enrich communities and enhance community well-being. To gain a clearer perspective of operational elements through benchmarking and comparison with other similar facilities elsewhere, Mark Booth of BRM Holdich was engaged to work with Council staff to model an operational budget for Council should the project progress.

Discussion

Operating models

Operational models for recreation centres can be either insourced or outsourced. Benchmarking has provided useful examples of how other Councils have chosen to operate facilities and actions that Councils have taken to maximize outcomes for the community and improve cost efficiencies.

Before considering models of operation it is important for Council to have a clear objective of the blend of commercialization and community well-being outcomes the Council wishes to achieve. This will have an impact on the preferred model of operation.

If operations are to be outsourced, contract details and tender documents need to be very specific about how community groups will use spaces. At a minimum, knowledge of the preferred times of operation, when ancillary services like the café and crèche may be open and the proposed pricing structures for the pool, courts and events would need to be known to appropriately specify contract terms. It is also important to consider the degree to which contracted operators may be more focused on their own performance objectives rather than with providing flexibility to meet the evolving needs of a community.

BRM Holdich have suggested that knowledge of the details that may be required to appropriately inform contract design and management can only realistically emerge through a period where Council actively operates the facility for a period of time before deciding on a longer term model. The proposed model for the Community and Recreation Hub reflects a hybrid approach with overall control retained by Council and specialist labor contracted as required.

Operating Costs

Adopting a ground up approach, projected space utilisation has been modelled on the knowledge gained from many other facilities across South Australia commencing with information provide by Simply Great Leisure who were contracted by Council to conduct research and modelling. The adding in of events, office rental and the potential for commercialisation of spaces to the model have informed revenue projections.

Based on the utilisation statistics, costs have then been projected to ensure that the facility is staffed, provisioned and open at times that provide for maximum community use with programming across all uses to reflect fair and equitable access.

Predicted Costs	\$2.87 million per year
Predicted Revenues	\$1.47 million per year
Annual Council expense	<hr/> \$1.40 million per year

The major costs are typical of such facilities and include depreciation, salaries and utilities.



The proposed operating model has been evaluated against Council's Long Term Financial Plan (LTFP) to assess how the operation of the proposed Community and Recreation Hub would impact Council's operations. The timelines for the project in accordance with existing government funding criteria would see the project completed at the beginning of the 2021/22 financial year allowing three years to prepare for internal Council funding requirements.

The LTFP projections identify a positive position over the next three years that will allow the proposed facility to be funded within the current budget parameters. The financial model has also been predicated on Council receiving the amount of grants sought from both Federal and State Governments. Should the grants be less than the amount sought then the financial model will need to be recalibrated.

The current model projections indicate that no additional rate rises will be required to fund the operation of the proposed facility.

Conclusion

After many months of financial modelling, design and analysis by staff and external experts, we are confident that Council can operate the proposed facility without compromising Council operations and services or asking rate payers to make further rate contributions specific to operating the facility. The financial projections include a number of assumptions that may change over time that have been modelled presuming receipt of grant funding as requested.

Attachments

Nil



Dr Judy Nagy
GENERAL MANAGER CITY GROWTH



Mark McShane
CHIEF EXECUTIVE OFFICER

16 October 2018
JN



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

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	22 October 2018
REPORT NO.	AR18/37052
RM8 REFERENCE	AF18/175
AUTHOR	Dr Judy Nagy
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. AR18/37052 titled '*Community and Recreation Hub Community Survey*' as presented to the Regional Sport and Recreation Centre Committee on 2 October 2018 be 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.

Discussion

A request for Tender to engage a provider to conduct a Community Survey was released on Wednesday 5th September 2018, with a closing date of 21st September 2018. Three valid tender applications were received by the due date. Through the open tender process, Market Solutions have been appointed and will now undertake the task of preparing the survey ready for distribution on the 28th November 2018.

Survey and Community Engagement Timelines

Community Engagement	10 th November 2018
Survey Distribution	29 th November 2018
Survey received by electors (est.)	4 th December 2018
Survey close	21 st December 2018
Survey results	Early January 2019

Market Solutions will distribute a personally addressed survey via mail to approximately 19,000 electors of the City of Mount Gambier. The documents to be distributed will include one double sided information page providing visual impressions of the proposed facility and a number of questions and answers with infographics consistent with that already used in engagement activities. The envelope will contain a unique bar coded voting slip detailing only one question requiring a Yes/No response to be inserted into a reply paid envelope.



Two factors have driven the timelines for the survey that have been beyond the control of Council. The first factor is the receipt and consolidation of information from external experts with the documents being co-dependent. Design images and financial information will only become available in week three of October to prepare the A4 survey information page and the collateral for an intensive community engagement campaign. The information and images require lead times to produce and an engagement strategy will be planned around consistent messaging.

The second external factor is Council elections and the Caretaker Period. Community Engagement is scheduled to commence after voting closes for Council Elections from Saturday 10th November for two weeks before the voting opens and for one week after.

Conclusion

The survey will be released late November 2018 following the first statutory meeting of Council scheduled for 22 November. The survey will be open for approximately two and a half weeks, closing on the 21 December.

While voting slips will be mechanically processed, with numerous public holidays and office closures over the festive period, we anticipate that the survey results will be available in the middle of January 2019.

Attachments

Nil



Dr Judy Nagy
GENERAL MANAGER CITY GROWTH



Mark McShane
CHIEF EXECUTIVE OFFICER

9 October 2018
DL



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

COMMITTEE	Regional Sport and Recreation Centre Committee
MEETING DATE:	22 October 2018
REPORT NO.	AR18/41567
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. AR18/41567 titled '*Community and Recreation Hub Community Engagement and Communication*' as presented to the Regional Sport and Recreation Centre Committee on 22 October 2018 be noted.

Moved:

Seconded:



Background

At the Council meeting held 19 June 2018, Council resolved 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

Key findings from the intensive community engagement process undertaken to inform the intermediate design of the Community and Recreation Hub Key findings was the need to:

- increase awareness within the community of the project
- increase community understanding of the project
- provide accurate and consistent information amongst those that were aware of the project

Almost all community participants valued the opportunity to explore the project in more detail and to have their questions answered. This resulted in them being able to form their own opinions of the project from an informed position.

Now that the intermediate design, capital and operational costings are available, staff are developing collateral in preparation for another intensive community engagement process to be conducted. Acknowledging the current Caretaker period and the Council election, this will occur from 10 November 2018 to 7 December 2018.

The focus of the engagement is 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 them to make an informed decision when surveyed.

There are a number of key messages that will be consistent throughout the engagement that include:

- Intermediate Designs – function and purpose
- Capital Costs
- Operational Costs
- How/when to participate in the survey



Additionally, there will be Frequently Asked Questions (FAQ's) made available that will address some of the issues that we are already aware of such as:

- Why are we doing this?
- What will it cost?
- Will my rates increase to pay for this?
- Who will use it?
- Who gets to vote?
- When will it happen?

The FAQ's will be a dynamic list reflective of the community questions as we progress with the engagement process.

The engagement strategy will consist of a media campaign including traditional and social mediums and an extensive face to face component that includes representation at a number of shopping centres, cafes, Library, Main Corner/Riddoch, Aquatic Centre, community events, speaking engagements and targeted engagement with residents and businesses.

Conclusion

Development of this project has been subject to compressed timelines. Therefore it is important that, for the benefit of our community, we have a broad reach during this engagement process, we are 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

17 October 2018
BJC



6. MOTION(S) - With Notice

Nil Submitted

7. MOTION(S) - Without Notice

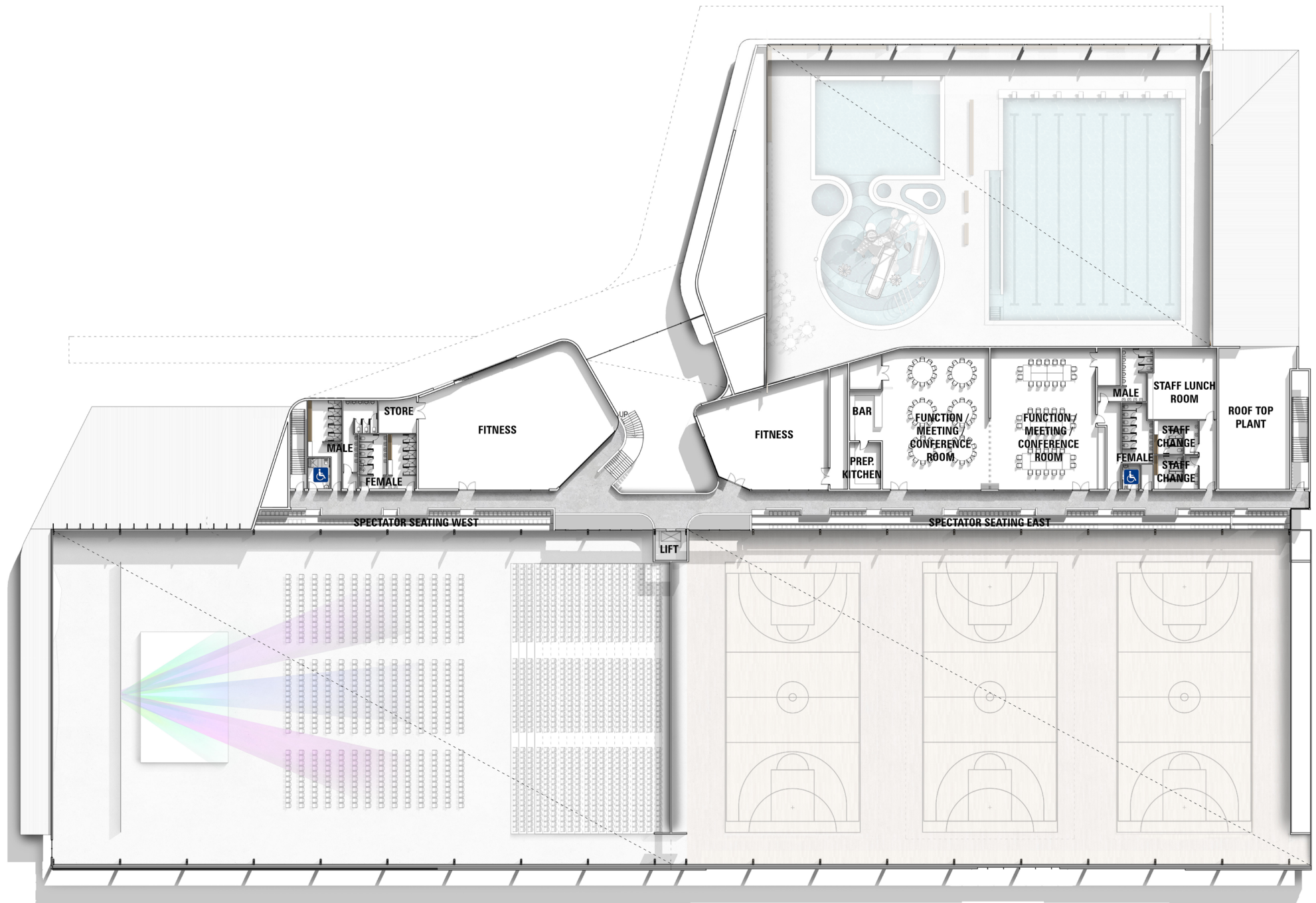
Meeting closed at p.m.

AR18/43061



8. REPORT ATTACHMENTS





MOUNT GAMBIER REGIONAL SPORT AND RECREATION CENTRE

Order of Cost Estimate - October 2018

Gross Floor Area: 12,625 m²
Rates Current At October 2018

Elements Summary

Description		%	Cost/m ²	Total Cost
XP	Site Preparation	1.1 %	\$32	\$405,900.00
PO	Pools	11.5 %	\$345	\$4,350,000.00
SB	Substructure	6.7 %	\$200	\$2,527,747.50
CL	Columns	3.0 %	\$90	\$1,131,750.00
UF	Upper Floors	1.8 %	\$55	\$689,210.00
SC	Staircases	0.4 %	\$11	\$145,000.00
RF	Roof	11.1 %	\$330	\$4,171,292.50
EW	External Walls	6.0 %	\$179	\$2,265,455.00
ED	External Doors	0.1 %	\$4	\$56,350.00
NW	Internal Walls	3.2 %	\$94	\$1,189,270.00
NS	Internal Screens and Borrowed Lights	0.0 %	\$1	\$9,900.00
ND	Internal Doors	0.5 %	\$16	\$207,000.00
WF	Wall Finishes	0.6 %	\$19	\$234,200.00
FF	Floor Finishes	3.6 %	\$107	\$1,345,034.00
CF	Ceiling Finishes	1.2 %	\$37	\$466,975.00
FT	Fitments	1.5 %	\$45	\$564,580.00
PD	Sanitary Plumbing	1.8 %	\$53	\$666,950.00
GS	Gas Service	0.0 %	\$1	\$15,000.00
AC	Air Conditioning	7.3 %	\$217	\$2,739,550.00
FP	Fire Protection	0.9 %	\$27	\$343,625.00
LP	Electric Light and Power	5.0 %	\$150	\$1,893,750.00
TS	Transportation Systems	0.3 %	\$8	\$95,000.00
BW	Builders Work in Connection With Specialist Services	0.3 %	\$9	\$115,000.00
FE	Furniture, Fittings & Equipment	6.0 %	\$181	\$2,279,050.00
PR	Preliminaries	6.6 %	\$197	\$2,490,000.00
MA	Builders Margin	2.1 %	\$63	\$795,000.00
LL	Locality Loading			\$0.00
CT	Contingency	8.0 %	\$240	\$3,030,000.00
ES	Escalation	4.1 %	\$122	\$1,540,000.00
PF	Professional Fees	4.9 %	\$147	\$1,850,000.00
ST	Statutory Charges	0.3 %	\$9	\$112,511.00
ESTIMATED TOTAL COST			\$2,988	\$37,725,100.00